

# Competitive advantage, strategic management practices, and business sustainability: Inputs to business competency framework

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## Abstract

Competitive advantage is one of the features that drives a firm to outdo its rivals. It ensures a firm has outstanding financial gains compared to its competitors and achieves value for its overall performance. Along with this, effective strategic management practices and business sustainability of microenterprises play a vital role in achieving overall business success and competency. Descriptive research was used as the research design and in choosing the target respondents, the researcher used a purposive sampling technique. The study used a self-made questionnaire and distributed it to 366 respondents from different cities in the province of Batangas. Weighted and composite mean and Spearman's rho were the statistical tools used in analyzing the data. Using statistical tools, the researcher found out that the respondents agreed that they were competitive in terms of quality, delivery, and flexibility. Meanwhile, they strongly agreed that they have a competitive advantage in terms of cost. Different strategies and activities along with strategy formulation, strategy implementation, and strategy evaluation and control were also practiced by the respondents. It was also found that they strongly agreed that they were sustainable in terms of economic, social, and environmental dimensions. In addition, the results revealed that there was a significant relationship between competitive advantage and strategic management practices of microenterprises. Furthermore, there was also a significant relationship between strategic management practices and business sustainability as to social and environmental dimensions. These results build on existing evidence that competitive advantage, strategic management practices and business sustainability are the strongest points in the pursuit of sustainability and inclusive growth. Without these, a business can no longer survive in the competition. The results of the research also give a deep cornerstone to businesses in enhancing their strategies and actions towards the attainment of excellence and to give focus on what really brings the business to its desired outcomes. Based on the results of the study, the researcher formulated a framework for competitive advantage, strategic management practices, and business sustainability leading to business competency.

**Keywords:** business competency framework, business sustainability, competitive advantage, strategic management practices

## **Competitive advantage, strategic management practices, and business sustainability: Inputs to business competency framework**

### **1. Introduction**

In today's highly competitive business environment, the goal of each organization is to defeat competition. Understanding the changes in their competitive environment is a necessary requirement to survive. Being competitive and winning new customers are just some of the results that every business wishes to achieve. As organizations are forced to respond efficiently and effectively to a changing business environment, the majority of them dealt with how to gain competitive advantage, successfully think, execute, and monitor strategies, and achieve business sustainability.

Relative to this, a characteristic or set of circumstances that makes a firm more excellent than other firms and which makes its rivals difficult to imitate is known as a competitive advantage. Being competitive means that a firm has the capacity to identify unique product strategies, boost its business core competencies, and invest in intellectual property. These make them competitive in the marketplace.

A corollary to this concept is when organizations can build a competitive advantage through their strategic management decisions. Barney and Hesterly (2016) stated that the root cause of weak competitiveness is mainly the low focus on to business strategic concerns. Hence, strategy is about achieving and maintaining a competitive advantage in all business aspects. Furthermore, the sustainability of the business is another important issue that catches the attention of every firm. They are expected to be well-versed in their responsibility towards the society and environment while keeping their financial aspect high. Sustainable businesses aim to deliver balanced economic, environmental, and societal interests.

Several studies sought to investigate the above-mentioned areas of large organizations, whereas few focus on the performance of microenterprises. The researcher believes that the changes in the environment caused more uncertainty in microenterprises than in small, medium, and large companies. Microenterprises are facing different risks in their operations due to internal and external factors. Furthermore, to the best of the researcher's knowledge, no research work has targeted to investigate the impact of the broad subject of competitive advantage, strategic management practices, and business sustainability of microenterprises in merchandising industry in the province of Batangas. This study, therefore, sought to fill this gap.

The topic aroused the researcher's interest in dwelling on this study since a large number of businesses suffered huge economic losses due to the adverse consequences brought by the global pandemic which badly hit the country three years ago. Businesses are now continuing to confront a sharp drop in demand and revenue. Some businesses closed temporarily with most others reducing operations, while some decided to shut down operations. With all these contentions, the researcher wanted to examine, in pursuit of sustainable and inclusive growth, the competitive advantage, strategic management practices, and business sustainability of businesses particularly the microenterprises that stood amidst the economic and financial crises brought about not only by the pandemic but also by various business risks and in order to design a business competency framework based on the findings of the study.

