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FACTORS AFFECTING THE SUSTAINABILITY OF FAMILY BUSINESSES IN SOCCSKSARGEN, PHILIPPINES

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ABSTRACT

Family business is one the driving forces behind the continuous economic success of the SOCCSKSARGEN region. The purpose of this study is to determine the factors that affect the sustainability of the family business, and to determine what moderates the sustainability of the family business in the five cities of SOCCSKSARGEN, a region in Southern Philippines. The sustainable family business model and Elkington's Triple Bottom Line Model served as a strong foundation in formulating the framework that incorporates social, environmental, and financial aspect used to peruse the sustainability of family business. This study used descriptive and multivariate statistical techniques. It empirically explored the family businesses in the region across all industries in terms of the profile of the family business and its managing owner. The study unraveled the perception of the family business owners on the sustainability of their family business. The multiple regression analysis was utilized in the data analysis. The data culled through a survey questionnaire from respondents limited only to the sole proprietorship family businesses operating for at least 10 years as listed in the Office of Permit and Licensing Department or Business Bureau. The findings of the study revealed that innovation, financial management, organizational culture and values, and competitive advantage significantly influence sustainability of the family businesses in SOCCSKSARGEN region. The result of this study sheds new light on to the business industry, specifically to the family business owners and its successors as a good reference for sustaining their family business over the next generations.

Keywords: sustainability, family business, SOCCSKSARGEN, sustainable family business, triple bottom line

1. Introduction

Sustainability is a business approach that put balance on the economic, environmental, and social issues, in order to achieve and sustain the present and future generations. The sustainability of family business is a pertinent study specifically to all family-owned business owners because they are the oldest and most influential business organization in the world as they represent more than 70% of the privatelyowned business enterprise and are susceptible to failure. As the Scottish proverb says “shirtsleeves to shirtsleeves in the three generations”, believes that family businesses do not survive over the long term. Despite the increasing number of family businesses, only few of them endure and survive beyond two to three generations as they experience business ups and downs, chasing the challenges to sustain their businesses in today’s ultra-competitive global marketplace, they suffer decline and leading its business to collapse. The long-term sustainability of family businesses is not freely given, it requires tremendous effort to address conflicts and to balance the needs of both family and business (Dieleman, et. Al, 2013). Indeed, the creation, growth, and longevity of family businesses are critical to the success of a country’s economy. Making (2009) stated that family business is challenged by various aspects such as entrepreneurial skills, capital, business cycle maturity, trends and innovation, increasing competition in the market, disputes within the family, and unstable and weak leadership.

In 2016 the Philippine Statistics Authority (PSA) recorded a list of business establishment in the Philippines, totalled to 915, 726 across all industries. There is about 40, 000 business establishments recorded in SOCCSKSARGEN region that generates 63.3% job opportunities. Family businesses served as the vehicles of growth to the region creating opportunities among its constituents and helped increase their economic power. Given the important role the family business played in the economy, it is necessary to come up with a study that will help address the issues and challenges they are facing, by examining the factors that highly affects their business operations.

2. Literature Review

Family Business. Most scholars and researchers agree on its definition using the three essential elements that are present in family business: the family, the business, and the ownership. Aptly, King (2018) defines family business as a company where the members of the family take control of the business and holding the significant shares of ownership. Another interesting definition of family business is given by Sharma et al. (2012) who stated that it is a business operated on a sustainable manner, having successfully transferred to the next generation, and continuously pursuing the vision formulated by the family members. The significant impact created by family business in the economy catches the attention of many researchers to conduct in depth study on the said field of research. The study of family business is increasing; however, the lack of agreement on family business definition does not only restrict the development of more studies and theories on family business, but it hinders interdisciplinary work on issues in family firms. Indeed, the definition of family business varies according to the perspective of the researcher in relation to the study.

The SOCCSKSARGEN Region. The SOCCSKSARGEN or Region 12 is composed of four (4) provinces in South-Central Mindanao namely: South Cotabato, Cotabato Province, Sultan Kudarat, Saranggani, and General Santos City, and four (4) cities namely: General Santos, Koronadal, Tacurong and Kidapawan see Figure 1. In SOCCSKSARGEN Region, there are about 40,000 business establishments recorded. These contributed to 63.3% of the total jobs generated by all types of business establishments. Part of these business establishments are family businesses that help sustain the growth of the region, increase employment opportunities, and improve the lives of people.

