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**Letran Business and Economic Review**

**Colegio de San Juan de Letran**

151 Muralla St., Intramuros, Manila, Philippines

8527-7693 to 97 loc. 122

e-mail: [research@lettran.edu.ph](mailto:research@lettran.edu.ph)



# LETRAN BUSINESS AND ECONOMIC REVIEW



## **CONTENTS**

- 1**                    **DETERMINANT FACTORS INFLUENCING MILLENNIALS' CONSUMER PURCHASE  
BEHAVIOR OF KNOCK-OFF SHOES OVER ORIGINAL SHOES IN QUEZON CITY:  
IMPLICATIONS TO TECHNOLOGICAL INFLUENCES, ETHICAL AND SUSTAINABLE  
CONSUMPTION IN CONSUMER CHOICES**  
Rochelle Candice B. Vizcarra  
Graduate School, Colegio de San Juan de Letran
- 9**                    **MANAGEMENT COMPETENCIES OF MSMES IN NCR: BASIS FOR  
DEVELOPMENT OF BUSINESS CONTINUITY PLANNING MODEL**  
Ronald C. Catapang  
Graduate School, Colegio de San Juan de Letran



## DETERMINANT FACTORS INFLUENCING MILLENNIALS' CONSUMER PURCHASE BEHAVIOR OF KNOCK-OFF SHOES OVER ORIGINAL SHOES IN QUEZON CITY: IMPLICATIONS TO TECHNOLOGICAL INFLUENCES, ETHICAL AND SUSTAINABLE CONSUMPTION IN CONSUMER CHOICES

Rochelle Candice B. Vizcarra

Graduate School, Colegio de San Juan de Letran - Manila

rochellecandice.vizcarra@letran.edu.ph

### ABSTRACT

This study investigated the determinant factors driving millennial consumers in Quezon City towards knock-off shoes over originals, utilizing quantitative analysis of Millennial responses. It assessed the influence of price, quality, appearance, social status, and previous customer experiences on their purchase behavior. Multiple regression analysis and ANOVA were applied to identify significant patterns and relationships among the given variables in the study. The results showed a significant influence of low price and social status on the inclination towards knock-off shoes, underlining the importance of perceived value and societal perspectives in consumer decisions. The study underscored the substantial influence of social media on shaping consumer attitudes and behaviors, confirming its effectiveness in influencing Millennials' buying habits. The insights revealed key aspects of Millennial buying habits in the shoe market. This study added to the conversation on consumer behavior, offering strategies to engage Millennials more effectively and counteract the knock-off trend.

**KEYWORDS:** Millennials, knock-off shoes, original shoes, purchase behavior, determinant factors

### INTRODUCTION

Fashion trends in footwear have evolved globally, including significant changes in the Philippines with the introduction of both original products and their knock-off counterparts. Technological advances have increased counterfeiting, presenting challenges for the industry. Knock-offs, often sold as genuine, include types like OEM and Master Copy, which compete with authentic brands (NIST SP 800-53 Rev. 5, 2020). In contrast, authentic shoes are produced and sold through legitimate channels, supporting brand integrity (Hamilton & Webster, 2018). Some authentic manufacturers also produce B-grade shoes that don't meet full quality standards but are still sold, complicating consumer choices and brand strategies (Green & Fisher, 2022). This scenario underscores the complex relationship between authenticity, consumer perception, and market dynamics in the footwear industry.

#### Theoretical Framework

The Theory of Planned Behavior (TPB) is a widely used model for predicting human behavior across different domains, highlighting its adaptability. It consists of three key components: Behavioral Beliefs, Normative Beliefs, and Control Beliefs. These elements shape attitudes, influence subjective norms, and determine perceived behavioral control, respectively, ultimately affecting an individual's intention and actual behavior control.

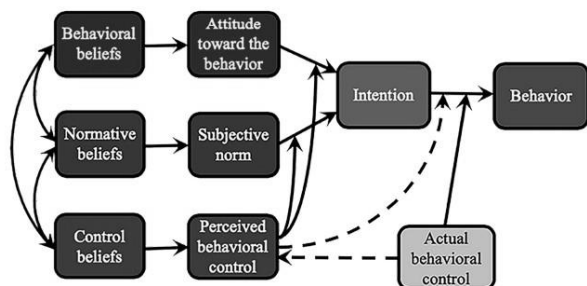


Figure 1: The Theory of Planned Behavior (TPB) Model (Ajzen, 2019)

Research on the Theory of Planned Behavior (TPB) has been extended to include factors such as price, quality, social status, and product design. These elements are crucial in shaping consumer behavior and purchasing intentions, illustrating the complexity of consumer decisions

(Liang et al., 2019; Nguyen et al., 2020; Chen & Chang, 2019). TPB remains a robust psychological framework for predicting behavior, as Ajzen (2019) highlighted. It provides valuable insights for marketers and policymakers to develop targeted interventions that effectively influence consumer choices.

#### Review of Related Literature

Millennials (born between 1981 and 1996) and Generation Z (born between 1997 and 2012) are key generational cohorts that significantly influence current consumer behaviors and societal norms due to their technological prowess and value-driven purchasing patterns. Research indicates that Millennials prioritize work-life balance while Gen Z shows a stronger preference for technology and visual content, with both groups favoring experiences over possessions and aligning with brands that mirror their ethical values (Pew Research Center, 2021; Katz, 2020).

The COVID-19 pandemic accelerated a shift towards ethical consumption and sustainability, with consumer behavior transitioning from panic buying to more value-oriented purchasing (Ali, 2020; Mehta et al., 2020). In the context of the fashion and footwear industry, knock-off products pose a complex challenge. Despite their lower quality, knock-offs appeal due to their lower prices and the social status they confer, making them attractive to those unable to afford genuine brands (Li, Lam, & Liu, 2018; Nazir et al., 2018).

The attractiveness of knockoffs also stems from their improved quality and appearance, making them increasingly indistinguishable from original products, especially to budget-conscious Millennials (Johnson & Wilson, 2022). Positive experiences and peer influence further reinforce the appeal of knockoffs, with social media playing a crucial role in normalizing and promoting these products (Nguyen & Tran, 2019; Lee & Watkins, 2023). The preference for knock-off products among Millennials is driven by a combination of social status, cost considerations, product quality, positive past experiences, and the influential power of social media. This complex interplay highlights the nuanced nature of modern consumer behavior, underscoring the importance for brands to adapt to these evolving generational values and the digital landscape.

## Conceptual Framework

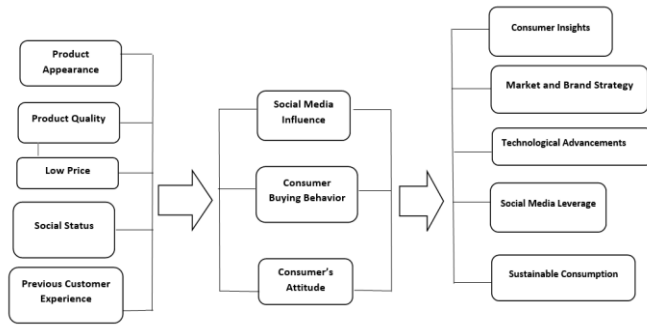


Figure 2. Conceptual Paradigm

This study explored various factors influencing consumer attitudes and behaviors toward purchasing knock-off versus original shoes, including product quality, price, social status, and prior customer experiences. High-quality and well-priced products generally foster positive attitudes and purchasing intent, whereas low-quality or negative past experiences deter purchases. The perceived social status associated with certain products also significantly affects consumer decisions, driving purchases among those seeking social prestige.

The study highlights the complex interplay of these factors in shaping consumer behavior, offering valuable insights for marketers. It suggests that successful marketing strategies should integrate understanding of product attributes with emotional and social considerations and leverage social media to influence consumer perceptions effectively. This approach, coupled with strategic considerations like brand positioning and ethical practices, can lead to more comprehensive brand development and consumer engagement.

## METHODOLOGY

### Research Design

The study utilized a Descriptive Correlational design to examine the factors affecting millennials' preferences for knock-off footwear in Quezon City, incorporating demographic variables such as age, location, and income. Key influencing factors identified were low price, social status, quality, appearance of knockoffs, and previous customer experiences. Data was gathered through survey questionnaire with descriptive statistics used to elucidate the relationships between these variables. This approach provided valuable insights for marketers and businesses looking to effectively cater to consumer preferences in the knock-off market.

### Subjects and Study Sites

This study used convenience sampling to gather data from millennials in Quezon City, primarily through social media and visits to knock-off shoe stores (Smith, 2019). While convenient, this method's potential biases and limitations were acknowledged, with careful consideration in analyzing the findings. Thompson and Walker (2019) highlight the importance of recognizing these limitations to enhance research credibility.

The study focused on 384 respondents aged 27 to 42, based on the 2020 Census of Age and Sex Distribution in Quezon City. The sample size was calculated using Raosoft with a 5% margin of error at a 95% confidence level. Data collection involved social media outreach and direct surveys in knock-off shoe stores.

### Data Measures

This study used a researcher-made questionnaire to collect data from Millennials in Quezon City, divided into sections on demographics, determinant factors (like pricing and quality), and outcomes (such as

buying behavior). It employed a four-point Likert scale for responses, from "strongly agree" to "strongly disagree."

A pilot test with 30 respondents helped assess the survey's reliability, with a statistician verifying its consistency using Cronbach's alpha, resulting in reliability coefficients of 0.82 for independent variables and 0.72 for dependent variables. Some items under consumer attitudes were identified as problematic and marked for revision to enhance reliability. The pilot confirmed the survey's overall reliability, approving it for broader data collection.

### Data Collection

This study aimed to identify factors that influence millennials in Quezon City to prefer knock-off shoes over original brands. A researcher-made questionnaire was distributed to 384 individuals within this demographic, providing insights for both academic and industry stakeholders interested in consumer behavior dynamics. Data collection was conducted through the researcher's personal network, including family, friends, relatives, and acquaintances, with social media used for outreach. The network also aided in broader questionnaire dissemination. Additionally, the researcher visited various knock-off shoe stores in Quezon City to administer surveys to millennial shoppers, enriching the data on consumer preferences for knockoffs.

### Ethical Considerations

During the data-gathering phase of the study on consumer behavior towards knock-off shoes, several ethical considerations were meticulously addressed:

**Informed Consent:** Participants were fully informed about the study's purpose, their involvement, and potential risks, especially given the sensitive nature of knock-off products and possible legal implications. Consent was obtained without coercion, emphasizing ethical standards in research on contentious subjects.

**Confidentiality and Anonymity:** The study adhered to the Data Privacy Act of 2012 in the Philippines, ensuring that participant identities and responses remained confidential, crucial due to the potentially illegal nature of purchasing knockoffs.

**Avoiding Harm:** The research was designed to avoid exposing participants to legal risks or psychological distress.

**Bias and Objectivity:** Efforts were made to maintain objectivity and prevent personal biases about knock-off products from influencing the study. This included careful formulation of survey questions and unbiased interpretation of responses (Creswell & Creswell, 2018).

Participants were required to sign a consent form before participating in the survey.

### Data Analysis

The study analyzed demographic profiles of respondents in Quezon City, focusing on age, location, and average monthly income.

Weighted mean calculations were used to assess the importance of factors influencing purchase decisions, such as low price, product quality, social status, and previous customer experience, assigning weights to each factor.

Multiple linear regression analysis examined the relationships between independent variables (e.g., low price, quality) and dependent variables (e.g., social media influence, consumer attitude). This analysis highlighted the influence of factors like social status on consumer attitudes and past experiences on buying behavior, providing coefficients indicating the strength and direction of these relationships.

Additionally, Analysis of Variance (ANOVA) was conducted to identify significant differences among Millennials in Quezon City, examining interconnected aspects like consumer attitude, buying behavior, and social media influence.



## RESULTS AND DISCUSSIONS

**Problem 1:** What would be the demographic profile of the respondents in terms of the following: Age, Location, and Average Income?