**Objectives of the Study** - This study aimed to evaluate the competitive advantage, strategic management practices, and business sustainability of microenterprises in merchandising industry in the province of Batangas as a basis for the formulation of a business competency framework. Specifically, it aimed to analyze the competitive advantage of microenterprises along with quality, cost, delivery, and flexibility; examine the extent of strategic management practices among microenterprises in relation to strategy formulation, strategy implementation, and strategy evaluation and control; assess the business sustainability of microenterprises

relative to economic, social, and environmental dimensions; test the significant relationship between competitive advantage and strategic management practices, test the significant relationship between strategic management practices and business sustainability and; formulate a business competency framework.

## 2. Methods

**Research Design** - The descriptive research design was used by the researcher in order to assess the competitive advantage and strategic management practices of the microenterprises. Specifically, the descriptive survey method was used because it sought answers to the questions through the analysis of variable relationships. The researcher believed that it is the most appropriate method in gathering and collecting data with realistic result. According to Pawar, (2020), descriptive method of research is a type of research which obtains relevant facts, data, and information at present state, providing a precise outline of situations, people, or events.

The researcher gathered information from the respondents by providing survey questionnaires and distributing these to them. This descriptive kind of research was helpful in collecting the respondents' data efficiently. In addition, the researcher used the purposive sampling in determining the respondents. It was a form of non-probability sampling in which researcher rely on her own judgment when choosing members of the population to participate in the survey. Purposive sampling is popular, and it is an extremely time and cost-effective method in data gathering. Purposive sampling is commonly used to reach the targeted sample quickly and where sampling for proportionality is not the major concern (Zickar, 2023).

**Participants of the Study** - The respondents of the study were the owners or managers of registered microenterprises under the merchandising industry in Batangas specifically in the four cities of the province namely: Batangas City, Lipa City, Tanauan City, and City of Sto. Tomas. The total number of registered microenterprises under merchandising was 7,575. Using the Raosoft formula with 5% margin of error, the sample size was 366. Using ratio and proportion, the distribution of respondents per city.

**Data Gathering Instrument** - The researcher used a self-made survey questionnaire as the main instrument in obtaining the results. There were four (4) parts of the questionnaire. The first part included the business profile such as form of business ownership, length of business operation, and location of the business. The second part dealt with the items about competitive advantage in terms of quality, cost, delivery, and flexibility. The third part was about the strategic management practices of the microenterprises in terms of strategy formulation, strategy implementation, and strategy evaluation and control. Lastly, the fourth part was about the business sustainability of microenterprises as to economic, social, and environmental dimensions. Before proceeding to the full-blast distribution of the questionnaire to the respondents, the questionnaire underwent first reliability testing and obtained a result of 0.856 Cronbach Alpha.

**Data Gathering Procedure** - The researcher began reviewing several sources as soon as the research topic had been approved. The researcher employed encyclopedias, business magazine clippings, international journals, and the internet to gain a thorough understanding of the subject. The researcher was able to compile adequate literature and studies through intensive reading and web research to use as a reliable source for creating the questionnaire. A letter of request to the Business Permits and Licensing Office (BPLO) of Batangas City, Lipa City, Tanauan City, and the City of Sto. Tomas was sent to gather the total number of registered microenterprises businesses in their respective cities. After constructing the questionnaire, it was checked by the adviser and validated by three (3) experts in the field namely, Dr. Evangeline O. Mendoza, Dr. Mabel O. Lopez, and Mr. Wilbert D. Lumbera. The self-made questionnaire underwent reliability testing with at least 20 respondents. The questionnaire was found to be reliable with 86% reliability. Finally, the researcher proceeded to the actual distribution of the questionnaires to the intended respondents. After almost three months of data gathering, the researcher proceeded with data analysis and interpretation using different statistical tools.