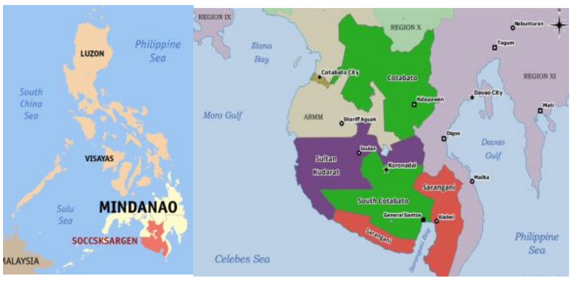

Figure 1. Map of SOCCSKSARGEN Region, Philippines
(Source: PhilAtlas, 2024)

Economic Impact of the Family Businesses. Over the past 40 years, family businesses displayed a tremendous growth, composing of 67-90% of the world's business enterprises are owned and operated by families that employ half of the world's labor force, and generating almost 50% of the world's economic performance. Family businesses are range from small, medium-sized enterprises to large multinational corporations operating in different industries and countries worldwide. The family businesses are usually established out of the economic need of earning a living and supporting a family (Heck & Stafford, 2011). They composed of the biggest percentage of the businesses in most developed economies in the world (Dieleman et al., 2013) serving as their economics' most significant building block. They play an integral part in most of economies in Asia-pacific region. Japan has some of the oldest recorded family business in the world and is home to 40% of the world's top 100-year-old companies, estimated roughly 2.5 million companies. Family businesses across the region have developed differently, depending on the economic and political conditions that exist in each country. China is relatively new to the family business experience, comparing to many other parts of the region, such as Hong Kong, Singapore, South Korea, and Australia where the sector is well developed. In China, about 70% of the Gross Domestic Product (GDP) and 75% of the workforce were contributed by the family businesses, while in Hong Kong, two-thirds (2/3) of the listed firms are controlled by families, and 84% of the Gross Domestic Product (GDP) is represented by 15 family groups. In South Korea, there are only 10 family groups (Chaebols) that control 60% of its Gross Domestic Product (GDP). In Indonesia, over 50% of their local businesses are family owned, and the 25% of the Philippines market capitalization is controlled by the Ayala family (King, 2018). Philippines recorded over 95% of family businesses across the region, highly represented by the controlling families like Ayala Corporation (Ayala Family), Metro Bank (George Ty Family), ABS-CBN and Meralco (Lopez Family), J.G. Summit Holdings (Gokongwie family), and SM Prime Holdings (Henry Sy Family), to mention a few (Balasan, 2004). Thus, the proliferating number of micro, small, and medium sized family-owned businesses greatly contributes to our country's economic growth as they persevere to work longer hours and plow back earnings to ensure the success of their business venture.

Issues and Challenges of the Family Business. The family businesses' impact to the world's economies is remarkable. However, the growth and longevity of family businesses is being challenged by the issues such as business maturity, stiff market competition, fast innovation and change in technologies, weakened leadership, limited capital, conflicts between successors of the family business, and depreciating values and culture. It is a natural cycle of the mature business firms, be it a family business or non-family business to experience difficulty in maintaining growth. Thus, one problem with family businesses is the fact that the founding owner only have one business, that when the maturity comes they can only decide to hold on to their declining business to which their identity and reputation are being anchored.

The type of governance implemented by family business highly contributes to the success and sustainability of its business operations. Ineffective governance is one of the major challenges that most family businesses are now facing. One of the problems identified is the objectivity of the decisions made by the family. It was observed that most of the family businesses made their decisions out of their own vested interest, not primarily for the benefits of the business (Arib, 2014). Most of the family businesses, according to Arib (2014) experience limited access to capital expansion because of their inability to provide collaterals and necessary requirements to get an access from financial institutions. Another issue on capital is when a member of the family business decides to gain independence and establish his own business.

Sustainability of Family-Owned Businesses. De Lange (2012) defined sustainability as a business approach that put balance on the economic, environmental, and social issues, in order to achieve and sustain the present and future generations. Other business concept of sustainability quoted by Herrero (2017) on his study pointed to sustainability as a result of business enterprise taking the risk of diversifying the business.

Recently, scholars have started noticing the complexity of issues faced by these family enterprises (Sharma et al., 2012). It is stated in the study of Making (2009), that the survival rate of the family-business is significantly low due to the unreconciled family and business issues and challenges such as maturity of business cycle, business innovation, continuous family disputes, lack of entrepreneurial skills, limited capital, resistance to change, increasing market competition, and unstable and weak leadership.