The summary of respondent's demographic profile provided key details about the participants' age, location, and income, highlighting the diversity and representation of the sample group.

Table 1: Summary of Respondent's Demographic Profile – Age, Location and Average Monthly Income

	N	Minimum	Maximum	Mean	Standard Deviation	%
Age	384	27	42	31.86	3.306	
Location	384					100%
Average Monthly Income						
1	2					0.50%
2	31					8.10%
3	123					32.00%
4	143					37.20%
5	66					17.20%
6	19					4.90%

### Age

Based on the table, the focused age range of 27 to 42 years, with an average age of approximately 31.86 years, from the statistical analysis of 384 individuals, suggested that the study targeted a mature adult demographic, pivotal for marketers due to their potential disposable income and established consumption habits (Field, 2018; Healey, 2020). The data showed moderate variability and no missing entries, enhancing the reliability of the findings. This provides precise insights into the consumer behavior of this age group, useful for crafting targeted marketing strategies and policies to effectively engage this specific consumer segment.

### Location

All 384 respondents resided in Quezon City, indicating a homogenous geographic sample. This specificity enabled focused research on consumer behaviors and preferences within this urban setting. The uniformity in location significantly influenced the study's outcomes and interpretations, as geographic and cultural contexts are known to impact consumer behavior and social trends (Healey, 2020).

### Average Monthly Income

The categorization of Average Monthly Income into six ranges helped analyze the economic diversity and purchasing behaviors of the sample. Most respondents fell within the 20,001 to 40,000 pesos range, representing a middle-income group. This insight into their financial standing was crucial for understanding their consumer preferences and challenges (Kotler & Keller, 2020). The income was grouped from lower to middle and upper-middle to high, which simplified the analysis but might have masked nuanced differences within each range. Striking a balance between simplicity and detail is essential for creating tailored interventions that address diverse consumer needs and preferences.

**Problem 2:** How do the following determinant factors assess buyer's decision of Millennials consumers in Quezon City to purchase knock-off shoes instead of original shoes: Low Price; Product Quality; Appearance; Social Status; and Previous Customer Experience?

The data evaluated the influence of factors like Low Price, Product Quality, Appearance, Social Status, and Previous Customer Experience on consumer behavior. Mean scores reflected the average influence level of each factor, while standard deviation indicated response variability among 384 participants, rated on a scale of 1 to 4 (Uninfluential to Highly Influential).

Table 2: Weighted Mean Average and Standard Deviation: Determinant Factors (Low Price, Product Quality, Appearance, Social Status, and Previous Customer Experience)

	Mean	Standard Deviation	Verbal Interpretation
Low Price	3.246	0.4483	Moderately influential on millennials' purchasing decision
Product Quality	3.121	0.429	Moderately influential on millennials' purchasing decision
Appearance	3.304	0.6216	Highly influential on millennials' purchasing decision
Social Status	3.461	0.4916	Highly influential on millennials' purchasing decision
Previous Customer Experience	3.242	0.5075	Moderately influential on millennials' purchasing decision

**Low Price:** With a mean score of 3.246 and a standard deviation of 0.4483, price was moderately influential in consumer decisions. People's sensitivity to price varied based on the product and individual factors, but it wasn't the only factor they considered (Nassar & Gad, 2021).

**Product Quality:** Rated at a mean of 3.121 with a standard deviation of 0.4290, product quality was also moderately influential. Millennials appreciated quality but were also swayed by other aspects like brand loyalty and consumer trust (Akbar, 2019).

**Appearance:** Scoring a mean of 3.304 and a standard deviation of 0.6216, appearance was highly influential, particularly in products like shoes where aesthetic appeal was crucial (Dou et al., 2021).

**Social Status:** With the highest mean score at 3.461, social status played a significant role in purchasing decisions, influenced by social, cultural, and individual preferences (Bhukya & Paul, 2023).

**Previous Customer Experience:** With a mean of 3.242 and a standard deviation of 0.5075, previous experiences impacted brand loyalty and future purchasing choices, though not exclusively (Miller et al., 2017).

While these factors were significant, the diversity within the Millennial demographic and other external influences like economic conditions and marketing strategies needed further exploration to better understand and engage this consumer group.

**Problem 3:** How do these determinant factors enumerated in the study impact Millennials consumers in Quezon City based on the given dependent variables: Consumer's Attitude; Consumer Buying Behavior, and Social Media Influence?

The study analyzed data from 384 Millennial consumers in Quezon City, focusing on three dependent variables: Consumer Attitude, Consumer Buying Behavior, and Social Media Influence. Descriptive statistics, including means and standard deviations, were calculated using a 1 to 4 scale. This analysis was crucial for understanding the complex factors that influence consumer behavior, as highlighted in consumer research methodologies (Field, 2018).

Table 3: Weighted Mean Average and Standard Deviation of Dependent Variables (Consumer's Attitude, Consumer Buying Behavior, and Social Media Influence)

	Mean	Standard Deviation	Verbal Interpretation
Consumer Attitude	3.165	0.5851	Moderately influenced by determinant factors
Consumer Buying Behavior	3.209	0.6056	Moderately influenced by determinant factors
Social Media Influence	3.257	0.5672	Highly influenced by determinant factors

### Consumer Attitude:

Millennials in Quezon City viewed knock-off shoes positively, primarily due to their affordability and style, with a mean attitude score of 3.165. However, their enthusiasm was tempered by concerns about ethics and quality. Research by Tang and Shen (2020) suggested that while Millennials cared about brand perception and ethical consumption,





marketers needed to highlight the positives of knockoffs and address potential negatives to boost their appeal.

## Consumer Buying Behavior:

Millennials moderately weighed intrinsic product value against extrinsic social factors when making purchases, indicated by a mean of 3.209. Studies by Bernardes et al. (2018) revealed a preference for sustainable and non-ownership consumption models, like fashion rentals, showing a trend towards valuing access over ownership.

## Social Media Influence:

Social media greatly influenced Millennials' purchasing decisions, averaging a score of 3.257 and boosting the demand for imitation footwear. Influencers and platforms such as Instagram and TikTok were key in promoting these products. Research by Helal et al. (2018) and Jansom & Pongsakornrungrsilp (2021) showed that digital platforms are essential in forming brand loyalty and consumer preferences, underscoring the importance for brands to update their marketing approaches to successfully engage Millennials.

**Problem 4:** Do independent variables have a significant influence on the dependent variables enumerated in the study to purchase knock-off shoes rather than original shoes?

Table 4: Multiple Regression Model: Consumer's Attitude, Consumer Buying Behavior and Social Media Influence

		Sum of Squares	dF	Mean Square	F	Sig.
Consumer's Attitude	Regression	92.944	5	18.589	184.067	<.001 <sup>a</sup>
	Residual	38.174	378	0.101		
	Total	131118	383			
Consumer Buying Behavior	Regression	90.764	5	18.153	138.11	<.001 <sup>a</sup>
	Residual	49.683	378	0.131		
	Total	140.446	383			
Social Media Influence	Regression	68.059	5	13.612	93.276	<.001 <sup>a</sup>
	Residual	55.161	378	0.146		
	Total	123.22	383			
		R	R Square	Adjusted R Square	Standard Error of the Estimate	
Consumer's Attitude		.842 <sup>a</sup>	0.709	0.705	0.3178	
Consumer Buying Behavior		.804 <sup>a</sup>	0.646	0.642	0.3625	
Social Media Influence		.743 <sup>a</sup>	0.552	0.546	0.382	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Consumer's Attitude	(Constant)	-1.066	0.154		-6.912	<.001
	Low Price	0.44	0.057	0.337	7.677	<.001
	Product Quality	0.254	0.055	0.186	4.602	<.001
	Appearance	-0.241	0.052	-0.256	-4.667	<.001
	Social Status	0.504	0.058	0.424	8.716	<.001
	Previous Customer Experience	0.327	0.06	0.284	5.41	<.001
Consumer Buying Behavior	(Constant)	-0.07	0.176		-0.4	0.689
	Low Price	0.173	0.065	0.128	2.64	0.009
	Product Quality	-0.076	0.063	-0.054	-1.199	0.231
	Appearance	0.262	0.059	0.269	4.448	<.001
	Social Status	0.131	0.066	0.106	19.87	0.048
	Previous Customer Experience	0.505	0.069	0.423	7.316	<.001
Social Media Influence	(Constant)	0.827	0.185		4.463	<.001
	Low Price	0.181	0.069	0.143	2.626	0.009
	Product Quality	-0.305	0.066	-0.231	-4.591	<.001
	Appearance	0.375	0.062	0.41	6.031	<.001
	Social Status	0.264	0.07	0.228	3.791	<.001
	Previous Customer Experience	0.199	0.073	0.178	2.735	0.007

## Consumer's Attitude

Ordinary Least Squares regression analysis identified key factors like past customer experience, product quality, social status, low pricing, and appearance as significant predictors of consumer attitudes towards knock-off shoes, explaining 70.5% of the variance. The model's good fit suggested reliable predictions, highlighting the influence of product quality, social prestige, and competitive pricing.

The primary motivator for choosing knock-off shoes was the desire for high social status (Beta = .424), allowing consumers to appear stylish affordably. In contrast, a strong focus on appearance (Beta = -.256) might deter Millennials due to concerns about authenticity and quality, suggesting that overly aesthetic products can seem superficial. Davda (2019) noted that shoes are a highly visible part of one's outfit and are subject to judgment, implying the importance of appearance.

Overall, social status significantly shaped Millennials' purchasing choices, whereas appearance had a lesser impact. Influencers and 'micro-celebrities' are shifting value perceptions from physical attributes to the symbolism or story behind a product, reflecting Millennials' complex considerations of cost, quality, and social factors in their purchasing decisions.

## Consumer Buying Behavior

The data explored factors driving Millennials' purchases of knock-off shoes, identifying previous customer experience, product quality, social status, price, and appearance as key predictors, accounting for 64.2% of the variance in behavior.

Previous customer experience was most influential (Beta = .423), indicating that positive past interactions strongly encouraged repeat purchases. Appearance also significantly impacted decisions, underscoring the importance of aesthetics.

Price and social status, while important, were less critical than past experiences and appearance, reflecting choices based on affordability and perceived prestige.

Interestingly, product quality was the least concerning (Beta = -.054), showing that Millennials might compromise quality for better pricing, looks, or social benefits. This was particularly evident among Millennials who were likely to favor affordability over premium quality, a decision possibly driven by budgetary constraints (Smith & Doe, 2018). In the realm of knockoffs, a moderate level of quality that met basic expectations sufficed, especially when higher quality did not equate to perceived authenticity (Johnson, 2019).

This underscores a trend where aesthetics and past positive experiences overshadow quality, suggesting that marketers should focus on brand image and personal expression to resonate with this demographic.

## Social Media Influence

OLS regression analysis identified key predictors of social media influence: previous customer experience, product quality, social status, low price, and appearance, with a strong correlation (R = .743) explaining 55.2% of the variance in consumer behavior. This underscores their relevance for social media marketing strategies.

The study found that positive customer experiences significantly enhance brand visibility and influence on social media. Conversely, a negative relationship between product quality and social media engagement suggested that higher-quality products might be perceived as less relatable or exciting, resulting in less social sharing.

Simply put, if marketers wanted to make a mark with social media strategy, focusing on the product's quality, the customer experience, its price, the social status it gives, and its appearance was crucial (Cheung, Pires, & Rosenberger, 2019). Effective social media strategies should incorporate product features, consumer experiences, and pricing considerations.



**Problem 5:** Is there a significant difference among Millennials' consumers behavior to purchase knock off shoes instead of original shoes when grouped according to Average Monthly Income?

Each of these factors was analyzed to see if there were statistically significant differences between the means of more than two groups.