**Ethical Considerations** - To ensure that all data collected was utilized solely for research purposes and to uphold the quality and integrity of the study, ethical concerns were employed throughout the research process.

Through correspondence and discussion, the researcher requested permission from the Business Permit and Licensing Offices (BPLO) of the four cities in Batangas province. By not asking respondents for their identities when they completed the questionnaires their privacy and anonymity were ensured. The researcher made sure that the respondents freely answered the surveys. Finally, it guaranteed that no participants were injured or harmed and that their safety and security were the primary priority.

**Data Analysis** - Weighted mean and rank were used to examine the competitive advantage, to assess the extent of strategic management practices, and to assess the business sustainability of microenterprises in the merchandising industry. The result of the Shapiro-Wilk Test showed that p-values of all variables were less than 0.05 which means that the data set was not normally distributed. Therefore, Spearman's Rho was used as the non-parametric test to determine the significant relationship between the variables. All analyses were performed using SPSS version 25.

### 3. Results and Discussion

**Table 1**

*Percentage Distribution of the Business Firmographic Profile*

<b>Forms of Business Ownership</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Sole Proprietorship	289	79
Partnership	54	15
Corporation	23	6
<b>Length of Business operation</b>		
3 – 5 years (young)	44	12
6 – 10 years (mature)	135	37
11 years and above (old)	187	51
<b>Location of Business</b>		
Rural Area	78	21
Urban Area	288	79

Table 1 shows the firmographic business profile of the respondents. The first business profile was in the form of business ownership. It can be deduced from the table that the majority of microenterprises fall under sole proprietorship with a frequency of 289 or 79 percent. It was followed by a partnership with a frequency of 54 or equivalent to 15 percent. The corporation obtained the lowest frequency with 23 or 6 percent. Medina (2015) stated that business organizations can be categorized into three categories: sole proprietorship, partnership, and corporation.

Microenterprises were created as sole proprietorship form of business because owners wanted to preserve their full control of the phases of the business. Therefore, the majority of the enterprises embraced this kind of business because it is the easiest business structure to form since it requires fewer formal documents to be filed with the government and they can conduct their business under their legal name. According to Light, (2023), the ease of starting and operating a sole proprietorship is one of the reasons this business structure is hugely popular. Additionally, sole owners are not subject to as many restrictions from the government and are free to manage their firm independently without having to answer to shareholders, partners, or board members. Owners can control their own decisions and the money they make. Meanwhile, in terms of length of business operation, the result shows that majority of the business were operating for more than 10 years (old) which obtained the highest frequency of 187 or 51 percent. It was followed by 6-10 years (mature) with a frequency of 135 or 37 percent. Businesses operating for 3-5 years (young) obtained the lowest frequency of 44 or 12 percent.

It is an indication that Batangas province, especially the four cities are attractive to people who are in quest of entering into a business. In truth, as stated in the Mercado, et al., (2023) article, Batangas is not only renowned for its potent "kapeng barako" and distinctive Batangueno accent, but also for having a solid economy. It is well known for its rapidly expanding urbanization, where businesses and industries are expanding,

generating more jobs and boosting the province's economy. Furthermore, CALABARZON recorded a substantial 7.6 percent economic growth in 2022, which the Philippine Statistics Authority (PSA) ranked among the nations fastest. And Batangas' prosperous manufacturing, retail, commercial, and industrial landscape has significantly aided the economic development of the area.

Another interpretation is that the province's stability and security contribute to the majority of microenterprises remaining in operation for extended periods of time. It is an additional reason why entrepreneurs and investors are drawn to conducting business in the province. There is typically calm in Batangas. Despite its economic development and population expansion, Batangas has been able to preserve a secure environment for inhabitants, investors, and business owners.

