

Achieving Sustainable Business: The Case Of Microbusiness Establishments Of Dipolog City

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Abstract — Growing numbers of businesses were established but only few succeeded. Although several researches were conducted, but still factors influencing business sustainability remained unclarified. Researches focus on investigating on factors behind business sustainability. However, demographic profile of the owners were not considered. Thus, this research aim to identify the factors that best indicate sustainability and assess its relationship to demographic profile of participants (i.e. age, gender and educational attainment). Respondents were randomly chosen from DTI's (DIPOLOG) List of businesses registered in year 2013-2015. A 50-item questionnaires are distributed through google forms. Results revealed that age and educational attainment excluding gender is associated to business sustainability. Ages 41-50 and owners with college degree tend to succeed in business, acquiring higher levels of economic and environmental performance as well as brand image. In addition, results showed that environmental performance and brand image have a strong relationship with economic performance while, social performance has a moderate relationship with economic performance. This implies that business sustainability and factors mentioned are correlated. One-way ANOVA analysis showed that age and educational attainment has a significant influence to effectiveness and efficiency of the business. Thus, this study suggest that before venturing to a business, it is significant to determine the capability in running a business through assessing the age and educational attainment.

Keywords — *Sustainability; Microbusinesses; Performances; Factors; Success*

Introduction

Sustainability of a business is an essential facet to the economy as a major contributor to economic growth and employment. Generating knowledge about business sustainability can help businesses owners to have effective approaches for higher probability of success. Analysing factors that contribute to business' survival can help owners, acquiring ideas and administer strategies preventing bankruptcy or increasing the financial security of owners, employees' families and their communities.

Based on the study of Turner (2015) entitled "Success Factors of Small Business", small business owners constitute 99.7% of all U.S. business organizations. However, 50% of new small

businesses fail within the first 5 years of business operation. Various studies are conducted to provide solutions to this problem. [1] Studies revealed that approaches coping with economic, social and environmental issues can contribute to societal and economic sustainable development. [2] Sustainability highlights the stabilizing of stakeholders needs and profits with protecting the environment.[3] It was also found out that acknowledging and preparing for chaos or disruption to internal and external environments can help establish informed decisions and develop robust approaches ensuring sustainability. [4] Business sustainability may be described as cohesively managing and integrating the financial, social and environmental facets of a business. [5] Studies also revealed that stimulating environmental, social and governance performance on initiatives for revenue growth and high quality financial performance increases chances for business sustainability.

1.1 Sustainability

Sustainability integrates social, environmental and economic responsibilities [6]. It is based on two fundamental conditions: the existence of human needs and limited resources. As sustainability aims to secure intergenerational equity. This implies that to attain balance, human needs should be a priority. Meeting essential needs and giving justifiable share of the resources to the people is an aid to sustain growth [7]. Moreover, maintaining equitable allocation and development of resources help fulfil future needs [8].

On the other hand, Institutional Theory explains that factors such as culture, social and legal environment, tradition and history, as well as economic incentives are significant in understanding and developing organizational culture. Changes in the external environment have a significant impact on businesses. Thus, it is necessary to adapt to these changes to ensure sustainability. Therefore, it is essential for companies to acknowledge these external changes and implement ecological and environmental management to handle environmental problems that might affect financial performance and hence, sustainability. Furthermore, institutional theory describes three sorts of drivers that influence organizational behaviors, namely, coercive, normative and mimetic [9]. Coercive pressure deals with legislative mandates, implementing environmental regulations and standards. Normative pressure a driving factor influencing norms and sense of responsibility conforming to organizational culture. Mimetic pressure which arises when companies engage in competition seeking superior performance that brings competitive advantage [10].

Local studies about business sustainability is still scarce and still needed to be addressed. Factors for business sustainability of micro businesses has not yet been clarified. Thus, this prompted the researchers to investigate the micro businesses' sustainability within the locality.

Literature Review

Micro Enterprises. R.A. 9501 Section 3 pertains to micro enterprises as a business activity or enterprise engaged in industry, agribusiness and/or services, regardless of the type of business ownership (single proprietorship, cooperative, partnership or corporation) that employs up to 9 employees whose total asset size is not more than 3,000,000, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated (Senate of the Philippines, 2008).

Sustainability. Commonly defined as development that meets the requirements of the present without compromising the flexibility of future generations to fulfill their own needs (World Commission on Environment and Development (WCED), 1987)

The term sustainability integrates social, environmental and economic responsibilities (Gimenez et al., 2012, p. 149). The notion is based on two fundamental conditions: the existence of human needs, and limited resources. This implies that to attain balance, human needs should incline priority; furthermore, the constraints in resources must be accommodated by technology and group action to satisfy the requirements of the current and also the future (Brundtland Commission, 1987).