Table 5: One-Way ANOVA- Average Monthly Income, Highest and Lowest Levels in the Outcome Variables Per Monthly Income and Tukey HSD (Honestly Significant Difference)

One-Way ANOVA- Average Monthly Income						
		Sum of Squares	df	Mean Square	F	Sig.
Consumer's Attitude	Between Groups	40.894	5	8.179	34.265	<.001
	Within Groups	90.225	378	0.239		
	Total	131.118	383			
Consumer Buying Behavior	Between Groups	32.414	5	6.483	22.683	<.001
	Within Groups	108.032	378	0.286		
	Total	140.446	383			
Social Media Influence	Between Groups	17.165	5	3.433	12.236	<.001
	Within Groups	106.055	378	0.281		
	Total	123.22	383			

Highest and Lowest Levels in the Outcome Variables Per Monthly Income							
	N	Mean	Standard Deviation	Standard Error	95% Confidence Interval for Mean		Minimum
					Lower Bound	Upper Bound	
Consumer's Attitude	1	2	2.8	0	2.8	2.8	2.8
	2	31	3.581	0.5618	3.375	3.787	1.2
	3	123	3.385	0.4853	3.299	3.472	1.8
	4	143	2.923	0.4933	2.842	3.005	1
	5	66	3.373	0.3998	3.274	3.471	2.2
	6	19	2.189	0.6271	1.887	2.492	1
	Total	384	3.165	0.5851	0.0299	3.106	3.223
Consumer Buying Behavior	1	2	3	0	3	3	3
	2	31	3.703	0.5953	3.485	3.922	1.2
	3	123	3.34	0.5279	3.246	3.434	1.8
	4	143	3.119	0.5722	3.024	3.213	1
	5	66	3.242	0.3883	3.147	3.338	1.8
	6	19	2.147	0.6284	1.845	2.45	1
	Total	384	3.209	0.6056	0.0309	3.149	3.27
Social Media Influence	1	2	2.2	0	2.2	2.2	2.2
	2	31	3.271	0.5551	3.067	3.475	2.4
	3	123	3.447	0.475	3.362	3.532	2.2
	4	143	3.21	0.5869	3.113	3.307	1.8
	5	66	3.242	0.4554	3.13	3.354	2
	6	19	2.526	0.619	2.228	2.825	1.4
	Total	384	3.257	0.5672	0.0289	3.2	3.314

Tukey HSD (Honestly Significant Difference)							
Multiple Comparisons							
Tukey HSD							
Dependent Variable	(I) Average Monthly Income	(J) Average Monthly Income	Mean Difference	Standard Error	Sig.	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
Consumer's Attitude	1	2	-0.7806	0.3564	0.245	-1.802	0.24
		3	-0.5854	0.3483	0.545	-1.583	0.412
		4	-0.1231	0.3479	0.999	-1.12	0.873
		5	-0.5727	0.3507	0.577	-1.577	0.432
		6	0.6105	0.3632	0.545	-0.43	1.651
		2	1.7806	0.3564	0.245	-0.24	1.802
	2	3	0.1953	0.0982	0.351	-0.086	0.477
		4	.6576*	0.0968	<.001	0.38	0.935
		5	0.2079	0.1064	0.371	-0.097	0.513
		6	1.3912*	0.1423	<.001	0.983	1.799
		3	0.5854	0.3483	0.545	-0.412	1.583
		2	-0.1953	0.0982	0.351	-0.477	0.086
	3	4	.4623*	0.0601	<.001	0.29	0.634
		5	0.0126	0.0745	1	-0.201	0.226
		6	1.1959*	0.1204	<.001	0.851	1.541
		4	0.1231	0.3479	0.999	-0.873	1.12
		2	-.6576*	0.0968	<.001	-0.935	-0.38
		3	-.4623*	0.0601	<.001	-0.634	-0.29
4	5	-.4497*	0.0727	<.001	-0.658	-0.241	
	6	.7336*	0.1193	<.001	0.392	1.075	
	5	1	0.5727	0.3507	0.577	-0.432	1.577
		2	-0.2079	0.1064	0.371	-0.513	0.097
		3	-0.0126	0.0745	1	-0.226	0.201
		4	.4497*	0.0727	<.001	0.241	0.658
6		1.1833*	0.1272	<.001	0.819	1.548	
6		1	-0.6105	0.3632	0.545	-1.651	0.43
2	-1.3912*	0.1423	<.001	-1.799	-0.983		

\*. The mean difference is significant at the 0.05 level.

## One-Way ANOVA- Average Monthly Income

The study revealed significant differences in consumer attitudes, buying behaviors, and the influence of social media across different groups, as evidenced by high F-ratios (Consumer Attitude: 34.265, Buying Behavior: 22.683, Social Media Influence: 12.236) and significance levels below .001 for all. This indicated that the factors under investigation had a strong and statistically significant impact on consumer outcomes, unlikely due to random chance.

These findings underscore the importance of tailoring marketing strategies to different consumer segments to enhance effectiveness. The significant role of social media in shaping consumer behavior was also highlighted, emphasizing the need for strategic social media marketing approaches.

## Highest and Lowest Levels in the Outcome Variables Per Monthly Income

The data analysis revealed variations in attitudes, buying behaviors, and social media influence among income groups:



## Consumer Attitude:

For the highest level, group 2 (10,000 to 20,000 pesos) with 31 respondents, recorded the highest average consumer attitude score (Mean = 3.581) despite a higher standard deviation (.5618), indicating positive attitudes with some variability. As for the lowest level, group 6 (Above 50,000 pesos) with 19 respondents, showed the lowest score (Mean = 2.189), with the broadest attitude range (.6271).

## Consumer Buying Behavior:

For the highest level, group 2 again led with the highest behavior score (Mean = 3.703), suggesting a propensity to purchase. As for the lowest level, group 6 displayed the lowest score (Mean = 2.147), aligning with their lower attitude levels.

## Social Media Influence:

For the highest level, group 3 (20,001 to 30,000 pesos) had the highest influence score (Mean = 3.447), indicating greater susceptibility to social media in purchasing decisions. As for the lowest level, group 1 (Below 10,000 pesos), with only two respondents, had the minimal influence score (Mean = 2.200).

The analysis suggested that Millennials might prefer knock-off shoes due to favorable attitudes in certain income brackets, cost-conscious behaviors, and strong social media influence. Brands could capitalize on this by targeting Millennials with marketing that emphasizes value, style, and social acceptance, potentially influencing purchasing decisions and competing with knockoffs.

## Tukey HSD (Honestly Significant Difference)

The Tukey HSD post-hoc test results revealed significant differences in consumer attitudes, buying behaviors, and social media influence among different income groups:

### Consumer Attitude:

- Group 2 (10,000 to 20,000 pesos) scored significantly lower than Groups 4 (30,001 to 40,000 pesos) and 6 (Above 50,000 pesos).
- Group 3 (20,001 to 30,000 pesos) also had lower scores compared to Groups 4 and 6.
- Group 4 showed higher attitudes compared to Groups 2, 3, and 5 (40,001 to 50,000 pesos).
- Group 5 scored lower than Group 4.
- Group 6 had the highest attitude scores, significantly higher than all other groups.

### Consumer Buying Behavior:

- Group 2 displayed higher buying behaviors than Groups 1 (Below 10,000 pesos), 3, 4, and 5.
- Group 3 had higher behaviors than Groups 1 and 2 but lower than Groups 4 and 6.
- Group 6 recorded the highest buying behavior scores across all groups.

### Social Media Influence:

- Group 1 experienced the lowest social media influence, particularly when compared to higher income groups.
- Group 2 was less influenced by social media than Group 6.
- Group 3 was more influenced than Group 1 but less than Groups 4 and 6.
- Group 6 exhibited the highest susceptibility to social media influence, highlighting a correlation between higher income and greater social media impact.

The study demonstrated that income levels significantly affect consumer attitudes, purchasing behaviors, and responsiveness to social media. Higher-income consumers generally showed more positive attitudes and behaviors, though the highest earners (Group 6 = Above 50,000) occasionally exhibited less favorable outcomes compared to lower income groups. Middle-income groups were notably influenced by social media, likely due to greater engagement or valuation of the content. This highlights the intricate link between income, consumer perceptions,

buying habits, and social media impact, providing crucial insights for marketers to customize their strategies across different income segments.

**Problem 6:** What significant determinants will be derived from the results of the study for the millennial consumers' purchase behavior for knock-off products?

Significant determinant factors derived from the results of the study for the consumers' purchase behavior for knock-off products were the following:

**Social Status:** This was the most influential determinant, indicating that the desire for favorable perception within social circles significantly motivated knock-off purchases, aligning with the notion that products are often bought for their social signaling value.

**Low Price:** Affordability emerged as a crucial factor, with the lower cost of knockoffs providing a compelling value for budget-conscious consumers, consistent with economic principles about cost-benefit considerations.

**Previous Customer Experience:** Positive past experiences with knock-off products significantly influenced future purchases, suggesting that satisfaction with product quality or durability could lead to repeat buying.

**Appearance:** This factor negatively influenced purchasing behavior, possibly due to perceptions that knock-offs, despite resembling original products, lacked comparable aesthetic quality or the prestige of genuine items.

**Product Quality:** While less impactful, the perceived quality of knock-off shoes still factored into consumer decisions, indicating an evaluation of the trade-off between price and quality.

These findings highlight that while social and economic factors predominantly drove the purchase of knockoffs, aspects like product quality and appearance also played roles, albeit to a lesser extent.

## CONCLUSION

The study analyzed the purchasing behavior of Millennials in Quezon City towards knock-off shoes, identifying a complex set of determinant factors through statistical analysis methods like weighted mean average, multiple regression, and ANOVA. Key findings include:

**Determinant Factors:** Low Price, Product Quality, Appearance, Social Status, and Previous Customer Experience significantly influenced buying decisions, with Social Status scoring the highest mean (3.461) and Low Price the lowest (3.246).

**Consumer Engagement:** Metrics like Consumer Attitude, Buying Behavior, and Social Media Influence showed moderate to high engagement, with Social Media Influence having the highest mean score (3.257) and Consumer Attitude the lowest (3.165), underscoring the pivotal role of social media.

**Statistical Analysis:** Multiple regression analysis confirmed that the five predictors significantly influenced Consumer Attitude, Buying Behavior, and Social Media Influence, with Social Status showing a consistent strong positive impact across these outcomes.

**Income Influence:** Grouping by average monthly income revealed significant differences in Consumer Attitude, Buying Behavior, and Social Media Influence, with ANOVA and Tukey HSD tests confirming the impact of economic background.



In conclusion, the determinant factors of social status, previous customer experience, low price, product quality, and appearance significantly influenced Millennials' consumer purchase behavior in Quezon City towards purchasing knock-off shoes. The preference of Millennials for knock-off over original shoes was driven by an intricate interplay of economic, social, and experiential factors, with social status emerging as a crucial determinant. This study offers valuable insights into consumer behavior in the knock-off market, aiding marketers, policymakers, and researchers in understanding the dynamics influencing these consumer choices.

## RECOMMENDATION

The future direction of research on Millennials' purchasing behavior for knock-off versus original shoes in Quezon City could explore several key areas, considering technological, ethical, and sustainable consumption influences:

**Technological Evolution:** Future studies could investigate how technologies like augmented reality (AR) and virtual reality (VR) affect consumer perceptions and decision-making, potentially altering views on authenticity and quality.

**Ethical Consumption Patterns:** With a shift towards ethical consumption, further research might analyze how ethical considerations impact Millennials' preferences for knock-offs, exploring the psychological drivers behind these decisions and their effects on brand loyalty (Smith, 2019).

**Sustainable Consumption:** As consumer focus on sustainability grows, examining how sustainable practices by brands influence purchasing decisions could be insightful, particularly the impact of sustainability certifications on consumer choices between knock-offs and original shoes (Green & Harris, 2019).

**Social Media and Influencer Marketing:** Considering the influential role of social media, additional studies could look into how influencer marketing shapes perceptions of knock-offs versus original brands, focusing on the authenticity and credibility of influencers promoting ethical and sustainable fashion (Davies & Lee, 2020).

