# BUILDING A SUSTAINABLE BUSINESS FRAMEWORK FOR PHILIPPINE SMALL-MEDIUM ENTERPRISES

Business Sustainability for Philippine SMEs

ABSTRACT

This study provides a set of key success factors (KSFs) for small to medium enterprises in the Philippines that can aid them in survival and ensuring business sustainability. These KSFs were generated through an extensive review of related literature and qualitative interviews and case studies of successful SMEs that have been in operation for more than 5 years. The output of the study is an online survey tool that can be used by all Philippine SMEs as a guide to assessing improvement areas and ensuring that the business is following best practices.

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# Introduction

The global financial crisis that enveloped the world in 2008, which caused the dissolution of universal banks, aided the growing European debt crisis, and exacerbated the imbalance of the world economy, had been and continues to be a prime example of the consequences of unsustainable business practices. With unemployment rates reaching all-time highs in many countries around the world, notwithstanding major developed countries like the United States, United Kingdom, France and Spain – and with all countries feeling the impact of ecological scarcity and resource depletion – it becomes almost a necessity that organizations shift their focus from a purely profit-oriented view to one that ensures sustainability for the company amidst ever-changing challenges and opportunities that could either make or break organizations.

According to a survey done by McKinsey (McKinsey & Company, 2011), companies are now integrating sustainability principles into their businesses. These initiatives extend far beyond managing brand reputation and compliance to rules, and have transcended to the actual pursuit of goals that promote social and environmental wellness through energy saving, green-product development and employee motivation and retention. The motivation around corporate sustainability has now become a strategic business driver for most companies as it indirectly aids company growth and capital returns through increased customer support and profit from having more savings and less resource wastage. It has thus become a key variable in any company's goal of achieving a competitive advantage in the market (Montiel, 2008).

## Defining Corporate Sustainability

At the core, sustainability within the corporate world had been initially defined as having a system and framework that would allow firms to continuously satisfy human needs (Brundtland, 1987) (United Nations, 1987). Translating this at the business level would mean being able to satisfy a firm's direct and indirect stakeholders without compromising its ability to address the needs of future stakeholders (Dyllick & Hockerts, 2002). According to the Financial Times Lexicon, business sustainability is essentially a firm's resiliency over time, which requires addressing the following issues at the macroeconomic level: economic efficiency (innovation, prosperity, and productivity), social equity (poverty, community, health and wellness, human rights) and environmental accountability (climate change, land use, biodiversity) (Financial Times, 2013). Taken as such, these form the three pillars of business sustainability - corporate financial performance, social performance, and environmental performance – and are integrated and produced as part of a system (Bansal, 2005) (Elkington, 1998). This brought about the concept of the triple bottom line to describe the three factors that needed to be addressed for a corporation to be considered sustainable, namely – people, planet and profit. Coined by John Elkington, the founder of British consultancy firm "SustainAbility", the triple bottom line includes the following measures: the financial bottom line, which addresses the traditional financial measures to ensure healthy operating capital; the people account bottom line, which measures how socially responsible an organization has

been throughout all its operations; and finally, the planet account bottom line, which is the measure of eco-efficiency exhibited by the corporation (Elkington, 1997). All three measures should be balanced against each other in order to achieve sustainability as no individual element can be isolated and adjusting any one of the three measures would result in changes throughout the whole system (Shrivastava, 1995) (Starik & Rands, 1995). It is important to note that due to the interconnectedness of these measures, it becomes necessary to integrate the social and environmental issues with the core strategic issues when making corporate decisions in order to achieve business sustainability (Gao & Bansal, 2013). Furthermore, within each of the three types, underlying subtypes exist that would need to be addressed as well (Dyllick & Hockerts, 2002).
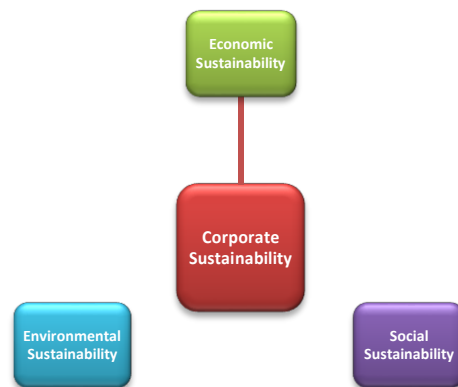


Figure 1 Three dimensions of sustainability (Dyllick & Hockerts, 2002)

## Environmental Sustainability

Environmental sustainability, a term interchangeable with ecological sustainability, has been hailed by many as a critical management concept (Starik & Rands, 1995). In defining its components, one of the more influential perspectives has come from research done by Natrass and Altomare (1999), which states that ecological sustainability can be achieved by ensuring that nature's functions and diversity are not systematically subject to increasing concentrations of substances extracted from the Earth's crust, hazardous compositions produced by society; or that the earth is negatively affected by overharvesting or other forms of ecosystem manipulations. Translating these into specific business concepts would include measurements of the company's impact to population stability (Ehrlich & Ehrlich, 1991), ecosystem health and integrity, waste production, sustainable yield (Barret & Scott, 2001), and preservation of non-renewable resources, maintenance of ecosystem services (Constanza, et al., 1997) to name a few.