Lastly, in terms of the location of the business, the majority of the business was located in the urban area of the four cities obtaining a higher frequency of 288 or 79 percent. There were few businesses located in the rural area which obtained a frequency of 78 or 21 percent. This means that most business owners prefer to put their businesses in strategic, highly urbanized, and highly populated areas since the demand for their products would be high. Since urban areas are more accessible and more people are passing by than rural areas, there is a high chance that their business will be feasible and will be known by the customers. This was corroborated by research by Joo (2016), which found that the majority of data point to a persistently lower rate of entrepreneurship in rural areas than in metropolitan areas. Greater social and economic resources are available in urban settings, which enhances the environment for entrepreneurial intentions and behaviors. Additionally, big cities are business centres and the most popular locations for launching new businesses, as indicated by Waddicker (2020). Cities are desirable sites for many company executives due to their larger populations, increased levels of tourism, and specialized commercial zones.

**Table 2**  
*Competitive Advantage of Microenterprises*

Key Result Area	Composite Mean	VI	Rank
Quality	3.48	Agree	2
Cost	3.55	Strongly Agree	1
Delivery	3.47	Agree	3
Flexibility	3.37	Agree	4
<b>Grand Composite Mean</b>	<b>3.47</b>	<b>Agree</b>	

Table 2 shows the summary on the competitive advantage of microenterprises. The result reveals that the four indicators obtained a grand composite mean of 3.47 with a verbal interpretation of agree. The result explains that microenterprises owners and managers affirm that they are taking actions to further maintain or improve their business' competitive advantage. They believe that in order to build a long-term competitive advantage, they have to offer quality, low cost, fast delivery, and flexibility to their customers. They concur that when they are able to preserve competition, their companies are better positioned in the marketplace relative to their rivals and are able to expand and succeed. The study by Awwad et al. (2013), which stated that developing competitive advantage necessitates a determination of elements (quality, cost, delivery, and flexibility), may help a company position itself better in comparison to its rivals in the market, supported it.

Cost obtained the highest weighted mean of 3.55 and was verbally interpreted as strongly agree. It can be inferred from the results that respondents placed the highest emphasis on cost since it will greatly affect the buying decision of the customers. If the business was able to find potential ways on how to lessen the cost and other operating expenses, the prices will not go up, hence, will result to more sales from the customers.

Next, quality garnered a weighted mean of 3.48. It can be deduced that respondents agreed that quality helps their businesses to enhance their competitiveness and promotes customer loyalty by meeting the latter's expectations. This influences the respondents' perceptions of quality as a strategic tool that should be used to

build and maintain a company's competitive advantage. Furthermore, delivery obtained a weighted mean of 3.47. It can be interpreted that respondents agreed that having better delivery to customers is beneficial to their business because they believe that customers are interested in satisfying their needs and wants in the right quantity at the right time. Lastly, flexibility obtained the lowest weighted mean of 3.37. This means that respondents agreed that flexibility was a requisite for competitiveness. They affirmed that adopting changes is an important factor in enhancing and improving one's competitive advantage.

**Table 3**  
*Extent of Strategic Management Practices of Microenterprises*

Key Result Area	Composite Mean	VI	Rank
Strategy Formulation	3.51	Highly Practiced	1
Strategy Implementation	3.36	Practiced	3
Strategy Evaluation and Control	3.39	Practiced	2
<b>Grand Composite Mean</b>	<b>3.42</b>	<b>Practiced</b>	

Legend: 3.50-4.00 = Highly Practiced; 2.50-3.49 = Practiced; 1.50-2.49 = Moderately Practiced; 1.00-1.49 = Not Practiced

The table above presents the summary on the extent of strategic management practices of microenterprises. It obtained a grand composite mean of 3.42 which was verbally interpreted as practiced. The result implies that just like any other kind and form of business, microenterprises owners and managers are executing the systematic approach and procedure on how business should be done. They believe that with effective planning, execution, evaluating and controlling their strategic actions, they are closer to achieving greater operational efficiency, market share, and profitability. Among the three stages of strategic management process, the strategy formulation obtained the highest weighted mean of 3.51 with a verbal interpretation of highly practiced. Then, it was followed by strategy evaluation and control with a weighted mean of 3.39 and last is the strategy implementation which obtained the lowest weighted mean of 3.36. Both are verbally interpreted as practiced.