**Global vs. Local Consumer Trends:** Future research might also compare local consumer trends with global patterns in the consumption of knock-off versus original shoes, identifying unique cultural and socioeconomic factors that influence behavior across different regions (Darku & Akpan, 2020).

These avenues for future research offer potential to deepen understanding of Millennials' buying behaviors and provide actionable insights for brands, policymakers, and educators to foster more ethical, sustainable, and technologically integrated consumer practices.

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## MANAGEMENT COMPETENCIES OF MSMEs IN NCR: BASIS FOR DEVELOPMENT OF BUSINESS CONTINUITY PLANNING MODEL

Ronald C. Catapang

Graduate School, Colegio de San Juan de Letran - Manila

ronalddcatapangmba@gmail.com

### ABSTRACT

Micros, Small, and Medium Enterprises (MSMEs) in the Philippines play a vital role in the economic growth of the country. Majority of MSMEs are located in the National Capital Region (NCR) and accounts for 99.6% of the business in the Philippines according to Philippine Statistics Authority (PSA). Most MSMEs are Family-owned (FO), run and managed by families and their members. Management competencies are vital for family owned MSMEs as managers need to be equipped with skills and capabilities and use these methods and innovations to be more efficient in the management of the business. These competencies support business survival as business strives to continually exist amidst challenges. The study aims to determine the vital role of management competencies on business continuity and survival as basis for business continuity planning model developed in this study. Furthermore, it aims to study the effect of management competencies: planning, task organization, leadership, creativity/innovation, and delegation on business continuity (internal candidates, retention, diversity, and team approach) in support to business survival and resilience among FO MSMEs. The study was conducted among owners/managers of FO MSMEs in the 16 cities in NCR. Stratified random sampling was used in selecting the respondents. The 384 FO MSMEs participated in the study while five (5) took part in the FGD. The results showed management competencies have a positive effect in business continuity among family owned MSMEs in NCR. The direct impact of management competencies affects the business continuity of the business and its survival. The MSMEs should conduct assessment on the competencies of current owners/ managers, as it is a vital factor in business continuity and survival and developing these competencies supports business capability to manage business challenges that also affects business continuity.

**KEYWORDS:** MSMEs, Family-owned business, Management Competencies, Business Continuity

### INTRODUCTION

Micro and Small Enterprises (MSMEs) are crucial for society's development, accounting for 99.6% of all firms in the Philippines. The Magna Carta defines micro businesses as those engaged in industry, agriculture, or services, and can be registered as Barangay Micro Business Enterprises. The National Capital Region (NCR) has 24.4% of all firms and 40.1% of employees. MSMEs in the Philippines, which make up 85% of all publicly listed companies (Espejo (2017), lack a uniform assessment tool for business leaders' competency. Managers need to be trained in management competencies to improve efficiency and support their staff. These skills are crucial for businesses to survive in challenging environments. A business continuity plan enhances future leadership capability, making it essential in today's changing workplace. This study's primary goal is to examine the managerial competencies of selected FO MSME managers/owners in NCR, which will help build a business continuity-planning model to support business resilience and survival.

#### *Theoretical Framework*

##### **Resource-Based View Theory (RBV)**

Barney and Teece's research on Resource-Based View Theory (RBV) and Company Development Theory highlights the importance of building key organizational capabilities for a firm's long-term competitive edge (Barney, 1991). Key management abilities for MSMEs include planning, task organization, leadership, creativity/innovation, and delegation. The study assesses the traits needed for management training in developing and emerging nations (Teece, 2019). RBV considers resources and competencies as static, while human resources are critical assets for business continuity. Both studies emphasize the importance of these skills in overcoming obstacles and seizing opportunities.

The RBV theory links internal candidates, retention, diversity, and team approach to a firm's human assets, including management competencies like planning, task organization, leadership, creativity, and delegating, enabling business continuity and focusing on intangible and internal capabilities for sustainable competitive advantage. (Barney, 1991 and Rockwell 2019). This study examines the manager/owner's skills that set them apart from other businesses. It also allows for the acknowledgment of human resources created by FOBs as competencies

(Pearson et al., 2008). This is because management competencies are recognized as critical to business continuity. The management competencies based on RBV theory are required to help MSMEs improve their business performance and ensure business continuity by focusing on key elements affecting business survival as well as improving support and participation in the family business, spouses or team in the organization (Chumpong, 2020). A resource-based approach of family organizations helps comprehend how families distinguish and build talents, hand them down to the next generation of leadership, and modify these competencies when disruptions arise (Coffman, 2014 and Lara & Salas, 2017). When family company assets and competencies are identified, they can be analyzed for competitive advantage (CabreraSuárez et al., 2001).

##### **Business Development Theory**

Jantti and Greenhalgh's (2012) Business Development Theory. Marketing, partnerships, representative development, progression planning, better objectives, and the inclination and capacity to apply the required abilities are critical to effective business advancement. Increasing ability capabilities and developing a data source for company planning assessment can help progress management (Jantti and Greenhalgh, 2012). Family should prepare for change and advancement from one age to the next. Mortality will eventually impact authority in an organization, so prepare now (Treviño-Rodríguez and Tapias, 2006).

In respect to RBV theory, Jantti and Greenhalgh (2012) Business Development Theory makes effective use of business planning to drive profitable management. The theory suggests that for a successful business turnover, factors like age and company knowledge must be considered. It helps identify an individual's aptitude for running a company and their suitability as the next leader. This helps in developing a business continuity strategy to ensure the organization continues to operate according to management standards. The theory also suggests that for a company to advance, it should manage duties, promote itself through advertising and partnerships, seek constant innovation, set and improve goals, and ensure essential skills are reached. This theory can help MSMEs improve management skills and boost growth by utilizing information and skills.

The RBV and Business Development theories collaborate to create a business continuity plan for organizations. The RBV theory emphasizes competencies as a business asset, while the Business Development theory focuses on addressing business challenges and developing capable managers for growth and survival. This theory is particularly relevant for micro, small, and medium-sized businesses that struggle to retain family leadership. It promotes leadership progression and qualities, boosting the likelihood of an organization's survival and growth. Management competencies emphasize the importance of information and skills in personal development and attitudes. This approach allows current owners/managers to select the next-generation leader for FO MSMEs.

### **Review of Related Literature**

#### **Family owned MSMEs**

MSMEs are vital and generally acknowledged despite the lack of a uniform definition. A firm's size is determined by employee turnover, ventures, and the number of units (Kiveu and Ofafa, 2018). Each country's definition of MSMEs varies. Small enterprises employ 5 to 199 people in Australia (Kotey and Folker, 2017). Small businesses in Indonesia typically employ 5 to 99 people. (Kartiwi). According to Brockhaus (2019), a family-owned business is any business where the family members are influenced by the business decisions. Others argue that for a business to be classified as a family business, two family members must be actively involved in administration and management (Wilson, Wright, and Scholes, 2018). Williams et al. (2018) add that the desire of the present tenant or organizer to hand over the family business to the existing family members is the family business's core. According to Brockhaus (2019), other experts define a family-owned business as one where members of all ages are actively involved in its management and operation. The company must be controlled by one family at least 51 percent of the time to be considered a family business (Brockhaus, 2019).

Farrington (2020) suggests that family complexity should be explored in addition to the typical business challenges faced by non-family-owned enterprises. Lee (2016) stated that family-owned businesses have more challenges than non-family-owned businesses due to the nature of family and business partnerships. Some of these issues are family conflict, intense subjects, sibling rivalry, dictatorial paternalistic cultures, nepotism, muddled association, unbending nature in advancement, succession, and resistance to change due to these challenges, Lee (2016) proposes that most family-owned enterprises have the greatest challenge of continuity, with the administration or CEO role being the most contentious (Eddleston et al., 2018). However, not all family members are equally qualified or capable of positively contributing to their organizations. Maybe the need for fitness is rewarded by their devotion to their organizations (Aldrich and Langton, 2018).

#### **Management Competencies**

Gibson (2016) also identified the associated management competencies that entrepreneurs are required to possess. A leader's competency is a mix of knowledge, skills, and personal traits. Competency also refers to a leader's ability to perform their duties effectively (Hamzah, 2016). Managerial competencies are viewed as tangible traits like knowledge, skills, or ethical standards that help managers succeed (Mitchellmore and Rowley, 2015). According to Al-Balwi & Hamas, Halter et al. (2021), competency is a set of qualities, abilities, experiences, and behaviors that enable an individual to complete tasks successfully. Competency is quantifiable and may be enhanced through training (Francis, 2020). Management is a group of people who establish strategies to ensure the organization survives. They see management as a collection of persons in control of issues. However, management is considered a cycle requiring specific abilities (Eshenake, 2017). These are the skills and knowledge that help managers achieve individual adequacy (Hellriegel et al., 2018). Henderson (2015) agrees, defining management competency as a set of knowledge and skills needed to execute a task. Gathering information, converting it into usable data, and accessing and deciding on appropriate and worthwhile actions required to perform the task successfully are

critical to its success. Martin and Staines (2018) studied management talent in small business success. Unfavorable monetary conditions, incorrect business ideas, and asset depletion are all important reasons why new firms fail. Chiefs' training, readiness, and experience differentiate high- and low-development small firms. To be successful in business, Ademiluyi (2017) identified managerial characteristics such as planning and organizing.

The competency-based planning model enables firms to prepare future managers before current managers leave and replace them after owners retire, ensuring the business benefits from their capacity and expertise (Niknamian, 2020). In relation to FO leaders' longevity in the business, it may appear that there is a natural relationship between age and job longevity, in which the older the person gets, the longer they can stay on a job (Trahan, 2017). Feliciano et al. (2019) discovered Filipino nurses who excelled in the areas of attitude, clinical care, leadership, professional development, and teaching and coaching. The study also correlates competency aspects to nurse demographics. Marital status, type of employment, remuneration, years of service, and higher education all affect nursing competency. Education affects stress management skills. Master's degree holders can better manage teams and difficult situations (Paranthaman, 2015).

#### **Planning**

Planning involves selecting tasks and activities to be completed efficiently, focusing on their importance and order. It involves a succession of operations, ensuring relevant, significant, and sincere efforts. Managers must plan projects to meet the firm's season, ensuring the efficient use of management assets and ensuring the relevance and sincerity of their efforts (Abass, 2017). Inspiring others, tracking performance, and interacting with others are all skills required of managers. They should be goal-oriented, focused, creative, self-starters, adaptable to new situations, and aware. Essential thinking, relational capacities, decision-making procedures, collaborative skills, expanding and nonstandard reasoning, self-improvement demands, mental capacity to influence others, etc. (Tovmasyan, 2017). Consideration of all factors that may influence the outcome is required in business planning (Becket, 2016). Thus, it is anticipated that the selection and nomination of leaders are based on competency components and philosophy (Hosseini et al., 2018).

#### **Task Organization**

Organizing is the process of linking and merging people, physical, and financial resources to meet business goals. It aims to precisely combine people and predictable tasks so that organizational work is coordinated and all endeavors and actions align with organizational goals (Pal, 2015). Setting up organizational relationships among people and developing tactics for communication, coordination, and management. Entrusting others with responsibility and authority to perform tasks is a significant management skill that goes hand-in-hand with organization (Abass, 2017). Gibson (2016) identified the associated managerial abilities required of entrepreneurs. The task-oriented leader is responsible for identifying market opportunities, setting objectives, designing for goal achievement, arranging resources, and executing plans. They coordinate processes, assign responsibilities, and ensure the availability of supplies, technical help, and equipment (Anzalone, 2017). According to Chebet (2015), employees would be more engaged if they could control and understand their work. Similarly, understanding employee and stakeholder perceptions is required to define operational structure.

#### **Leadership**

MSMEs based on their origins, size, characteristics, and the nature of their business function, the leader role is even more vital for these enterprises. MSME executives are in charge of practically every aspect of a company's operations. Rather than "specialized managers," they are frequently referred to as "generic managers" (GM) (Cong and Thu, 2020). Andriukaitien et al. (2017) state that Effective leadership is crucial in a volatile corporate environment, as it increases staff productivity and reduces resistance to change. A leader's inner energy, vitality, and determination are essential for successful commercial performance.