Related Studies on Various Variables. In the family business, the organizational culture has a distinct characteristic and plays a vital role in the sustainability of the business enterprise. Culture is a complex construct that composed of assumptions, beliefs, goals, knowledge and values shared by the members of the family. A business enterprise could have weak or strong culture that will define its longevity. An enterprise with strong culture possess high level of values and norms, agreement, and a remarkable system and environmental conformity that are shared to all, and are well accepted by the all employees. Values are part of the family's legacy reflecting the goals, objectives and standards of the family business. Family values are important bedrock and driving factor behind the family business. It serves as essential driver of core values in the family business by converting the family values into "core" business values that established moral compass and serving as a guide of family business activities and transactions. The study of Oudah et al. (2018) states that family business values are one of the contributing factor that affects the sustainability of the family business by creating a common vision and code of work ethics. The concerns on difficulties of family in handling their financial aspects and relationship with the rest of family members are interrelated. Many family businesses are bound to capital restrictions that limit their business operations and expansions. The issue on capital and liquidity planning of the family business often the reason to sell the business to non-family interested party. To date, most of the family businesses are now engage in developing strategic plan on how to meet their capital needs, to be able to respond the fast-changing business climate and to avoid future financial stress. As family business matures, the issues on capital and liquidity are the main cause of conflicts between the needs of the business and family. The drastic changed in today's business environment denotes that the approach in the managing family business in the past will no longer be effective at present time or even work in the future.

Research Gap. There are few and limited study on the sustainability of family businesses conducted in the Philippines despite of its significant role in global economies. The access to data is one of the primary concern due to its high degree of confidentiality. In this study, the respondents were limited only to the sole proprietorship family businesses that have been operating for at least 10 years based on the list of Office of Permit and Licensing Department or Business Bureau. According to King (2018), a family business is known to be sustainable when the business stays to the family for a longer period, is able to cope with economic shocks, adapt stable states, address family and business stress accordingly, and integrate economic environmental and social growth opportunities into its business.

This study intends to identify the factors affecting the sustainability of family-owned businesses in SOCCSKSARGEN, Philippines. It purports to determine (1) the family businesses' characteristics in terms of employment size, operating years, and generations in the SOCCSKSARGEN region; (2) the level of sustainability in terms of social, economic, and environmental; (3) the significant relationship between the following factors and the sustainability of family businesses in terms of organizational culture and values, business structure, financial management, succession plan, competitive advantage, and innovation; (4) the factors affecting sustainability of family business such as organizational culture and values, business structure, financial management, succession plan, competitive advantage, and innovation; and (5) the characteristics significantly moderate the relationship between factors affecting sustainability of family business in terms of operating years of the business, and generation of the family business (2^{nd}, 3^{rd}, etc.).

The following hypotheses are tested in this study:

H_o^1. There is no significant relationship between organizational culture and values, business structure, financial management, succession plan, competitive advantage, innovation and sustainability of family business.

H_o^2. There are no significant factors that affect the sustainability of the family business.

H_o^3. There is no moderating effect between operating years of the business and generation of the family business and sustainability of the family business.

Theoretical Framework

This study utilizes a combination of theories and models to analyze the sustainability of family businesses. These theories and models adopted are the following: The Sustainable Family Business Model, the Three-Circle Model, the Stewardship Theory, the Resource-based View theory and the Triple-Bottom Line Model.

The Sustainable Family Business Model. The sustainable family business model (SFBM) is used by the researchers to identify the resources of the family and business, constraints, processes, and transactions that will result to family and business success and sustainable family businesses (Stafford et al.,1991). Olson et al. (2003) states that this model settles the complex issues of family business by making use of each system's resources coming from family system and business system. It fairly treats the family and business system, and points out that the sustainability of the family business system is the result of the contribution of the entire system. The study of Danes et al. (2008) on sustainable family business model stress out that sustainability of the family business is not solely focusing on the revenue generated from the business.

The Three-Circle Model. The Three-Circle model is a framework that was developed by Taguiri and Davis in 1982 to assist famiy businesses during succession planning, to ensure that their business will continue to grow and survive (Cho et al., 2017). Tagiuri and Davis (1982) described this unique model, proposes attributes to owning family of the business, nonfamily employees, and family employees, that will serve as source of benefits. Futhermore, they stated that success and failure of family businesses solely depend on how those attributes were managed, as well as their successful management structure that will cause impact to the welfare of the family, and its relationship with their workforce and society where they belong. Moreover, family businesses have gained strength to achieve sustainability and longevity, by analyzing the stakeholders who are involved in the family business model: owners, family, and the business itself.

Figure 2 shows the complexity of the relationship among family members working in the family business, as owners, relatives, and manager. It is where the family members are concerned with the benefit and unity of the family; while other the family business owners are more concerned on their investment return and their firm's sustainability.

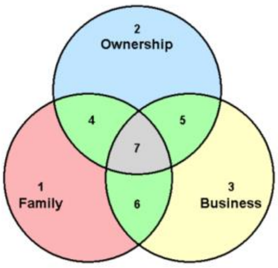

Figure 2. The Three-Circle Model

(Source: Three-Circle Model developed by Tagiuri, R. and Davis, J., 1996)

The Stewardship Theory. This is the theory that define a situation where achieving individual goals and personal objectives no longer motivates the managers to work, for they are motivated to act as stewards of the business, whose motives are aligned with the objectives of their principals (Davis, 2018).