It can be analyzed that strategy formulation is highly practiced by the microenterprises the most due to the advantages that it can provide to them. The majority of academic studies have found, according to Bracker and Pearson (2016), that the development of formal strategies and financial performance are positively correlated. This implies that the higher the financial success the company can attain, the better its plan formulation. Additionally, Phillips (2013) concluded that businesses using sophisticated strategy formulation methods typically perform better financially. Effective strategy design, according to O'Regan and Ghobadian (2015), may play a significant role in improved performance. Robinson (2013) came to the opposite conclusion from that study, noting that effective operational planning leads to better financial performance rather than long-term planning.

On the other hand, strategy implementation obtained the lowest weighted mean. It can be attributed to the fact that the execution stage is the most challenging part of the strategic management process. This is supported by Van (2016) who noted that the majority of the strategies fail in the strategy execution phase. Following the formulation of a thorough strategy or strategic choice, the subsequent execution process frequently presents substantial challenges. It is possible to link poor execution to a significant portion of these failures. Many organizations have a fundamental disconnection between the formulation of their strategy and the translation of that strategy into useful action and concrete results. He also mentioned that achieving a successful implementation is a continuing challenge for managers responsible for strategy execution. In many businesses, implementation is still a mystery and a source of frustration.

Vigfusson, (2023) also emphasized the importance of strategy execution, which is sometimes disregarded despite the fact that some businesses have well-developed strategic plans but fail to accomplish the goals and objectives set forth in the plan as a result of the existing gap between strategic planning and implementation. They might create the ideal strategy, as is obvious in the majority of well-known firms, allowing them to

outperform rivals in the market. However, without a proper standard for execution, the plan is just a piece of paper with no real meaning.

**Table 4***Business Sustainability of Microenterprises*

Key Result Area	Composite Mean	VI	Rank
Economic	3.52	Strongly Agree	3
Social	3.50	Strongly Agree	2
Environmental	3.55	Strongly Agree	1
<b>Grand Composite Mean</b>	<b>3.52</b>	<b>Strongly Agree</b>	

Legend: 3.50-4.00 = Strongly Agree; 2.50-3.49 = Agree; 1.50-2.49 = Disagree; 1.00-1.49 = Strongly Disagree

Table 4 shows the summary table on business sustainability of microenterprises which obtained a grand composite mean of 3.52 with a verbal interpretation of strongly agree. This shows that the majority of the respondents as business owners or managers strongly affirmed that they were practicing sustainability efforts and initiatives. This implies that they were active in managing their financial, social, and environmental risks, obligations, and opportunities. They were strategizing long-term actions which will help them manage and balance these dimensions. They were also aware that ignoring one of the three dimensions could potentially endanger the success of their business and the entire sustainability process.

Business sustainability of microenterprises as to environmental garnered the highest composite mean of 3.55, verbally interpreted as strongly agree. Based on the results, respondents have put greater importance on environmental conservation and protection while doing their business. As much as possible, they are using natural resources without undermining the integrity and equilibrium of the environment and reducing the burden on it. This was followed by the economic dimension which obtained a composite mean of 3.52. Meanwhile, social dimension garnered the lowest composite mean of 3.50. Both were verbally interpreted as strongly agree.

**Table 5***Relationship Between the Competitive Advantage and the Extent of Strategic Management Practices of Microenterprises*

Quality	Rho	p-value	Interpretation
Strategy Formulation	.316**	0.000	Significant
Strategy Implementation	.412**	0.000	Significant
Strategy Evaluation and Control	.351**	0.000	Significant
<b>Cost</b>			
Strategy Formulation	.480**	0.000	Significant
Strategy Implementation	.599**	0.000	Significant
Strategy Evaluation and Control	.574**	0.000	Significant
<b>Delivery</b>			
Strategy Formulation	.561**	0.000	Significant
Strategy Implementation	.686**	0.000	Significant
Strategy Evaluation and Control	.704**	0.000	Significant
<b>Flexibility</b>			
Strategy Formulation	.576**	0.000	Significant
Strategy Implementation	.664**	0.000	Significant
Strategy Evaluation and Control	.651**	0.000	Significant

Legend: Significant at p-value < 0.01

Table 5 shows the association between competitive advantage of microenterprises and the extent of their strategic management practices. It was observed that the computed rho-values indicates a strong direct correlation and the resulted p-values were all less than the alpha level of 0.05.