Leadership skills include planning, organizing, managing, transmitting, and group work. Effective communication is essential for executives, as it helps staff understand expectations, performance standards, and task duration. Without communication, people may act based on their own beliefs, which may not align with the organization's needs and assumptions. Communication is also essential for all parties to be aware of the same facts, ensuring a successful and productive work environment. (Abass, 2017).

## Creativity/Innovation

Creativity and innovation are vital for business organizations' survival and success. Creativity is seen as fundamental to business practice and intensity (Florida, 2019). Broekaert et al. (2016) demonstrate that not only R&D but also managerial freedom underpins differential innovation outcomes in family firms. It shows how organizational flexibility in family firms can contribute to a competitive advantage in terms of innovation when compared to nonfamily-controlled organizations. Innovation can be encouraged when culture and thinking collide to generate new ideas (Tubagus, 2016).

## Delegation

Delegation is basically giving others control so leaders can act and start freely and assume responsibilities for certain tasks. If something goes wrong, the leader is mindful. Assign so that things are finished but not a disaster. All of them rely on expressing the project's concept, their level of interest, and the sources of relevant data and information (Abass, 2017). Goal-achieving leaders distribute key decision-making authority to designated subordinates, managers and employees. Regardless of decision-making authority, the principal is responsible for the outcome (Dhiwayo, 2019). Anthony and Vidal (2015) emphasized the importance of correspondence in delegation to ensure the message is received and understood. For the organization's purposes, correspondence promotes efficiency and success. A manager's primary duty is to coordinate and supervise the various tasks within the division (John and Judy, 2018).

## Business Continuity Plan

Employee selection is a process designed to predict and maximize employee performance while minimizing hiring errors (Mazllami, 2019). Early diagnosis, resilience development, ability to handle large risks, conditions recovery, and process of restoring activities to normal, according to Maulina (2021). Business BCM is a post-incident recovery procedure. BCM protects employee health and safety, as well as IT, HR, operations, risk management, and HR development. Manpower and financial assets are scarce in SMEs, according to Josefy et al. (2015). Business planning requires competent people ready to replace present leaders; therefore, managers must create high-potential personnel for the talent pipeline. Incorporate business procedures and knowledge management based on how their professional and technical talents fit within the firm, according to studies. Furthermore, generational diversity and multigenerational workforce demographics are rising inside firms as birth patterns connect to workplace ideals, career motivators, and business planning strategies. Furthermore, Toliver (2017) claims that managing personnel across generations helps develop future leaders. Previous literature (Chumpong et al., 2020) acknowledges that manager skills are crucial for business survival. This is seen in the literature on family businesses and small businesses (Davis and Harveston, 2018). It emphasizes how important it is to look at leaders' abilities and qualities.

Demographic shifts in the workforce and business continuity planning. Potential leaders should be coached while retaining employees, preparing them for workforce diversity, and creating leaders inside the firm. A team approach in an organization would be useful to business activities since it would bring specialized experience to different areas of management (Williams et al., 2015). Developing leadership skills for the younger generation to support future corporate operations can be perceived as a team-approach rather than autocratic behavior. Managers are far more available to employees and vice versa, and managing owners are much more personally involved in operating organizations. (Barnett et al., 2019; Thomas et al., 2018; Dyczkowska & Dyczkowski, 2018; Toliver, 2017). It provides for the creation of informed, talented,

and productive people who will assist the business expansion even if a key stakeholder fails or is missing, according to Francis (2020). Understanding organizational succession is crucial. is not just about knowing the history, but also about being involved in the Small and medium-sized businesses that have challenges in business planning due to the desire to keep family leadership. Logistics, innovation, and debt were identified as affecting business continuity by Aghei & Sokhavar (2020). Developing managerial abilities enables early detection, resilience, risk management, recovery, and process (Maulina, 2021).

## Conceptual framework

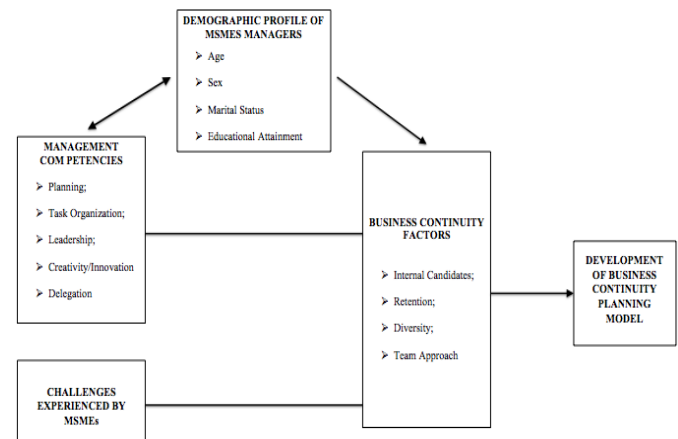


Fig. 1. Conceptual Framework

The study examines the relationship between the demographic profile of business owners and their management competencies, as well as their relationship to business continuity. It focuses on the issues faced by MSMEs and analyzes their management skills and problems, as well as their impact on business continuity considerations. The study uses four parameters to assess MSMEs managers' perceptions of business continuity plans: internal candidates, retention, diversity, and team approach. The study also examines the association between MSMEs' demographic profile and management competencies, and the impact of managerial competencies on business continuity strategy. The factors considered in the study are crucial for developing a recommended model for business continuity. Following the conceptual framework the following hypotheses were measured:

$H_{01}$  = There is no significant difference between the management competencies of MSMEs owners/managers when grouped according to their demographic profile

$H_{02}$  = There is no significant relationship between the demographic profile of MSMEs managers and their management competencies

$H_{03}$  = There is no significant relationship between the management competencies of MSMEs owners/managers and business continuity.

## METHODOLOGY

### Research Design

The study used descriptive correlation to examine the relationship between MSMEs management competencies and business continuity in the NCR. This method clarifies, interprets, and correlates the research subject. It is about the current state of relationships, practices, and processes, as well as the repercussions and emerging trends (Stangor, 2011). This method was chosen to examine the relationships between the research variables. A qualitative design collects information through interviews, allowing the researcher to get insight into the respondents' perspectives and issues. Mixed-method design is suited for this study because it allows the researcher to collect quantitative data while also



discussing the respondents' perspectives. This study used stratified random sampling. It is a probability sampling technique that delivers more accurate sample analysis (Etikan, 2017). This sampling approach is used in heterogeneous populations (Alvi, 2016).

## Subjects and Study Sites

This study's participants were family-owned (FO) Micro, Small to Medium Enterprises (MSME) in the National Capital Region (NCR). A family firm was defined as one that met at least one of the following five characteristics: At least one other family member was a major decision-maker in the business, at least one other family member owned the business, and future family ownership was anticipated (Danes, Stafford, and Loy 2007). According to the Department of Trade and Industry's 2020 MSMEs figures, 201,123 firms (21.10%) were located in NCR. The DTI provided a list of businesses that have renewed their names for 2020. The study uses two sample size (n) calculators: Creative Research System and Raosoft. The researcher chose 384 MSMEs in the NCR at random from the list. The study was conducted in the National Capital Region (NCR). The researcher also provided a backup list in case the first list's respondents were unable to participate. The researcher randomly selected participants for the focus group discussion through letter.

## Data Measures

This study used a researcher-made questionnaire to collect data from Millennials in Quezon City, divided into sections on demographics, determinant factors (like pricing and quality), and outcomes (such as buying behavior). It employed a four-point Likert scale for responses, from "strongly agree" to "strongly disagree."

A pilot test with 30 respondents helped assess the survey's reliability, with a statistician verifying its consistency using Cronbach's alpha, resulting in reliability coefficients of 0.82 for independent variables and 0.72 for dependent variables. Some items under consumer attitudes were identified as problematic and marked for revision to enhance reliability. The pilot confirmed the survey's overall reliability, approving it for broader data collection.

## Data Collection

The survey questionnaire was composed of self-made for business continuity factors and management competencies and adapted items for assessment of business continuity. The questionnaire has six sections. Part I includes demographic and business profile of managers/owners. Part II measures the business continuity planning among NCR MSMEs. They were divided into ten parts: business continuity plan on competencies, and present business situation and problems (5=strongly agree, 1=strongly disagree) were adapted from Rothwell (2010) leadership continuity study. Part III assesses business continuity planning variables among NCR MSMEs leaders. The variables are internal candidates, retention, diversity, and team approach (5=strongly agree, 1=strongly disagree). Part IV assesses managers/owners of MSMEs in the NCR on planning, task organization, leadership, creativity/innovation, and delegation. Part V assesses MSMEs' reasons for having a business continuity plan (5=very important, 1=not important) was also adapted from Rothwell (2010). The last part of the instrument is guiding interview questions for MSME owners' challenges.

The researcher goes through four processes to ensure the effectiveness of self-made research tools. The first phase involves evaluating the instrument with industry experts, academics, and researchers to ensure it contains all essential components. The second phase involves a pilot test, where the instrument is tested on a small group of people (50 participants) to test its time and resource constraints. The third phase tests for consistency and stability of test scores, confirming the instrument's reliability. The third phase involves assessing the internal consistency and group connection of the factors, with a Cronbach's alpha value of .70 or higher being required for all instruments. This process ensures the instrument's reliability and effectiveness.

Table 1. Reliability Value

Variable	Number of Items	Reliability Cronbach's alpha	Results
Business Continuity Assessment	10	0.923	Reliable
Internal Candidates	5	0.888	Reliable
Retention	5	0.919	Reliable
Diversity	5	0.937	Reliable
Team Approach	5	0.925	Reliable
Business Continuity Plan Factors	20	0.974	Reliable
Planning	10	0.926	Reliable
Task Organization	10	0.938	Reliable
Leadership	10	0.960	Reliable
Creativity/Innovation	10	0.946	Reliable
Delegation	10	0.945	Reliable
Reasons for Business Continuity Planning	10	0.918	Reliable

## Data Collection Procedure and Ethical Considerations

The research instrument was tested for validity and reliability before the investigation. A letter of intent was sent to participants, ensuring voluntary participation without intimidation. The researcher uploaded a self-made questionnaire and distributed it through Google Forms. The Focus Group Discussion (FGD) was conducted with 5 out of 384 participants using an online video conferencing. The responses were recorded and thematically examined. The researcher assured the respondents that their information would be used solely for the study and maintained their anonymity. The respondents were treated as unknown and volunteer representatives, provided with complete information about the research and free to decide whether or not to participate. The participants were treated as unknown and volunteer representatives, ensuring a comprehensive and ethical study.

## Data Analysis

The researcher used frequency analysis using the percentage calculation to establish the respondents' demographic profile. The researcher will use the weighted mean method to examine MSMEs managers' perceptions and assessments of business continuity plans and management competencies. The chi-square test was used to see if there was a correlation between the respondents' demographics and their managerial competencies. To establish the significance of the differences between the demographic profile and the managerial competencies of MSMEs, the researcher will use a normality test. A parametric t-test test and ANOVA for level of significance. Employing structural equation modelling to assess the impact of managerial competencies on business continuity planning (SEM). SEM was employed to assess multivariate causal relationships. Using CFA and path analysis. In addition, CFA can reduce data dimensionality, adjust indicator scales, and account for dataset correlations. Path analysis for several variables. Business continuity factors were examined as a relationship between management competencies (Fan, 2016). To determine the obstacles faced by MSME owners, the researcher used thematic analysis. Thematic analysis (TA) is a way of detecting and evaluating meaning patterns in data (Braun & Clarke, 2006). It shows which subjects are crucial in discussing the situation. During the interview/discussion, initial codes were created, subjects were located and reviewed, and themes were defined and labeled.