Given the broad scope, it comes as no surprise why firms have had trouble for the past few years translating the overall strategy into action – focusing company efforts on just one aspect of the sustainability framework, namely, eco-efficiency. This constitutes the proliferation of corporate

movements to manage operations in a way that reduces environmental damage and helps promote ecological balance and preservation.

Although eco-efficiency comprises a large part of the corporate goal of sustainability, it does not exist in isolation and should be in this case, supported in tandem with other factors that promote corporate sustainability. Taken as the sole guiding principle, eco-efficiency is insufficient to sustain the growth of a business and ensure its survival in a changing market (Welford, 1997). After all, businesses need to ensure they are economically stable, financially able, and organisationally prepared to implement the necessary actions required to increase eco-efficiency. To-date, many companies have found that although ambitious corporate sustainability policies are in place, having no sufficient investments in education, training, and development to ensure that employees were actually aware of these policies or given the proper resources to implement them, led to the downfall of these initiatives (Chinander, 2001). On the upside, businesses that were able to drive environmental sustainability within the organisation have benefitted from several positive effects which included increased revenue, improved branding, reputation and reduced costs (Jeffers, et al., 2014). It has been observed that driving green initiatives within companies have led to a wider range of integrated supply-chain services which contribute to increased competitiveness and economic performance (Jeffers & DeGaetano, 2013). In terms of reducing costs, adapting energy-efficient processes increases overall cost-effectiveness through a reduction of resource costs and waste, as well as an increase in fuel savings, tax credits, and other incentives which go straight to the bottom line, directly affecting the net profit of any company (Dhaliwal, et al., 2011).

## Economic Sustainability

According to Dyllick and Hockert's model, a company can be considered economically sustainable if it is able to produce above-average returns for its shareholders while at the same time maintaining enough cashflow to ensure liquidity (Dyllick & Hockerts, 2002). This can be considered the same as financial sustainability within a company as it is concerned with the ability of the firm to achieve profits that would be sufficient to keep it in business. This means that revenues would need to be able to cover costs over the long run, regardless if the company incurs losses during the short term (Forsyth, 2011).

Logically, this type of sustainability would be deemed as the most important form of sustainability as it represent the resources and funds the business would need to continue operations. In terms of understanding how companies may achieve this type of sustainability, various movements have proposed a link between implementing ecologically sustainable solutions and financial gain (Hart & Milstein, 2003) (Iwata & Okada, 2011). Studies have shown that companies that engage in environmentally sustainable practices incur large costs initially but are able to offset these costs through the decrease in waste production and environmental damages which have made up a substantial part of companies' losses and operating expenses (Darnall, 2009) (Elsayed & Paton, 2005) (Yang, et al., 2010). It has also been noted that higher-order sustainability activities are able to generate more financial gains for companies as they emphasize not only environmental concerns but also issues affecting communities and human well-being as part of the strategic identification of value creation. This type of

systems thinking enables firms to examine their operations and align them with the unmet needs of those in the local communities; thus, creating opportunities and growth over the long term (Kurapatskie & Darnall, 2013) (Hart & Milstein, 2003). A good example would be Hindustan Unilever Limited's community volunteer program in India which was able to identify the need for economical soap in the country's more rural areas. This led to the company's development of environmentally friendly soap and shampoo bars which had the health benefit of reducing the transmission of diseases and yet still maintain low overhead costs allowing the company to market them at affordable prices. This provided a sustainable business model as it generated higher sales with lower costs to produce for the company (Hindustan Unilver Ltd., 2009).

## Social sustainability

The social aspects of sustainability relate not only to labour concerns, but also to how the company's operations and resulting product affect the living standards of the community. This means that considerations must also be extended to the broader communities that come in contact with the company's operations and not only to immediate employees. This includes people who live near the production, transportation, and disposal facilities, as well as displacements of people that may occur due to business operations (Waagea, et al., 2005). Though the aspect of social sustainability had developed later than both the economic and environmental aspects, it is critical as it involves the welfare of employees and internal stakeholders who are the life blood of the company (Bansal, 2005). Such activities also promote the brand image of the company and its products, as building social sustainability into brand knowledge contributes to the brand's differentiation in the market, generating higher consumer interest and loyalty in the long run (Guptaa, et al., 2013) (Bridges & Wilhelm, 2008). At the same time, having a strong brand increases the sustainability of the company by delivering meaningful value to every stakeholder (Székely, 2005) (Guptaa & Kumar, 2013) (Kumar & Christodoulopoulou, 2014). After all, the purpose of a brand is to develop the firm's capability for long-term endurance (Srivastava, et al., 2001) – encouraging managers to create and capture opportunities that sustain and enhance the triple bottom line- or in this case - ensure stakeholder profit while at the same time consider the well-being of the people driving the business and conserve the environment for the optimum use of generating more business (Jamali, 2008) (Guptaa & Kumar, 2013).