This means that there was a significant relationship exists and implies that the greater the extent of strategic management practices, the higher the competitive advantage of microenterprises. In other words, improvement in the strategic management practices, all things remain unchanged, will lead to an increase in competitive advantage. It can be viewed that microenterprises adopted various strategies in order to achieve competitive advantage and strategic management practices are all about gaining and maintaining competitive advantage. The development, implementation, and evaluation of strategies to face competition and assure long-term survival and growth make strategic management a sine qua non. This will make sure that competitive advantage is attained, allowing microenterprises to not only outperform rivals but also successfully navigate any environmental changes. This study has also shown that strategic management does, in fact, help an organization perform better overall by giving it a competitive advantage that allows it to outperform its rivals.

This conclusion is backed by a study by Nyariki (2013), which discovered that strategic management had a favorable association with firms' competitive advantage and that SMEs utilized a variety of techniques to gain that advantage. The finding is further supported by the study by Abioro et al. (2015) discovered that a firm may gain a competitive advantage and achieve long-term success by adopting and putting strategic management approaches into practice. This helps a company to be proactive in responding to change as well as to cause good change. The study suggested organizations should continuously maintain, sustain, and improve their strategic management practices because they are a crucial component of successful business operations.

Additionally, it was found in the study by Abdulwase et al. (2020) that strategic management is a crucial element that can be used to build and enhance the business. Additionally, it was discovered that business strategy is crucial for gaining a competitive edge and capturing the market. He continued that strategic management can achieve a sort of planned dynamism or some sort of positive spiral that drives senior management and strategic decision-makers in the organization to develop the abilities and skills of strategic thinking and vision of the future by perceiving reality and predicting market variables, responding swiftly to customer needs, and projecting future behavior to achieve a competitive advantage to organizations.

Lastly, Veskaisri (2017) asserted that a company will lack a durable basis for establishing and upholding a competitive edge in the industry in which it works without a clearly defined strategy. He continued by saying that CEOs create strategic management processes to allow for the best placement of the company in its competitive environment in order to cope with all business hazards and dangers.

**Table 6**

*Relationship Between Extent of Strategic Management Practices and Business Sustainability of Microenterprises*

<b>Strategy Formulation</b>	<b>Rho</b>	<b>p-value</b>	<b>Interpretation</b>
Economic	0.094**	0.072	Not Significant
Social	0.146**	0.005	Significant
Environmental	0.083**	0.112	Not Significant
<b>Strategy Implementation</b>			
Economic	0.026**	0.622	Not Significant
Social	0.194**	0.000	Significant
Environmental	0.098**	0.060	Not Significant
<b>Strategy Evaluation and Control</b>			
Economic	0.030**	0.562	Not Significant
Social	0.137**	0.009	Significant
Environmental	0.114**	0.029	Significant

Legend; Significant at p-value<0.05

For the relationship between the extent of strategic management practices as to strategy formulation, strategy implementation, strategy evaluation and control and business sustainability as to economic, all p values obtained (0.072, 0.622 and 0.562, respectively) were higher than 0.05 which showed no significant relationship between the extent of strategic management practices as to strategy formulation, strategy implementation, strategy evaluation and control and business sustainability as to economic. Business sustainability as to



economic is not dependent on the strategic management practices.