## RESULTS AND FINDINGS

The survey's businesses are mostly in Manila, Quezon City, and Makati. Manila had 106, or 27.6%, Quezon City had 97, or 25.3%, and Makati had 32, or 8.3%. The bulk of businesses in the research (342 or 89.1%) is sole proprietorships. The majority of businesses in the study are micro-enterprises (305 or 79.4%) and small businesses (78 or 20.3%). The majority of businesses handle 1-2 branches, with 368 or 95.8% managing 1-2 branches. The majority of the study's participants were aged 25-34, with 157 (40.9%) being in this age range. The majority of respondents are female, 255 (66.4%), demonstrating significant female participation in FO MSMEs in NCR. Managers/owners of MSMEs are primarily married, with 207 (53.9%). In relation to this, the majority of the owners/managers who participated in the FGD were married females.

The study assessed the MSMEs owner/readiness managers for business continuity planning before assessing their management competencies (see appendix). The second section of the tool assesses business owners' and managers' preparedness. The study's participants had obvious and applied business continuity planning methods. The ten (10) elements tested obtained an overall mean score of 4.32 (SD = .57) (see appendix), which suggests that the business owners have the capacity and ability to apply business continuity plan inside their business. The study of the existing business activity scenario reveals that there has been a practice among entrepreneurs that contributes to and promotes business continuity planning. There has never been a standard and general business continuity tool among these businesses, especially when it comes to including competencies in training for business continuity and survival among future business leaders. There is also no clear plan or guidelines for MSMEs on what should be assessed and considered to ensure the business's survival and future growth.

**Table 2. Business Continuity Assessment among MSMEs**

Business Continuity	Mean	Std. Deviation	Interpretation
Internal Candidates	4.35	.523	Very Important
Retention	4.39	.618	Very Important
Diversity	4.31	.594	Very Important
Team Approach	4.42	.533	Very Important
<b>OVERALL SCORE</b>	<b>4.37</b>	<b>.518</b>	<b>Very Important</b>

An internal candidate received a mean of 4.35 (SD= .523) and was rated "very important". Retention was rated "very important" with a mean of 4.39 (.618). Diversity was rated "very important" with a mean score of 4.31 (SD= .594). The team approach variable obtained an overall mean score of 4.42 (SD= .533), a rating of "very important". Overall, business continuity factors obtained a "very important" mean score of 4.37 (SD= .518). As a result, business continuity planning is critical for family-owned MSMEs in the NCR.

**Table 3. Assessment of MSMEs owners/managers on Management Competencies**

Management Competencies	Mean	Std. Deviation	Interpretation
Planning	4.59	.467	Proficient
Task Organization	4.54	.467	Proficient
Leadership	4.59	.452	Proficient
Creativity/innovation	4.52	.473	Proficient
Delegation	4.57	.494	Proficient

The table shows the mean (total) score, standard deviation, and average (total). Planning had the highest overall mean score of 4.59 (SD= .467). The respondents are proficient in business continuity, which is important for business owners/managers in NCR to train their managers and future owners. Leadership competency was rated "proficient" with a mean score of 4.59 (SD=.452). The delegation competency obtained a "proficient" mean score of 4.57 (SD =.494). The task organization obtained an overall mean score of 4.54 (SD= .467) a "proficient" rating. Lastly, creativity and innovation obtained a proficient rating of 4.52 (SD=.473). Overall, the survey shows that current owners/managers of FO MSMEs in NCR are proficient in their competencies, which are factors to consider in business continuity.

**Table 4. Test of difference in the management competencies according to the profile of FO MSMEs owners/managers**

Management Competencies	T-test				One way ANOVA			
	Sex		Age		Marital Status		Educational Attainment	
	F	p-value	F	p-value	F	p-value	F	p-value
Planning	5.068	.025*	1.650	.146	3.012	.050*	.107	.980
Task Organization	1.040	.308	2.149	.059	4.363	.012*	.762	.550
Leadership	3.981	.047*	2.721	.020*	1.622	.199	1.083	.364
Creativity / Innovation	3.279	.071	1.512	.185	3.728	.025*	.305	.875
Delegation	2.313	.129	2.494	.031*	2.975	.052	.705	.589

\*Significant at  $p < .05$

Table 4 T-test results revealed that males and females were not significantly different in task organization ( $F = 1.040, p > .05$ ), creativity/innovation ( $F = 1.512, p > .05$ ) and delegation ( $F = 2.494, p > .05$ ) therefore, the study failed to reject the null hypothesis. Both males and females have a high level of task organization, creativity/innovation, and delegation competencies. However, males have a high level of competency compared to females in planning ( $F = 5.068, p < .05$ ) and leadership ( $F = 3.981, p < .05$ ); therefore, the study rejects the null hypothesis.

Test of significant differences in the management competencies of FO owners/managers according to age, marital status, and educational attainment was conducted using one-way ANOVA. In terms of age, no significant difference was found on planning ( $F = 1.650, p > .05$ ), task organization ( $F = 2.149, p > .05$ ), and creativity/innovation ( $F = 1.512, p > .05$ ), the study failed to reject the null hypothesis. Although ages 55-60 years old are more competent on leadership ( $F = 2.721, p < .05$ ) and delegation ( $F = 2.494, p < .05$ ) therefore, the study rejects the null hypothesis.

According to marital status, no significant difference was found in competencies terms of leadership ( $F = 1.622, p > .05$ ) and delegation ( $F = 2.975, p > .05$ ) thus, the results failed to reject the null hypotheses. However, significant difference was found on planning ( $F = 1.650, p < .05$ ), task organization ( $F = 4.363, p < .05$ ), and creativity/innovation ( $F = 3.728, p < .05$ ) competencies were married managers/owners are more competent thus the study rejected the null hypotheses. Lastly, in terms of educational attainment, no significant difference was found in planning ( $F = 1.107, p > .05$ ), task organization ( $F = .762, p > .05$ ), leadership ( $F = 1.083, p > .05$ ), creativity/innovation ( $F = .305, p > .05$ ), and delegation ( $F = .705, p > .05$ ).

The results proved that there is enough evidence to say that hypothesis 1 (no significant difference between the management competencies of MSMEs owners/managers according to their demographic profile) should be rejected. Specifically, significant difference was found in owners/managers when they are grouped according to their sex, age, and marital status of FO MSMEs.

**Table 5. Significant relationship between the management competencies among MSMEs owners/managers and their demographic profile**

	Age	Sex	Marital Status	Educational Attainment
Planning	0.065	-0.076	0.077	0.035
Task Organization	.105*	-0.048	0.094	0.014
Leadership	0.044	-0.044	0.034	0.028
Creativity / Innovation	0.035	-0.032	0.088	0.037
Delegation	0.047	-0.039	0.100	0.010

\*Correlation is significant at the 0.05 level (2-tailed).

Chi-square test was utilized in determining the significant relationship between the management competencies and the demographic profile of the FO MSMEs owners/managers. The table above demonstrates the relationship between management competencies and owner/manager demographics in NCR. With a 0.05 correlation significance level, only task organization and age (.105,  $p < .05$ ) were shown to be significant. Therefore, the study rejects the null hypothesis. The study found no correlation between the managers/owners' demographics and their competencies. Other competencies and profiles in age, sex, marital status, and educational achievement are not indications of management competencies.

**Table 6. Challenges encountered by MSMEs**

Theme	Categories	Codes
Challenges encountered by MSMEs	Human Resource and Development	• Manpower
		• Ethics/attitude
	Sales and Profitability	• Retention
		• Skills
	Business Operation	• Salesmanship
		• Customer relations
	Business Structure	• Marketing
		• Logistics
	Business Operation	• Inventory
		• Finance
	Business Structure	• Task Organization
		• Organizational Structure
	Business Structure	• Accountability
		• Accountability

Table 6 shows the challenges experienced by MSMEs. Five Entrepreneurs from various business industries participated in the study's qualitative component. They include retail, manufacturing, and service enterprises. Travel and tourism, soy manufacturing, engineering services, water stations, and food hubs. The table above demonstrates how owners/managers of FO MSMEs responded to business problems. In terms of human resources, manpower, work attitude, employee retention, and skills compatibility were cited as challenges. In terms of sales and profitability, salesmanship and customer relations were challenges highlighted. For business operations, challenges in terms of marketing, logistics, inventory, and financial aspects of the business. Lastly, on business structure, leaders cited task organization, organizational structure, and accountability as challenges.

## Structural Equation Modeling

A business continuity-planning model for family-owned MSMEs in NCR utilizes structural equation modeling. The impact of demographic profile on management capabilities and business continuity planning is examined. The model also examined the impact of managerial competencies on business continuity planning parameters. Also, confirmatory factor analysis (CFA) was utilized to assess the variables' fitness. CFA can be used to build scales, test measurements, and examine their use in models (Harrington, 2010). Table 7 gives the cutoff criterion for measuring the variables' fit indices. In "Cutoff Criteria for Fit Indexes in Covariance Structure Analysis," Hu and Bentler (1999) offer "Conventional Criteria Versus New Alternatives." My model fitness measurement contained the RMSEA 0.06 to bolster my point. The data was examined with AMOS 16.0 and CFA to validate a BCP model. A double-headed arrow represents latent variable covariance. In this case, we use the CFA's typical output to estimate (Hashim & Sani, 2008). The table below provides a full discussion and analysis of the SEM.

**Table 7. Cut-off Criteria**

Measure	Terrible	Acceptable	Excellent
CMIN/DF	> 5	> 3	> 1
CFI	<0.90	<0.95	>0.95
SRMR	>0.10	>0.08	<0.08
RMSEA	>0.08	>0.06	<0.06
PClose	<0.01	<0.05	>0.05

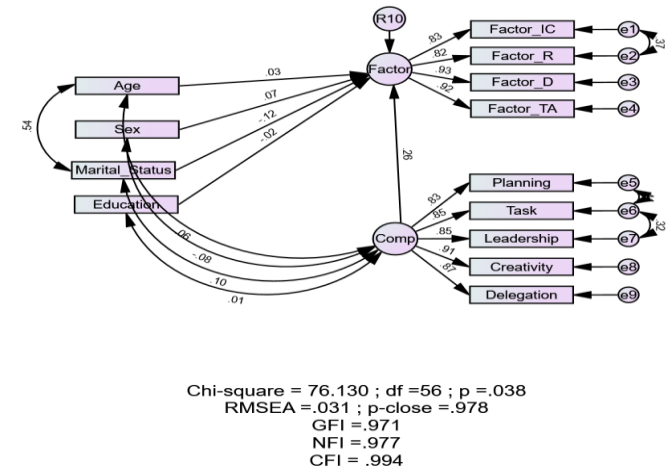
Source: Gaskin, J. & Lim, J. (2016), "Model Fit Measures"

**Table 8. Model Fit Measures**

Measure	Estimate	Threshold	Interpretation	Decision
CMIN	76.13	--	--	--
DF	56	--	--	--
CMIN/DF	1.359	Between 1 and 3	Excellent	Accepted
GFI	0.971	>0.93	Excellent	Accepted
NFI	0.977	>0.93	Excellent	Accepted
CFI	0.994	>0.95	Excellent	Accepted
SRMR	0.028	<0.08	Excellent	Accepted
RMSEA	0.031	<0.06	Excellent	Accepted
PClose	0.978	>0.05	Excellent	Accepted

In evaluating model fit, certain fit index tests are used, such as the relative chi-square (CMIN/DF: chi-square/degree of freedom), Comparative Fit Index (CFI), Incremental Fit Index (IFI), Normed Fit Index

(NFI), and Root Mean Square of Error Approximation (RMSEA). CMIN/DF, the indicated acceptable value for relative chi-square, should be as high as 5, which is utilized to lessen sample size dependency. The cut-off points for CFI, NFI, and IFI, on the other hand, lies between zero and one. An RMSEA score of less than or equal to 0.05 indicates a good model (Schumacker & Lomax, 2004). RMSEA = 0.031, SRMR= 0.028, GFI = 0.971, NFI = 0.977, CFI = 0.994, and CMIN/DF = 1.359 were obtained as median values, showing excellent fit. In table, all fit statistical data are displayed. The initial finding indicates that the chosen fit index test, such as NFI, is still less than 0.9, as required. Furthermore, as indicated in Table above, the values of CMIN/DF, CFI, and RMSEA have met the approved cut-off threshold. All goodness of fit indices were found to be the best fit in the study.