Sustainability aims to secure intergenerational equity. Meeting essential needs requires not only a brand new era of the economic process for nations within which the most are poor but an assurance that those poor get their justifiable share of the resources required to sustain that growth. Such equity would be aided by political systems that secure effective citizen participation in higher cognitive process and by greater democracy in international decision making. Expressed in this way, the principles of sustainability are indisputable. Most of the people want to measure additionally as their parents and that they want their children to enjoy similar opportunities. The identical logic applies in business—most managers want their business to be a minimum of as profitable as within the past and, ideally, for profits to grow. Based on this logic, business sustainability may be defined as the ability of firms to reply to their short-term financial needs without compromising their (or others) ability to fulfill their future needs. Thus, time is central to the notion of sustainability.

The WCED conceptualized sustainability from a systems perspective. In conditions of resource constraints, the industry must develop, use, and eliminate natural resources to safeguard the regenerative health of the world and equitably distribute the wealth generated so as to fulfill the wants of future generations. For economic, societal, and ecological systems to remain in balance at the macro-level, resources must be allocated at micro-levels across time.

March (1991) conveyed, “Same principles apply to the trade-off between exploitation and exploration.” Firms benefit from exploitation by marketing and trading current products and services, but must also invest in exploration activities, like research and development, to secure a future pipeline of products and services.

Moreover, Walker & Perego (2013) stated that sustainability management refers to approaches coping with social, environmental, and economic issues during an integrated manner to remodel organizations in a way that they contribute to the sustainable development of the economy and society, within the bounds of the ecosystem.

In the business sector, sustainable development is translated into something that meets the requirements of its stakeholders without compromising its ability to fulfill their needs in their future (Hubbard, 2009). Likewise, Savitz and Weber (2006) states that a sustainable firm is one that makes profit for its shareholders while protecting the environment and improving the lives of those with whom it interacts. Like so, sustainability highlights the stabilizing of stakeholders needs and profits with protecting the environment.

Related Studies

In the study of Rezae (2016), it was stated that business sustainability is obtaining substantial attention in the repercussions of the 2007–2009 global predicament as a means to guarantee the long-term sustainability of public companies and their responsibility to stakeholders.

Business sustainability has developed from a focus on stimulating environmental, social and governance (ESG) performance to initiatives that can acquire revenue growth and high quality financial performance. Business sustainability is a relatively new concept, which has been defined as “the pursuit of a business growth strategy by allocating financial or in-kind resources of the corporation to ESG practices” (Tonello & Singer, 2015).

In the study of Glover, Champion, Daniels and Dainty (2014), institutional theory was utilized to explore the function of supermarkets in the progress of legitimate sustainable practices across the dairy supply chains. Findings show that the most of actors in the supply chain distinguished supermarkets as the dominant player, and that the supermarkets apply influence on other smaller organizations across the supply chain. Although some organizations seek to pursue a sustainable agenda through incorporating new rules and legitimate practices within their own organization, the presiding logic appeared to be one of cost reduction and profit maximization.

This will necessitate a wide-ranging, more structured approach to stimulating sustainable practices including investment and financing practices, so that all members of the dairy supply chain can co-operate and promote energy reduction.

As stated by Susan Janet Turner (2015) on the study Success Factors of Small Businesses, small business owners constitute 99.7% of all U.S. business organizations, employ half of the private sector personnel, and provide 43% of the total U.S. private payroll. However, 50% of new small business outsets fail within the first 5 years of business operation. Systems theory, chaos theory, and complexity theory imparted the conceptual framework for scrutinizing the research question of this multiple case study. Potential implications for effecting positive social change

compromise strengthening the rate of small business success, and increasing the financial security for owners, employees' families, and their communities. Results show that acknowledging and preparing for chaos in both the internal and external environments can enable small business owners to attain well business decisions, and to develop and administer robust approaches for assuring heightening their probability of success. As related to complexity theory, the successful small business owners recognized and decoded new environmental events, and modified their business plans and operations accordingly.

According to Makarenko, E.N., Chernysheva, Yu.G., Polyakova I.A., & Makarenko T.V.(2019), small businesses within the economy of any country are of great significance. However, their viability is far below large and even medium ones. As is known, only a minimal number of the established small enterprises will not go bankrupt in a year, and they will succeed and continue developing for the following five years by expanding their activities. Even a small number of small enterprises are able to transform into a medium one. Therefore, it is necessary to analyze the factors that assist to define the success of small businesses' performance and development. Results show how business success is achieved by those who have not only the required economic knowledge but also those that have the necessary mindset, so called philosophy of success, personal attitude including intuition.