The study of Cho et al. (2017), he quoted that stewardship theory helps us understand the behaviour of the managers as stewards of the business, protecting and making the business enterprise sustainable. The theory asserts that owners of the family business and managers views to enhance the value of its stakeholders by putting massive investment into its business (Miller et al., 2016)

The Resource-based View Theory. This theory aims to answer critical question, why do some business enterprise outperform others. The resource-based view theory is adopted in the study of family business to help resolved family business problems and issues (Cho et al., 2017). The attributes of resources that will contribute to family firm's sustainable competitive advantage are the following: valuable for implementing a strategy that improves a firm's efficiency or effectiveness, rarity in comparison to the resources possessed by other firms, imperfect ability of competitors to imitate the resources used to implement a strategy, and an absence of resources that can act as substitutes that permit the same strategy to be implemented.

The Triple Bottom Line Model. In 1998, Elkington's Triple Bottom Line earned its popularity when the book entitled "Green Business" created awareness to business owners and managers that they can prolong the lifespan of their business if they engage their focus not only on monetary concerns but also with the environment and social impacts of their business (Elkington, 1998). Thus, the model defines the utmost worth of the company by putting into consideration the social, environmental, and financial aspects in their business operations. This theory emphasizes the role of the business to achieve sustainability through maximizing the gains of 3 P's that composed of: planet (environment and planet), people (people from all walks of life), and profit (long-term financial viability of the organization). In order to drive the adaption of TBL in the business, creating a universal standard will serve as a right tool that firms will follow. Indeed, the triple bottom line model measures the performance of business beyond profits, investment return, and shareholder value to include social and environmental aspects.

Figure 3 shows the inter-relationship of 3P's composed of: people, planet, and profit in the business. This model highlighted not only the economic value of the business, but also on the environmental and social value that gives impact to the business operations and sustainability.

Figure 3. Triple Bottom Line Model
(Source: John Elkington, 1998)

Conceptual Framework

The conceptual framework of this study incorporate all variables from the gathered literatures of theories and models to determine which constructs best describe sustainability of selected family businesses in South Cotabato, Cotabato Province, Sultan Kudarat, Saranggani, and General Santos City (SOCCSKSARGEN), Philippines.

There are several factors considered in examining the sustainability of family businesses. This study derives its construct from the theories and models presented by previous studies and research. The conceptual framework is shown in Figure 4. This study investigated the organizational culture and values, business structure, financial management, succession plan, competitive advantage, and innovation are the independent variables, while sustainability of family businesses is the dependent variable.

Operating years of the business and generation of family business are the moderating variables of this study. According to statistics, about 15% of the small and medium sized family businesses experienced closures on its first year of operation, while only 27% of them survived until its second year period. Moreover, a family business that operates between 5-20 years is sustainable, for it has successfully survived the issues and challenges of the start up years of the business. The age of the firm influences the sustainability wherein the learning process and acquired experiences overtime used as basis of its growth. The level of generation of the family business is classified to the following: 1st (founder's generation), 2nd (children's generation), 3rd (grand children's generation) etc. and is considered contributory to the sustainability of the family business. Usually, only 13% of the family businesses are successfully inherited and managed by the 3rd generation family members (Dieleman et al. 2013). In Asia, most of the family enterprises are currently led by the 2nd generation that makes the family anxious about the survivability of the family business.