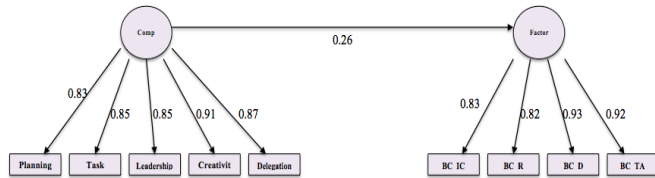
**Figure 2. Structural Equation Model on the relationship of demographic profile on management competencies and business continuity. The relationship and effect of management competencies on business continuity using the maximum likelihood estimates.**

**Table 9. Path Analysis**

Dependent Variable	Independent Variable	Unstandard Estimate	Standard Estimate	p-value
Business Continuity Factors	Age	0.011	0.028	0.646
	Sex	0.064	0.07	0.175
	Marital Status	-0.104	-0.122	0.047
	Education	-0.01	-0.02	0.7
	Mgt. Competencies	0.291	0.26	<0.05

Figure 2 depicts the proposed business continuity model, which includes latent constructs: management competencies and business continuity factors. A circle represents one measurement error for each observed variable. The structural equation model revealed no significant correlation between demographic profile on management competencies (Age  $\beta = 0.06$ ,  $p > .05$ ; Sex Age  $\beta = -0.08$ ,  $p > .05$ ; Marital Status  $\beta = 0.10$ ,  $p > .05$ ; Education  $\beta = 0.01$ ,  $p > .05$ ) and business continuity (Age  $\beta = 0.03$ ,  $p > .05$ ; Sex Age  $\beta = 0.07$ ,  $p > .05$ ) Education  $\beta = -0.02$ ,  $p > .05$ ), the study failed to reject the null hypothesis. However, there is a significant effect on marital status on business continuity (Marital Status  $\beta = -0.12$ ,  $p < .05$ ). Therefore, the study rejects the null hypothesis.

The results proved that there is no evidence to say that hypothesis 2 (no significant relationship between the management competencies of MSMEs owners/managers and their demographic profile) should be rejected. Specifically, a significant difference was found between the business continuity factors in owners/managers when they were grouped according to their marital status of FO MSMEs. Finally, the results highlight that except for marital status, other demographic criteria of owners/managers of MSMEs does not correlate in the level of competencies among respondents.



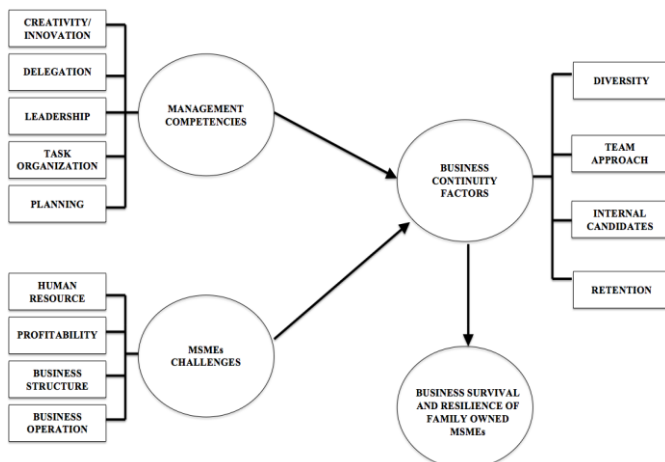
**Figure 3. Completed Structural Equation Model. Management competencies relationship on business continuity.**

Following the statistical fit index tests and modification indexes, the business continuity planning model is shown in Figure 3. Items having a factor loading greater than 0.50 are prioritized for inclusion in the model. Awang (2016) suggests a cut-off value 0.5 for each factor loading. To make a measurement model unidimensional, use this value. Remove items with low loading factors before calculating the new measurement model. As a result, the obtained data supports CFA-based business continuity planning. Figure 3 also shows the impact of managerial competencies on business continuity considerations. According to the study's findings, strong agreement in managerial abilities promotes business continuity (0.26). The model shows that increasing the owner/expertise managers enhances the likelihood of applying and practicing business continuity.

The results proved that there is evidence to say there is a significant relationship between the management competencies of MSMEs owners/managers and business continuity. The results imply that the level of management competencies among managers/owners of MSMEs is vital in the business continuity of their organization; hence, developing an acceptable competency level among these MSMEs is a contributing factor in the ability of the business to address business challenges by incorporating these competencies in the management decision to ensure business continuity across its business operations evident in the study of Chumpong et al. (2020) and Davis and Harveston (2018) which highlights family firms leaders role in business continuity.

## Business Continuity Planning Model

The developed model (figure 4) considers management competencies and business challenges as key elements affecting business continuity, therefore supporting family-owned MSMEs' survival and resilience. The model suggests assessing the owner/management leader's skills before implementing business continuity planning.



**Figure 4. Business Continuity Planning Model. Management competencies and business challenges effect on business continuity**

Similarly, assess business difficulties in human resource, profitability, structure, and operation. Business difficulties are seen as crucial for business continuity and identifying them will equip owners/managers with the appropriate plan of action to address them. As a result, a business continuity plan that focuses on the owners/managers and

firm in general can accomplish preparation among members of the organization, both family and non-family members.

## DISCUSSION

### Business Continuity

For business continuity, it is critical to have available and skilled internal candidates that exemplify the organization's culture and are familiar with business systems and processes (Mazllami, 2019). Furthermore, the ability of MSMEs owners/managers to retain qualified and competent staff for leadership positions is important to the survival of family companies among MSMEs in NCR. The findings show that "potential" leaders should be groomed and equipped. Also, it should be carefully examined who among the internal candidates is suitable and embodied the business culture. According to Josefy et al. (2015), establishing a retention plan will keep personnel shortages at bay and benefit the firm by maintaining highly competent workers in management positions. Retention is crucial for firms to retain competent personnel, reduce turnover, and expand their skill pool. Business continuity programs help employees avoid burnout, impacting staff retention.

Due to size and expansion potential, micro and small FO firms in NCR struggle to retain highly trained staff. Retention is essential for corporate survival, business continuity, and organizational success through competitive staff. The study's findings support Toliver's (2017) conclusions that changing generations affect workplace ideals. Assessing workplace values is crucial for company continuity planning and HRM. These values should align with the organization's mission, vision, and business goals, ensuring employees from diverse backgrounds can appreciate the business culture. Leaders should promote these values, ensuring employees are conscious of their actions. Hiring and training diverse talent is a sensitive process, but it helps establish a diverse talent pool within the firm. Demographic shifts in the workforce and business continuity planning; potential leaders should be coached while retaining employees, preparing them for workforce diversity, and creating leaders inside the firm. Williams et al. (2015) found that a team approach to business continuity planning is useful since it adds specialized experience to diverse management areas. The ability of leaders to contribute expertise from other disciplines helps organizational growth and the owner-ability managers to work on several teams. Developing leadership skills for the younger generation to support future corporate operations can be perceived as a team approach rather than autocratic behavior (Barnett & Davis, 2019; Thomas et al., 2018; Dyczkowska & Dyczkowski, 2018; Toliver, 2017). According to Chumpong et al. (2020), business continuity planning is a component of talent management, which includes individuals with leadership and management skills.

### Management Competencies

Managers/owners must be able to define goals in support to Gibson (2016) research. According to the study's findings, owners/managers should begin defining goals and objectives through planning, which should relate to business activities (Abass, 2017; Tovmasyan, 2017; Becket 2016). The study also supports the literature (Hosseini et al., 2018; Stone, 2016; Trepanier et al., 2016) that shows the importance of planning for managers/owners to provide support and a wide range of knowledge for the next generation (Hosseini et al., 2018).

The assessment shows that MSMEs in NCR are competent leaders, regardless of their demographic profile. Management competencies positively correlate with business continuity and survival and are considered critical for businesses. The COVID-19 pandemic caused issues in various industries, including business survival. Businesses opted to let go of some skills to reduce costs and limit spending. A business continuity plan requires companies to focus on areas where they have control, leverage their talents, and where industries need their services. The leader's capacity to plan, organize, lead, innovate, and delegate responsibilities is vital for the business's existence. Barney's



RVB theory emphasizes human resources as assets for business survival. A business continuity plan with managerial competencies allows leaders to make key decisions based on business needs rather than personal gain, such as letting great staff go. Leaders of FO MSMEs in NCR work in a flatter organization with increasing duties and tasks (Pal, 2015 and Abbas, 2017). To maintain relevance and manage competition, a leader must ensure that the vision is aligned with business activities. Leaders should make decisions that help the business, not themselves. A leader's capacity to persuade and motivate subordinates to follow, participate, and share similar goals will help execute plans through corporate activities in a coordinated manner. The result also validates Cong and Thu's (2020) study on the role and value of leadership in MSMEs, since this type of firm has unique origins, size, characteristics, and business function. Also, MSME leaders oversee practically every aspect of the business. In terms of business continuity planning, MSMEs' managers are referred to as "general managers" because they control the entire business activity, from product development to distribution. The study supports Andriukaitien et al. (2017) recommendation that leaders need to have a clear vision, goals, and work tasks, but also inner energy and dynamism to ensure task execution, as well as determination in the face of challenges. MSMEs in NCR are communicators. They can teach and stimulate communication by generating ideas among their members. In contrast to Abass (2017) who defined managers as "helpless communicators." The data shows that leaders can communicate with employees to understand their roles and responsibilities. The message is clear and both sides understand their roles, as evidenced by the respondents' leadership assessments.

The study emphasizes the need for delegation among MSMEs' owners and managers. Dhiwayo (2019) found that delegation focuses on task alignment to enhance and improve employee productivity, as shown in Abass (2017) and Anthony & Vidal (2019). (2015). When management and the manager facilitate delegation, it contributes to organizational success and employee performance (John and Judy, 2018). The study concludes that delegating is a management competency for business continuity since it enhances resource utilization. The decision-making authority's effective tools of delegation are flexibility and mutual respect within the business (Dhiwayo, 2019). The study confirms that effective task organization helps leaders overcome obstacles. According to Pal (2015) and Gibson (2016), entrepreneurs should be able to manage assets (human and technological) to achieve goals, especially in family-owned enterprises, because human assets include family members who play an essential role in the business operation. The results show that future managers/owners of MSMEs are proficient in task organization, which is required for business continuity.

The study verifies MSME owners' proficiency in task organization and should be part of business practice regarding business continuity planning (Pal, 2015; Abass, 2017). The result also shows that a manager/owner prepares and organizes work, specifies goals, assigns roles to people, and organizes task steps. The task-oriented leader (Anzalone, 2017) understands the necessity of clearly defined tasks assigned to employees (Chebet, 2015). For creativity/innovation, the differentiation between product and procedure innovation allows MSMEs to adapt their work environment to their inventive process, evident in Broekaert et al. (2016). The study's findings confirmed prior research (Abbas, 2017; Florida, 2019) on the relevance of competency in business performance, as evidenced by current business owner's and managers' responses. The study also emphasizes that customers, competition, technologies, and processes can help firms stay "externally flexible" and foster a culture of creativity and innovation among employees (Tubagus, 2016).

Overall, the study supports Mitchelmore and Rowley (2015), Hellriegel et al. (2018), and Ademiluyi (2017) results that management competencies are required for viable entrepreneurship. These include information, skills, practices, and perspectives that enhance individual suitability in managerial tasks. Management competencies are crucial for small business success (Eshenake, 2017; Martin and Staines, 2018).