As stated by Saha (2011), business sustainability may be described as cohesively managing and integrating the financial, social and environmental facets of a business. The recent global economic churning has advocate various challenges for organisations. Organisations are subjected to paradoxes and dilemmas to pander to such challenges. This paper is an element of a broader study conducted by the author and is predicated on case studies of three manufacturing companies (one SME, one MNC and one large local organisation respectively) based in Singapore. It explores; How the world economic churning affected their business? How do they perceive business sustainability under the present business situation? and paradoxes and dilemmas that these companies have faced to remain afloat amidst global churning and d) Steps adopted by these organisations to survive and sustain.

Methodology

This is a descriptive correlation study which focuses on the relationship of microbusinesses and its sustainability. This study help in determining on which business performance factors best indicate sustainability. The study involved 179 owners of microbusinesses in Dipolog City that is existing for at least 5 years. The respondents were randomly chosen through Department of Trade and Industry (DTI's) List of businesses registered in year 2013-2015. The study was conducted from March to February 2021. Survey questionnaires were used in gathering the data. The questionnaire is composed of 2 parts: demographic profile and business performance. Respondents will report their levels of business performance through a 5-point Likert Scale: 1 – Very poor, 2 – Poor, 3 – Fair, 4 – Good and 5 – Excellent. The higher the score obtained would

mean higher level of performance by the respondent. It is a 50-item questionnaire which covers four factors: economic performance, environmental performance, social performance and brand image. Survey forms through Google Form were distributed to respondents. The respondents were assured that their relevant data would be treated as confidential.

Results and Discussion

Table 1. Demographic factors of micro business owners' respondents in Dipolog City

Demographic factors		Frequency	Valid Percent
Age	21-30 years old	35	19.6%
	31-40 years old	48	26.8%
	41-50 years old	57	31.8%
	51-60 years old	38	21.2%
	61 and above	1	0.6%
Gender	Male	79	44.1%
	Female	90	50.3%
	Prefer not to say	10	5.6%
Educational Attainment	Elementary Graduate	37	20.7%
Attainment	High School Level	1	0.6%
	High School Graduate	35	19.6%
	College Graduate	97	54.2%
	Masteral Graduate	9	5%

The respondents of the study, primarily the business owners of micro businesses in Dipolog City, is comprised of 21-30 years old with 19.6 of percentage, 26.8 % of 31-40 years old, 31.8% of 41-50 years old, 21.2% of 51-60 years old and 0.6% of 60 years old and above. In terms of gender, there are 44.1% Male respondents, 50.3% Female respondents, and 5.6% respondents who preferred not to enunciate their gender. Following all these demographic factors is the educational attainment with 20.7% of Elementary Graduates, 0.6% compassed the High School Level, 19.6% of High School Graduates, 54.2% of College Graduates, and 5% of Masteral Graduates.

Table 2. ANOVA Summary Table of the difference between Gender and the different performances of micro businesses in Dipolog City

	F	df	P-value	Decision
Economic Performance	0.202	2	0.817	Accept H_0
Environmental Performance	0.121	2	0.886	Accept H_0
Brand Image	0.031	2	0.970	Accept H_0
Social Performance	0.030	2	0.971	Accept H_0

Conditions to reject: P-value < 0.05

Conditions to accept: P value > 0.05

Pertaining to the data presented above, the results of the ANOVA indicates that the P-value of the Economic Performance of 0.817, the Environmental Performance of 0.886, the Brand Reputation of 0.970 and the Social Performance of 0.971 have a greater value than the margin error of 0.05. This suggests that the values of the p-value are in the non-rejection region of the distribution. The null hypothesis, however, is failed to be rejected. These findings suggest that there is sufficient statistical evidence to justify the claim that there is no substantial difference between gender and the different performance of business sustainability.

Table 3. ANOVA Summary Table of the difference between Age and the different performances of micro businesses in Dipolog City

	F	df	P-value	Decision
Economic Performance	2.377	4	0.054	Accept H_0
Environmental Performance	2.725	4	0.031	Reject H_0
Brand Image	3.243	4	0.014	Reject H_0
Social Performance	2.358	4	0.055	Accept H_0

Conditions to reject: P-value < 0.05

Conditions to accept: P value > 0.05

This implies that the p-value values lie in the non-rejection region of the distribution, which corresponds to the conclusion to not reject the null hypothesis that there is a significant difference

between age and Economic Performance, along with Social Performance. The table also discreetly displays the p-value of the Environmental Performance and Brand Image of 0.031 and 0.014. The null hypothesis is rejected because the p-values were lower than the alpha of 0.05, which supports the claim that there is a significant difference between age, mainly business owners aged 41-50, and Environmental Performance as well as Brand Image.