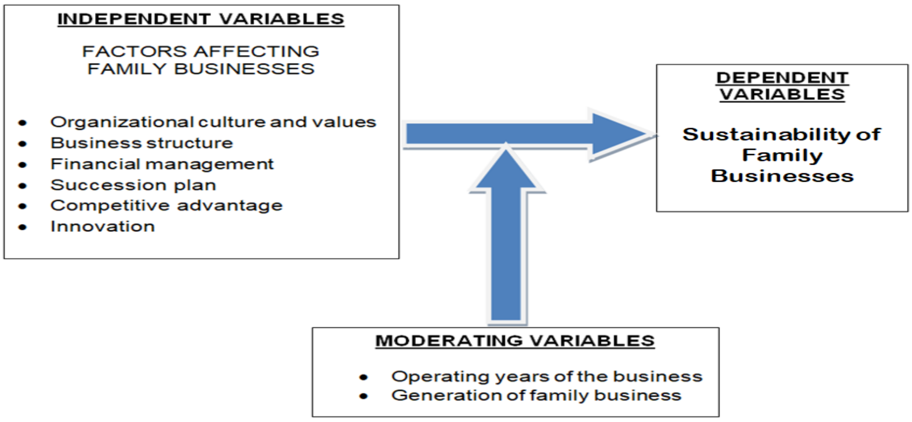

Figure 4. The Conceptual Framework of the Study

3. Research Method

This study used the descriptive and correlational research design. It utilized descriptive statistics to interpret the socio-demographic data and multiple regression analysis to analyze and interpret collected data. The respondents of the study were the managing owners and successors of the family businesses in the key cities of SOCCSKSARGEN, Philippines namely: Koronadal City, Kidapawan City, Tacurong City, General Santos City, and Cotabato City, Philippines. The respondents qualifying years of business operations was at least ten (10) years. Slovin's formula was used in determining the proportion of respondents from different cities. Purposive random sampling was applied to the list of businesses from the Office of Permit and Licensing Department or Business Bureau using the Randomizer to determine the number from the list and prequalify the name of the establishment based on the criteria of the family businesses, giving an allowance of 30% to reach the maximum number of respondents.

The study made use of the primary data collated through a self-constructed survey questionnaire using Likert Scale validated by three (3) experts prior to the conduct of the survey. A six-point scale with values and qualitative descriptions was used to determine the perception of the respondents. The questionnaire investigated the profile of the family business that helped examine the moderating effect of the years of business operations and the generation of the owners; the 2nd part revealed the profile of family business owners and family members actively participating in the business operations; while the 3rd part helped us measure the effect of the factors affecting the sustainability of the family businesses. The study is cross sectional because the respondents were surveyed only once. The research instrument was subjected to the validity and reliability test post hoc (Cronbach's alpha 0.97). The gathered data were analyzed using the Descriptive Statistics and Multiple Regression Analysis using statistical software, SPSS version 22. The moderating variables, number of year of operations and generation of owners, were tested if they had contributed to the overall model of regression by using the Process method by Prof. Hayes (Hayes, 2013).

4. Results and Discussion

Profile of Family Business. The years of business operation is counted from the year of its inception in the market or business industry. The biggest chunks of the family businesses operate in SOCCSKSARGEN, Philippines 29% has been operating for 21-25 years; 24.5% for 10-15 years, 24.2% for 16-20 years and lastly 22.3% had been operating for more than 25 years. And this family businesses were mostly (87.8%) owned and managed by the second generation. In addition, 7.4% of the respondents belonged to the third generation. Only 3.1% of the respondents came from fourth generation, and a small portion of the respondents, 1.7% were fourth generation of owners and onwards.

Profile of the Managing Successor of the Family Business. Half of the respondents or 50.6% belonged to 31-40 years old. It means that 50.6% of the respondents managing their family businesses were between the age group of 31 to 40 years old. This is followed by young managing owners belonging to 21 to 30 years old with 28.8% while 14.9% of the managing respondents came from the age group between 41 to 50 years old, and a small portion of 5.8% belonged to retiring age group between 51-60 years old. Study shows that 56.1% of the respondents were males, which signifies that most of the family businesses were predominantly managed and run by male successors. On the other hand, the number of female successors was not far behind, they comprise of 43.9% of the total respondents. This implies that female successors were empowered and given the opportunity to run the family business. Most or 90.20% of the respondents were college graduates. There were 5.50% of the respondents who pursued and were able to finish their post graduate studies. This signifies that most of the respondents gave value to their education, and even used education to establish links and connections for their businesses. Some or 4.10% of the respondents were high school graduates, and a few of them were able to enter college but failed to finish their degree as they became more engaged in managing their businesses. A small portion or .20% graduated from elementary. Some of them were able to study high school but failed to finish secondary level since they lost interest in going to school when they started to see money in doing business. Most of the respondents were engaged in helping to manage their family businesses and 46.80% of the respondents immediately joined their parents or family in managing their business. Some of the respondents gained outside experiences by working in private companies with 35.50% of the total respondents. While 14.90% of the respondents worked with the government offices and agencies for a while before they managed their own family business. Only 2.90% of the respondents were non-working. This means that they had not gained any work experiences from private companies, government agencies, and even from their own family business. Thus, they had not gained exposure from their own business, but were obliged to manage the family business because they had no other option but to inherit the business of their parents.

Degree of Sustainability of Family Business in terms of Social, Economic, and Environment. The social aspect resulted to overall mean of 5.28 indicates that the respondents strongly agree that their family business has obtained the level of sustainability in terms of social aspect by extending assistance, expanding business, and providing decent employment to the community. Whereas, the economic aspect overall mean of 5.34 indicates that respondents strongly agree that their family business has attained the level of sustainability in terms of economic aspect through paying taxes and government obligations on time, giving services to the locality, and by creating strong economic and business environment. Lastly, the environmental aspect showed overall mean of 4.78 signifies that the respondents agree that their family business has attained the level of sustainability in terms of environmental aspect through of usage of eco-friendly products, limit activities that contribute to air pollution, and improve source of water through proper sanitation.