For the relationship between the extent of strategic management practices as to strategy formulation, strategy implementation, strategy evaluation and control and business sustainability as to social, all p values obtained (0.005, 0.000 and 0.009, respectively) were less than 0.01 which showed significant relationship between the extent of strategic management practices as to strategy formulation, strategy implementation, strategy evaluation and control and business sustainability as to social. The result shows that the greater the extent of strategic management practices, the higher the business sustainability as to social. It can be explained that the role of strategic management practices is to set strategic goals and put in place a mechanism that will make the business more competitive and deliver value for all its stakeholders. Thus, it is good to note that sustainability, especially the social dimension, is at the heart of every microenterprise in order to remain attractive proposition for customers, employees, suppliers, and others concerned.

The study by Gleim, et al., (2023), which stressed that consumers are expecting sustainable practices from the businesses they patronize, validated the findings. It was shown that the majority of women said they were more likely to acquire a new product from a company that supported a social problem. The same poll also revealed that most respondents are willing to pay more for goods that promote social missions. The social purpose of a brand is among the elements that impact consumers' buying decisions, according to Nielsen (2015), who also emphasized that consumers are stating this loud and clear around the globe.

Additionally, it was discovered in the survey by Berns et al. (2019) that the majority of company leaders think sustainability is becoming more and more important. The company's sustainability initiatives offer long-term benefits to both the company and society, and sustainability has been included into the strategy of the company in a way that supports the aims and overall mission of the organization. It was also discovered that incorporating sustainability into organizational strategy provides the dual advantages of benefiting society and setting the company apart from its rivals. Furthermore, the study by Lagercrantz (2021) reaffirmed that sustainability is now an essential component of effective corporate strategic management. It is necessary for the company to be able to bravely compete in the market nowadays. Creating a strategy for sustainability means that a firm can make changes and takes affirmative actions.

For the relationship between the extent of strategic management practices as to strategy formulation, and strategy implementation, and business sustainability as to environmental, p values obtained (0.112 and 0.060, respectively) were higher than 0.05 which showed no significant relationship between the extent of strategic management practices as to strategy formulation, and strategy implementation and business sustainability as to environmental. Business sustainability as to environmental dimension is not dependent on the strategic management practices as to strategy formulation and strategy implementation. However, for the relationship between the extent of strategic management practices as to strategy evaluation and control and business sustainability as to environmental, the p value obtained (0.029) was less than 0.05 which showed significant relationship between the two. The greater is the extent of strategic management practices as to strategy evaluation and control, the higher is the business sustainability as to environmental. According to Khan, et al., (2023), investors may demand that a company's sustainability efforts concentrate on increasing profit through cost reduction using less energy or producing fewer wastes. Customers desire to buy ecologically safe items.