The study found that while there is no significant difference in task organization, creativity, and delegation among FO MSMEs owners or managers based on sex, there are differences in planning and leadership abilities. Men and women approach business planning differently, creating goals, time frames, and evaluating strategy plan integration. They also set and exercise delegation, work alignment, motivating employees, accountability, and work environment differently. For example, women's duties as mothers may force them to take more time from work than males when their children are sick or have other needs. The number rises even more when single parents are included (Trahan's, 2017).

Management competencies vary based on age, with 55-60 years old being more competent in leadership and delegation. Leaders' capacity to lead and assign responsibilities varies with experience, and senior individuals have been tested over time. Most MSMEs owners/managers have been with the business for ten years, as evidenced by the business's founding date. However, younger individuals are still learning and immersing themselves in the organization. The study found that while MSMEs owners/managers' leadership and delegation competencies are not significantly different based on marital status, married individuals have significantly higher levels in planning, task organization, and creativity/innovation compared to single and widowed leaders, as they have a partner and child to consider in business planning. The results support Feliciano et al. (2019) study on Filipino workers' competency showed that marital status affects their degree of competency. The study also contradicted Parathaman's (2015) result that marital status had no effect on ability. Regarding the study, Arsezen-Otamis (2015) reveals that maintaining innovation "top of stage" in the analytical of local leaders and managers is difficult in bad business conditions. Innovation requires supportive and receptive leadership, which can be achieved in "innovation zones." The FGD among MSME owners and managers revealed that married leaders often involve their spouse, children, and extended family members in future business planning, task organization, and innovation. Most leaders believe their firm is run jointly with friends and relatives, considering family members in future business strategies.

Educational attainment does not differ significantly on the assessment of FO owners/managers on their management competencies. The findings contradicted Feliciano et al. (2019) and Parathaman (2015), who found that educational backgrounds influenced competency levels. When categorized by educational level, owners/managers of FO MSMEs did not differ in their abilities to plan, organize tasks, lead, innovate, and delegate work. The study found that bachelor's degree graduates possess relevant competencies for their respective sectors, regardless of their educational achievement. MSME owners and managers approach difficulties differently based on the type and status of their businesses, according to an interview.

The study found that there is no significant relationship between the management competencies and demographic profile of the FO MSME owners/managers. However, only task organization and age were significantly correlated. Trahan's study supports (2017). It may appear that there is a natural relationship between age and job longevity, where the older you get, the longer you can stay on a job. However, the results contrasted Feliciano et al. (2019) findings among Filipino workers that higher education equaled higher proficiency. Also, better education does not correlate with higher competency among MSMEs. When it comes to prioritizing duties, dividing responsibilities, aligning tasks, and coordinating activities, the result indicates that the owners/managers' years of immersion and participation have an indicator of their level of ability. The leaders' age reflects their years of business management expertise and ability to understand circumstances and handle business activities depending on urgency and resource availability. The result rejects the null hypothesis. Aged 30 to 50, the MSMEs owners who took part in the FGD discussed their issues in a variety of industries. Their involvement in the business promotes business continuity as duties are managed in line with the business's aims.



## MSMEs Challenges

Concerns around personnel, ethics and attitudes, retention and skills were identified. Entrepreneurs discuss subjects like not having enough people to work with, how to create trust with employees, and how individuals think about work and act at work. Employee turnover was also considered a problem, as was unexpected resignations and employee transfers to competitors. Management of talent is a challenge when it comes to retaining highly competent staff and providing them with development and training opportunities.

FOB MSMEs face challenges in sales and profitability, including salesmanship, customer relations, and business profitability. Miscommunication and conflict, sales collection issues, and building productive relationships with consumers and clients also impact sales and profit. Clients with varying demands and timeframes impact the business's capacity to execute, affecting revenue. Issues such as delivery schedules, raw material increases, and alternate suppliers are discussed. Pricing issues include market acceptance and rising raw material costs. Financially, operating expenditures, taxes, and license fees must be paid. The COVID-19 virus makes it difficult for enterprises to follow health and safety regulations.

Lastly, owners/managers of FO MSMEs cited business structure as a challenge. There is no clear-cut task for each employee, as most employees undertake comparable duties. Also, the business's organizational chart was not established, so employees couldn't hold each other accountable. Concerning business continuity, the MSMEs' owners' concerns were crucial for survival, as the issues raised were common to all business activities. Logistics, innovation, and debt were identified as affecting business continuity by Aghei & Sokhavar (2020). Developing managerial abilities enables for early detection, resilience, risk management, recovery, and process (Maulina, 2021).

## Management competencies on business continuity

The study failed to reject the null hypothesis since there is no significant relationship between demographic profile and management competencies. As a result, the owners/managers' demographic profile does not affect or indicate their degree of competency. The study contradicted Feliciano et al. (2019) findings on competency and educational achievement. The study's findings also contradicted Parathanan's (2015) conclusions that age affects managers' competence. Their findings show that higher education correlates with increased competency. As a result, better educational achievement does not imply higher management competency.

Similarly, managerial skills improve business continuity ( $<0.05$ ). Other factors have no effect on business continuity. The results show that as an owner or manager's marital status goes from single to married, their level of agreement or competency rating varies. In business, single owners/managers have less family and business responsibilities than married owners/managers. In addition to their extended family members involved in the business, married owners/managers of family-owned enterprises consider their children and spouse in the management of the firm as well as their well-being. Married leaders also contemplate their family members' future and survival. In one conversation, the owner founded the firm for her child, expecting it to expand and be controlled by her child in the future.

The owner or management of FO MSMEs must have certain competencies to create an efficient business continuity strategy. According to the study by Maulina (2021), business continuity planning contains abilities that successfully tackle key risks, company recovery, and the process of returning operations to normal. This practice is evident in the MSMEs' owners/managers' replies during the FGD, highlighting the importance of the business continuing to earn profit while simultaneously employing employees.

Managers/owners of organizations should focus on what needs to be done, plan quickly, be goal-oriented, conduct business planning, and gather vital data. Numerous studies show that they should aid with

organizational development, productivity monitoring, risk management, benefit creation, and waste minimization (Abass, 2017 and Tovmasyan, 2017). Managers/owners of organizations must have planning skills to accomplish desired results and meet corporate goals. The study indicated that managers who plan and train their successors are more likely to maintain business continuity.

The model developed describes the vital role of determining competencies and challenges on training for next business leaders. Business continuity planning evaluates internal candidates for leadership positions, retains them, and trains them. As mentioned previously, diversity allows for the incorporation of next-generation leaders into the family business as well as a broad pool of skills that offers experience. Lastly, the practice of collaboration and decision-making by all members. Managerial competencies heavily influence these business continuity planning criteria. Having high levels of expertise and good business continuity planning leads in a high degree of competency and preparedness for the entire organization. Managerial abilities are critical for corporate survival (Chumpong et al., 2020). This is apparent in research on family and small companies (Davis and Harveston, 2018). It underlines the importance of assessing leaders' talents.

The assessment helps current owners train and transfer knowledge to new candidates, ensuring careful planning and delegation. Management competencies significantly influence MSMEs' business continuity planning, affecting candidate availability, talent development, talent pool, and stakeholder engagement. The study emphasizes the importance of managerial capabilities and business continuity planning, with proficiency increasing the application and practice of such planning. Incompetent owners or managers may not implement or apply business continuity planning. These abilities produce competitive advantage and distinction among MSMEs as compared to non-family firms, as identified by the RVB theory. This perspective can assist in determining how families establish and develop competencies, pass them on to the next generation of governance, and adjust them when issues arise (Coffman, 2014). Because human resources have unique talents and qualities that set them apart. With the RVB theory and model, FOB resources could be recognized, including human resources as competencies (Pearson et al., 2008). Based on the proposed business continuity model, these competencies enable the manager/owner to be prepared and equipped for business continuity planning. These services can help family-owned firms overcome obstacles in the planning process. These skills enable a company to successfully match its resources with its business processes.

## CONCLUSION

The study reveals that internal candidates, retention, diversity, and team approach are crucial for business continuity planning. High-level management abilities, such as planning, task organization, leadership, creativity, and delegating, are beneficial for FO MSMEs owners/managers, enhancing their business continuity. The study found significant differences in task organization and delegation competencies among FO MSMEs categorized by age and sex. However, planning and leadership skills were not significantly different. The study also revealed no significant differences in leadership and delegation competencies by marital status, but significant differences in planning, task organization, and creativity/innovation competencies by marital status. The study also revealed that FO MSMEs face issues in human resources, business operations, marketing, and customer service. Diversity is crucial in business continuity planning, while creativity and innovation are important management competencies. The study found that organizational competencies, such as marital status, significantly impact business survival, while other demographic characteristics have no effect. Management competencies significantly affect business continuity, with business continuity planning more prevalent among FO

MSMEs in NCR. To ensure business continuity, owners/managers should analyze their abilities to mentor and teach future leaders.

The study reveals that the management competencies of FO MSMEs managers/owners significantly correlate and affect business continuity parameters. Clear plans, prioritizing goals through task organization, and delegating jobs based on employee competencies significantly impact how businesses practice and implement business continuity plans. The increase in competency-based assessment of owners and managers results in business preparation. The RBV and Business Development Theory emphasize the importance of corporate leaders' readiness, with competencies being a firm's critical asset that drives performance and competitive advantage. Effective use of a business continuity plan is crucial for successful business management. Both approaches help ensure business continuation. The RBV theory encourages development by utilizing information and abilities to construct and operate a successful organization, while the business development theory sees appropriate use of these competencies for business continuity to ensure profitability and continued existence. The researcher recommends more research on various elements of management competencies and issues facing MSMEs in business continuity planning and management competency development. More research is needed to discover the best effective management practices for FO MSMEs in the country. Other researchers can expand this research to non-family firms and, more significantly, compare business continuity planning approaches in both types of businesses.

## Limitation and Future Research

The business continuity-planning model developed contributes to assessing and developing business practices among family-owned MSMEs in the Philippines. The study helps family-owned MSMEs understand management competencies among various business sectors. This research will help MSMEs to understand the importance of competencies in every micro, small, and medium company enterprise. The study's findings will guide management firms in all situations involving their management practices. The outcomes also offer MSMEs the skills and competencies required for business continuation. MSME owners/managers can also utilize the tool to examine their present competencies.

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The Letran Business and Economic Review is an annual scholarly journal of Colegio de San Juan de Letran-Manila published every October. As a business research journal, it welcomes research from the graduate programs of the Colegio.

The editors recommend that manuscripts conform to the following guidelines:

1. Manuscripts should be endorsed by their respective research advisers together with the consent from the student researchers.
2. Authors should submit two versions of the manuscript. One file ("file not for review") should include the names of the authors (adviser and student/s), their contact information (e-mail addresses), and current affiliation (program/area and college). The other file ("file for review") should remove any information that would identify the authors.
3. The paper should include keywords and an abstract of 100 – 200 words.
4. The article should contain approximately 6000 – 7000 words (including abstract, tables/figures, and references) and should be typed in a 12-point font, Garamond, double-spaced, with one-inch margin on all sides.
5. Tables/figures and references should follow the APA format style. Table titles are placed above while figure titles are placed below.
6. Reference should follow the APA format style.
7. The editors prefer to have the file in Microsoft Office Word 97-2003 Document (.doc) format and should be sent to [research@letran.edu.ph](mailto:research@letran.edu.ph).
8. Manuscripts that are already published or in the process of publication in other journals will not be considered in the Letran Business and Economic Review.

## Review Process

1. The editor screens the submitted manuscripts and selects those deemed suitable for peer reviewing. Selected articles then undergo a rigorous double-blind refereeing.
2. Once accepted, a Copyright Agreement will have to be sought from the student researchers and their research adviser.
3. Attached with the letter of acceptance are the comments and suggestions from the members of the editorial board. Revisions should be incorporated and returned to the Center within 2 weeks.
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The Editor

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Colegio de San Juan de Letran

151 Muralla St., Intramuros, Manila, Philippines

8527-7693 to 97 loc. 122

e-mail: [research@letran.edu.ph](mailto:research@letran.edu.ph)