Multiple Regression Analysis. Multiple regression analysis was applied to test the explanatory and predictive power of the different independent variables such as organizational culture and values, business structure, financial management, succession plan, competitive advantage, and innovation to the dependent variable which is the sustainability of the family business that is measured in terms of social, economic, and environmental aspects. The stepwise method was used, wherein following tests were performed first to see whether the MRA assumptions on collinearity, normality, homoscedasticity, and sufficiency of observation were met: Kolmogrov-Smirnov and Shapiro-Wilk, Normal P- Plot, Scatterplot, VIF, applied the parameters estimated multiplied by factor of 10. The Multiple Regression Analysis results (Model Summary, ANOVA, Coefficients, and Moderating output) were analyzed for the model fit, explanatory and predictive power, and moderating effect.

Table 1. Summary of MRA Assumption Test Results

Normality Test	
Kolmogrov-Smirnov	Significant results of .000 (p values less than .05), data was not normally distributed
Shapiro-Wilk	Significant results of .000 (p values less than .05), data was not normally distributed
Normal P-P Plot	No close fit between the dotted line and the 45-degree curve necessary to guarantee normality
Collinearity Test	NO VIF values greater than 5 for model 4. The highest VIF for model 4 is 2.862. Therefore, there was no multicollinearity issue on the variables
Homoscedasticity	Scatterplot does not show any presence of a diamond pattern which means that all the relevant variables are part of the model.
Sufficiency of Observations	Applied at least ten times as many observations per parameter. Observations was more than enough – 417 observations

Source: SPSS Version 22

Multiple Regression Interpretation. The Table 2 Model Summary showed the coefficient of determination (r^2) for Model 4 is .685. Its ANOVA on Table 3 has an F value of 224.138 (p value =.000) which signifies that all the independent variables used together in this model as a set are significantly related to the dependent variable. The result has a good statistical and practical significance because 68.5% of the variances have moderate explanatory value. The significant independent variables that account the 68.5% of the variances are the innovation, financial management, organizational culture and values, and competitive advantage. Specifically, Innovation (beta coefficient of .379, t value of 7.387, p value of .000), Financial Management (beta coefficient of .277, t value of 8.141, p value of .000), Organizational Culture and Values (beta coefficient of .211, t value of 3.969, p value of .000), and Competitive Advantage (beta coefficient of .172, t value of 3.282, p value of .001) explain the variances of 68.5%.

Moderating Variables Tests. The moderating variables, number of year of operations and generation of owners, were tested if they had contributed to the overall model of regression by using the Process method by Prof. Hayes. The increase of r and r^2 value describes the contribution of each variable to the overall prediction. Table 4 showed the R value is equivalent to .8376; and the r^2 value is equivalent to .7016 respectively. This result shows an increase of the r value and r^2 value referring to the old model summary in Table 4.14 which are equivalent to .828; and.685 respectively. Therefore, the inclusion of the moderating variables had an interaction effect that increases both the r and r^2 values, which means that it changes the level and strength of relationships of the two variables.

Table 2. Model Summary

Model	r	r^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R^2 Change	F Change	df1	df2	Sig. F Change	
1	.751[a]	.563	.562	.4000	.563	535.339	1	415	.000	
2	.813[b]	.661	.659	.3531	.097	118.677	1	414	.000	
3	.823[c]	.677	.675	.3449	.016	20.855	1	413	.000	
4	.828[d]	.685	.682	.3409	.008	10.769	1	412	.001	1.876

Source: SPSS Version 22

Table 3. ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	85.681	1	85.681	535.339	.000[b]
	Residual	66.421	415	.160		
	Total	152.102	416			
2	Regression	100.479	2	50.240	402.908	.000[c]
	Residual	51.623	414	.125		
	Total	152.102	416			
3	Regression	102.961	3	34.320	288.439	.000[d]
	Residual	49.141	413	.119		
	Total	152.102	416			
4	Regression	104.212	4	26.053	224.138	.000[e]
	Residual	47.890	412	.116		
	Total	152.102	416			

Source: SPSS Version 22

Table 4. Model Summary

R	r^2	Change Statistics				
		MSE	F	df1	df2	Sig. F Change
. .8376	.7016	.1135	58.7792	16.0000	400.0000	.0000

Source: SPSS Version 22

The results in Table 5 showed that W1 (10-15 years), W2 (16-20 years), and W3 (21-25 years) are all significant and thus considered to moderate. Overall, the number of years in operation moderates the effect of the significant independent variables to the dependent variable.

On the other hand, the generation of owners resulted to Z1 (2nd generation) is not significant, therefore it does not moderate; the Z2 (4th generation) is also not significant, and does not moderate, and lastly, the Z3 (3rd generation) is highly significant, and therefore it moderates. Therefore, if the succession of generation is treated by just one category (not multi-categorical), it is not significant and so it does not moderate. The impact of independent variables to the dependent variable, sustainability of the family businesses.