## FRAMEWORK

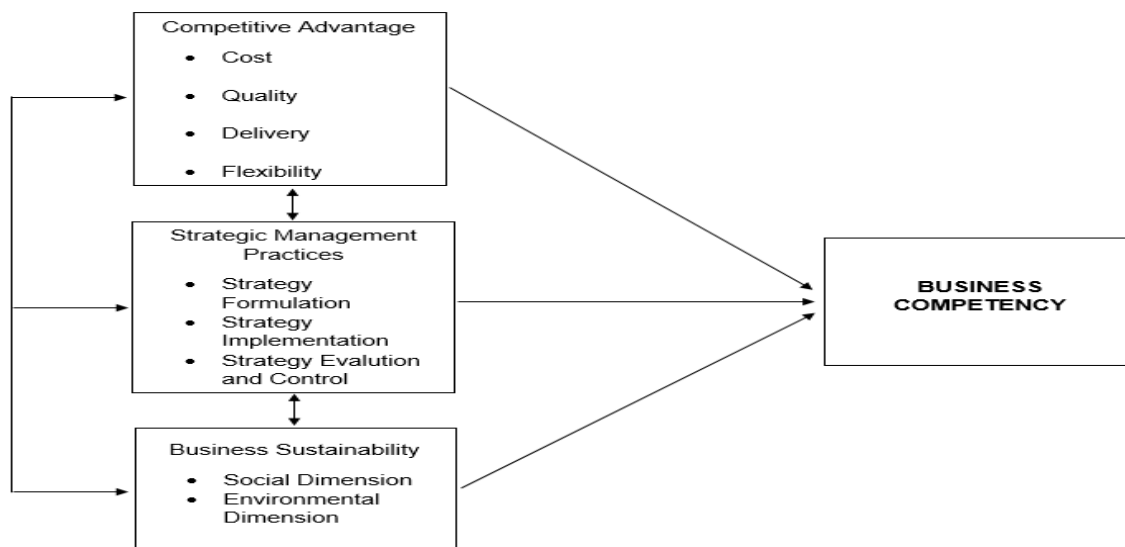


Figure 1. Proposed Framework for the Competitive Advantage, Strategic Management Practices, and Business Sustainability Leading to Business Competency

Figure 1 is the proposed framework formulated by the researcher which simulates the significant findings of the study. The three variables namely, competitive advantage, strategic management practices, and business sustainability are being studied and integrated in order to achieve business competency. Among these variables, strategic management practices serve as the mediator.

Results showed that there was a significant relationship between competitive advantage and strategic management practices. This means that the greater the extent of strategic management practices, the higher the competitive advantage of the microenterprises. When businesses are able to formulate, implement, evaluate and control strategies effectively, attaining competitive advantage in terms of quality, cost, delivery, and flexibility is highly achievable. With respect to the relationship between strategic management practices and business sustainability, the result also revealed that there was a significant relationship between strategic management practices and business sustainability as to social dimension and environmental dimensions. This suggests that the greater the extent of strategic management practices, the better the business sustainability.

In addition, the double-headed arrow between competitive advantage and strategic management practices and strategic management practices and business sustainability represents their complementary nature. The avenue where the three variables can be entrenched is business competency. This means that when the business exhibits competitiveness, effective strategy management, and sustainability, this will lead to competence.

## 4. Conclusions and Recommendations

The respondents agreed that they have a competitive advantage in terms of quality, delivery, and flexibility. Meanwhile, they strongly agreed that they have a competitive advantage in terms of cost. There are different strategies and activities along with strategy formulation, strategy implementation, and strategy evaluation and control were practiced by the respondents. The respondents strongly agreed that their business was sustainable in terms of economic, social, and environmental dimensions. There was a significant relationship between the competitive advantage of microenterprises and the extent of their strategic management practices. There was a significant relationship between the extent of strategic management practices as to strategy formulation, strategy implementation, strategy evaluation and control, and business sustainability as to the social dimension. Furthermore, there was also a significant relationship between strategy evaluation and control and the environmental dimension. A business competency framework was formulated based on the findings of the study. In light of the findings and conclusions, the researcher hereby recommends the following: to maintain

competitive advantage, microenterprise owners and/or managers are encouraged to improve their strategic activities in terms of flexibility through deploying new and realistic solutions and exercising emotional intelligence and focus. To improve strategic management, microenterprise owners and/or managers are advised to focus more on strategy implementation by building a strong guiding coalition, prioritizing strategic actions based on importance and time sensitivity, and creating a sense of urgency. To boost business sustainability, microenterprise owners and/or managers are recommended to formulate and devise a mechanism that aims to increase sales and profit, thereby maintaining and improving financial or economic sustainability. The Local Government of Batangas in partnership with different government agencies may initiate sustainable programs or business support systems that aim to strengthen and improve the overall business activities of microenterprises. Future researchers may conduct related studies to explore areas not covered in the present study. For determining the competitive advantage, they may use the value, rarity, imitability and organization (VRIO Model). In terms of strategic management, they may utilize strategic analysis, strategic choice, and strategy implementation as dimensions. For business sustainability, they may focus on the environment, social capital, human capital, business model and innovation, leadership and governance as the variables to be used based on the SASB Materiality Map, Universe of Sustainability Issues. This will help enrich existing pieces of literature on the topic and to establish intelligent comparisons for academic purposes. Future researchers who will use similar dimensions in their study may utilize the framework formulated.

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