Table 4. ANOVA Summary Table of the difference between educational attainment and the different performances of micro businesses in Dipolog City

	F	df	P-value	Decision
Economic Performance	5.301	4	0.000	Reject H_0
Environmental Performance	3.609	4	0.007	Reject H_0
Brand Image	3.848	4	0.005	Reject H_0
Social Performance	0.807	4	0.522	Accept H_0

Conditions to reject: P-value < 0.05

Conditions to accept: P value > 0.05

The ANOVA result presented above shows that the P-value of Economic Performance of 0.000, Environmental Performance of 0.007 and Brand Image of 0.005 is lesser than 0.05, the margin of error. This means that the values of the *p*-value lie in the rejection region of distribution which leads to a decision of rejecting the null hypothesis. It is imperative to say that the result strongly shows that there is an enough evidence to claim that there is a significant difference between educational attainment, especially among those who have obtained a college degree, and the said performances. Also, the p-value of the Social Performance, 0.522, failed to reject the null hypothesis as its value is greater than the margin of error.

Table 5. Relationship between the business sustainability and the different performances of business sustainability

Correlations		Economic Performance	Environmental Performance	Brand Image	Social Performance
Economic Performance	R-value	1	.631**	.711**	.463**
Environmental Performance	R-value	.631**	1	.667**	.649**
Brand Image	R-value	.711**	.667**	1	.615**
Social Performance	R-value	.463**	.649**	.615**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Referring on the table shown above, the following interpretations are made using the Pearson's r continuum scale which goes as follows: Very Strong (.80-1.00), Strong (.60-.79), Moderate (.40-.59), Weak (.20-.39), and Very Weak (.00-.19). The evidence given above indicates that Environmental Performance and Brand Image have a strong relationship with Economic Performance, while Social Performance has a moderate relationship with Economic Performance. The Environmental Performance and Brand Image has a Strong Relationship with every sustainability performances. Whereas, for the Social Performance, it has a Moderate Relationship with Economic Performance and a Strong Relationship with Environmental Performance and Brand Image. To sum it all up, there is a significant relationship between business sustainability and the various business sustainability performances that are being measured.

As several analysts have substantiated the role of demographics in assessing business performance, some have indicated that demographics are effective predictors of business outcomes. In connection to the findings of the study, business owners aged 41-50 have experienced and achieved more than 5 years of business sustainability. And, most often, owners attaining college degree tend to succeed in business. As stated by Stinchcombe (1965) in his term "liability of newness", young entrepreneurs has higher rate of business failures as they lack experience and are in the process of adopting to new roles and tasks. Charney and Libecap (2000) also found out that entrepreneur education is a crucial driver for business innovation and growth.

The mechanisms by which a female small business owner yields sales and revenue, on the other hand, are quite similar to those of her male counterpart, but even successful women are not as well situated to develop business opportunities as their male counterparts due to structural

drawbacks both within and outside the corporate world. Findings state that gender is not associated to business sustainability.

Analysis of one-way ANOVA has provided evidence that age and educational attainment has been of use towards accomplishing a sustainable, long- existing business. Correlating with the results shown, in terms of environmental performance and brand image, age has a significant role in contributing to sustainable performance of a business. Various claims has stated that entrepreneurial success rises with age. As findings showed, ages 41-50 tend to be entrepreneurially active or have higher probability of business success. In addition, the study revealed that educational attainment of the owners contributes to business sustainability with regards to their capability in acquiring higher level of economic and environmental performance, as well as, brand image. As reported by Sinha (1996), entrepreneurs with corporate and technical educational background has better experience and strategic in dealing with business issues.

Conclusion

Retaining business sustainability efficiency is conducive to long-term business operations and growth. Utilizing statistical analysis, it was determined that age and educational attainment has significant difference on sustainability performance in terms of demographic profile. In addition, business sustainability and sustainability performances have a significant relationship exhibiting a moderate-strong interpretation.

Researchers recommend business owners that, while gender isn't a consideration in running and developing a profitable business, they should assess their age and educational attainment when evaluating their capability to operate it. It is also essential to learn how to maintain sustainable performances, as this leads to the business growth. Employees working with businesses should commit to their tasks as this enables the business meet its short and long-term targets and prosper. Customers should also be aware of the business's efficiency and its long-term success benefits not just the business but also the community where it is situated. Future researchers who tend to choose a similar analysis should concentrate on a particular type of business activity and not all types of businesses have the same business operations and performance to evaluate.

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