Table 5. Outcome of Variables for Sustainability

	Coefficients	Se	t	p	LCCI	ULCI
Constant	1.874	0.3735	5.0168	0	1.1396	2.6083
W1	-0.1014	0.0479	-2.1177	0.0348	-0.1955	-0.0073
W2	-0.0993	0.0466	-2.1298	0.0338	-0.1911	-0.0076
W3	-0.1479	0.0508	-2.9105	0.0338	-0.2477	-0.048
Z1	-0.1019	0.0818	-1.2452	0.2138	-0.2627	0.059
Z2	-0.1054	0.0864	-1.2192	0.2235	-2753	0.0645
Z3	-0.0518	0.1013	-0.5112	0.6095	-0.2509	0.1474

Source: SPSS Version 22

Hypothesis Testing

Null hypothesis 1 (innovation, financial Management, organizational culture and values, and competitive advantage do not significantly influence Sustainability of the Family Business) was rejected based on the results of the Multiple Regression Analysis which revealed that innovation, financial management, organizational culture and values, and competitive advantage significantly influence sustainability of the family business.

Null hypothesis 2 (organizational culture and values, business structure, financial management, succession plan, competitive advantage, innovation do not significantly influence sustainability of the family business) was rejected based on the results of the Multiple Regression Analysis where innovation, financial management, organizational culture and values, and competitive advantage significantly influence sustainability of the family business. However, the Business Structure and Succession Plan did not significantly influence the Sustainability of the Family Business. Indeed, the null hypothesis for these dependent variables is accepted.

The null hypothesis 3 (operating years of the business and generation of family business moderates the effect of the significant independent variables on the dependent variable) was rejected based on the results (Table 5) where in the operating years of the business (10 – 15 years, 16-20 years, and 21-25 years) moderately affect the independent and dependent variable of the study.

Validation. The data was validated for generalization based on the Split-Samples results illustrated in Table 6. The original data was split into two samples using SPSS. The data for Split Sample 1 and Split Sample 2 when compared with the data on the Main Sample are not very different. Thus, the data can be generalized across the population.

Table 6. Comparison of Main Sample with Split Samples (using Stepwise Method)
Dependent Variable: Sustainability of the Family Business

Model Component	Main Sample (n=417)	Split Sample 1 (n=209)	Split Sample 2 (n=208)
Model Fit			
r^2	.685	.642	.659
Adjusted r^2	.682	.637	.652
Standard error of the estimate	.3409	.3655	.3442
IV- Organizational Culture and Values	Significant	Significant	Significant
IV- Business Structure	Not Significant	Not Significant	Significant
IV- Financial Management	Significant	Significant	Significant
IV- Succession Plan	Not Significant	Not Significant	Not Significant
IV- Competitive Advantage	Significant	Not Significant	Not significant
IV- Innovation	Significant	Significant	Significant

Source: SPSS Version 22

Cronbach's Alpha Test

To test the reliability of the scales used in the questionnaire, Cronbach's Alpha test (.971) and Post Hoc test (.969) were conducted.

Table 7. Reliability Tests

	Cronbach's Alpha	N of Items
Pretest Result	.971	51
Post Hoc Result	.969	417

Source: SPSS Version 22

5. Conclusion and Implications

Implications to Theory. This study is formulated out of the models of sustainable family business and three-circle model, and theories of stewardship and resource-based view. The Sustainable family business model denotes that sustainability of the family business results from both business and family success by logically management of both family and business and recreates processes everytime disruption occurs. The findings of the study strongly supports the model of Danes et al. (2008) on sustainable family business model, that the sustainability of the family business is not solely focusing on the revenue generated from the business. The independent variables such as Innovation, financial management, organization culture and values and competitive advantage are the components that significantly contribute to the sustainability of the family businesses. However, the other two independent variables, business structure and succession plan, did not turn out to be significant, contradicting to the study of Tagiuri and Davis (1982). The result of the study validates that most of the family business owners are not particular with the business structure and succession plan, but they are more concerned with how they are going to address the present challenges of their business in terms of innovation, financial management, organizational culture and values, and competitive advantage. The Three-Circle model was developed by Taguiri and Davis in 1982 to assist family businesses during succession planning in order to ensure that their business will continue to grow and survive. Cho et al, (2017) do not strongly support by this study. The result of the study strongly agree that innovation, financial management, organizational culture and values, and competitive advantage, significantly contributes to the sustainability of the family businesses. The creation of business structure and succession planning was an idea that some family members are concerned with the benefit and unity of the family while most of the family business owners are more concerned on the return of their investment and their firm's sustainability through innovation, financial management, organizational culture and values, and competitive advantage. The study of Cho et al. (2017) strongly supports this study since the overall results agree with the major factors that contribute to the sustainability of the family businesses. This theory helps us understand the behaviour of the managers as stewards of the business, protecting and making the business enterprise sustainable through continuous innovation, developing an appropriate financial management system, valuing the organizational culture and values, and coping with the business challenges by creating competitive advantage over the existing businesses. There are two identified factors in this theory that are strongly significant to the results of the study: innovation and competitive advantage. These two variables are valuable for implementing a strategy that improves a firm's efficiency or effectiveness, and imperfect ability of competitors to imitate the resources used to implement a strategy. Elkington's Triple Bottom Line Model created awareness to the business owners that adopting sustainable practices applied into business operations will not only prolonged the business, but also helped save the future of the next generation (Elkington, 1998). According to the results of the study, the environmental sustainability was the lowest result among two other aspects. Most of the family businesses were not yet fully engaged with the usage of eco-friendly supplies, minimizing activities that contribute to the increase of gas emissions, and proper sanitation. This area of study can be used by future researchers as focus of their research.

Implications to Practice. The study provides idea and awareness of the family businesses owners and successors in the five cities of SOCCSKSARGEN region, Philippines. The study comes up with strong evidence that sustainability of the family business is strongly linked to innovation, financial management, organizational culture and values, and competitive advantage. The identification of these factors would help the family business owners and successors in evaluating and assessing their current business situation inorder to maintain or improve their current business standing. The result denotes that the family business owners and successors must strongly implement and practice basic approach on sustaining the family business up to the next generation.

Implications to Research. The result of the study gives input and guidance for all the family business owners and managers. Using the coefficient of determination 68.5% of the sustainability of the family business can be explained well by the factors that affects the family businesses in terms of innovation, financial management, organizational culture and values, and competitive advantage. This study has provided enough evidences that innovation, financial management, organizational culture and values, and competitive advantage had significant effects to the sustainability of the family business, while business structure and succession plan do not have significant effect. To the business industry, family business owners and successors, this study is a good reference for sustaining their business up to the next generations. To the government agencies and offices, this study may help determine the support needed by the business operators to propose measures in crafting policy related to the existing businesses and to strengthen the protection of family businesses in terms of economic security, financial, and social to ensure sustainability as family business is the backbone of the economy. To the academe, the model of this study can be used as the basis for future researches in understanding the factors that highly affects the sustainability of the family businesses. This can also be used as a basis in proposing a family business focused courses that will help in shaping the children of family business owners. To the Chamber of Commerce and Industry, this study can be used as a source of information in creating plans and programs that will help enhance the potentials of family businesses. The two insignificant variables (business structure and succession plan) in this study can be used to explore for further research on sustainability of the family business.

Conclusions. Based on the findings of the study, it is conclusive that the literature reviewed is being validated and confirmed through the result of this study. The researcher tested the six factors (organizational culture and values, business structure, financial management, succession plan, competitive advantage, and innovation) that influence the sustainability of the family businesses in the five cities of SOCCSKSARGEN region. Based on the results of the multiple regression analysis, innovation, financial management, organizational culture and values, and competitive advantage significantly influence sustainability of the family business. In this study, the business structure and succession plan did not significantly influence the sustainability of the family business, both are not necessary issues for most of the family businesses subjected in this study have only limited number of employees (Table 4.1). Among the family business owner respondents, majority of them come from the second generation, where most of their businesses have been operating between 21-25 years. The majority of the managing owners, are male and more than half of them aged between 31-40 years old. Most of the respondents have finished their college degree, and majority of them have been working in their family business after they graduated from college. The variables of this study are supported by the models (sustainable family business model and three-circle model) and theories (stewarship theory and resource-based view theory) which serve as a strong foundation in formulating the framework of this study. However, there are results in this study that does not support some models and theories being used.

The study recommended that managing owners and successors of the family business should: nurture the culture and values as family's legacy that reflects the goal and objectives to keep the business and family intact; financial consultation among member of the family should be properly made to avoid future family disputes and misunderstanding; establish better relationship with employees and practice approachable management; promote productive and positive change by developing and supporting new ideas, experiments, and processes that will introduce latest development of products and services; and Develop sustainable environmental plan that will not compromise the profitability of the family business but will help determine its long-term survival. It also suggests that the government agencies and offices should give support to improve the status of family businesses through continuous training and development program, accessibility of financial aids, and to initiate linkages that will help family business owners to sustain their business that serves as a backbone of the economy. It recommends a family-business focus course that emphasizes the nature and importance of family businesses and suggests family business related courses that will help in shaping the children of family business owners to be more equipped in and ready in succeeding their parents' business. And lastly, to conduct further study on the following: effects of business structure, succession plan, business industry, number of employees, and the sustainability of the sole-proprietor owned family businesses in other regions or countries abroad.

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