A good example of social sustainability in action is the partnership that Kraft Foods Inc. had established with the Rainforest Alliance and small coffee farmers in Latin America. Farmers were trained in sustainable coffee production and paid a fair wage to produce the coffee. These efforts provided the community with the means for livelihood and benefited Kraft by improving the company's brand image and securing a reliable source for 13 million pounds of sustainably grown coffee (Rainforest Alliance, 2006).This has also enabled the company to enter the growing market for fair trade coffee (Atwood , 2007).

## The challenge

In spite of the broad acceptance of the interdependence among the three pillars of sustainable development, this perspective has been largely ignored within organizational theory in favour of a more instrumental logic of managing social and environmental issues. Most research compartmentalizes variables and explores the causal relationships among corporate financial, social and environmental performance measures in isolation from the systems in which they are embedded. These variables are treated as independent, subject to separate strategic considerations that often yield unique dynamics. The consequence is the oversimplification of the relationships among these variables and the under-theorizing of the nature of business sustainability.

## Sustainability in the context of Small Medium Enterprises

Since the importance of business sustainability and addressing the three-fold dimensions of economic, environmental and social sustainability within firms have now been established, it becomes just as critical to analyse its importance within the context of small-medium enterprises (SMEs) – organizations that significantly differ in the amount of resources available to sustain their business operations but which paradoxically are responsible for majority of the world's production (Hojnik & Rebernik, 2012). According to Moore and Manning, at least 70% of the world's goods come from SMEs (Moore & Manning, 2009). In the Asia Pacific region, SMEs constitute more than 90% of all businesses, 30% of exports and are responsible for employing around 50% to 80% of the workforce. Specific to the Philippines, about 99.6% of the 820,255 business enterprises currently operating as of 2011 are micro, small, and medium enterprises (MSMEs), with a large part of that number made up of micro enterprises (91%) (Department of Trade and Industry, 2013).

A study conducted by the Philippine Institute for Development Studies has shown that in terms of employment, SMEs contributed 32% of total employment in the country while micro enterprises contributed about 31.2%. The value add to the economy in terms of earnings showed a moderate 30.3% for SMEs while micro enterprises accounted for 4.9%. In terms of labor productivity which the research measured in the value added per worker, by comparing it against productivity generated in larger enterprises, research shows that micro enterprises generate about 10% of large enterprises' labor productivity; small enterprises are about 52% and finally for medium enterprises, it was about 82% of large enterprises' productivity (Aldaba, 2013).

SMEs have been classified into two groups according to their attitude to strategic change, namely – (1)Lifestyle SMEs and (2)Growth oriented SMEs, wherein the former prefers steady business performance that ensures its survival whereas the latter focuses on increasing market share, sales and profitability through continuous expansion and growth (Ates & Bititci, 2011) (Moreno & Casillas, 2008).

As was previously noted in the sections above, business sustainability consists of continuous innovation in the face of surmounting economic, environmental and social challenges and requires corporate flexibility to thrive and survive. However, since the encompassing definition of a sustainable business emphasizes only that the business remain resilient and that it continues to satisfy current stakeholder needs without compromising the needs of future stakeholders, both groups will be reviewed within this research. In this context, it does not matter whether lifestyle SMEs are unable to match the growth rate and market capitalization of their more ambitious counterparts, for as long as they continue to survive within the market, their practices would also be considered sustainable.

## Critical elements for SMEs

There have been many studies focused on key success factors (KSFs) that have helped SMEs reach a moderate platform of success. In a previous study conducted by Ghosh, Liang, Meng, and Chan (2001), they defined KSFs as critical factors for companies to produce outstanding results but have noted that they do not necessarily ensure survival. Other researchers have brought up the fact that the lack of managerial capabilities and the necessary resources have been the reasons for enterprise failure and non –survival (Garengo & Bernardi, 2007) (Sohal, et al., 2000). In other research models, there were KSFs that were consistent across different countries and some that were relevant only to the local community. In order to structure a framework that considers both success and survival while remaining consistent across national borders and still relevant to the Philippines, the following variables listed in Table 1 are those that support both short term and long term business objectives. These variables have also appeared consistently in studies related to SMEs across the globe.

| Key Success Factors (KSFs) | References |
|---|---|
| Flexibility to Change | Schmelter, et al., 2010; Ramana, et al., 2008.; Fiksel, 2006; Khandwalla, 2006; Fiksel, 2003; Hamel & Valikangas, 2003; Rice Jr & Caniato, 2003; Ates & Bititci, 2011; Starr, et al., 2003; Gendron, 2000. |
| Innovation | Rhaiem, 2012; Sinha, 2003; Ghosh, et al., 2001; Man & Wafa, 2007; Sharma, et al., 2011 |
| Long Term Focus | Ghosh, et al., 2001; Rhaiem, 2012; James, 2013; Gendron, 2000; Sharma, et al., 2011; Hung & Effendi, 2011 |
| Management Support | Islam, et al., 2011; Hung & Effendi, 2011; Ghosh, et al., 2001; Rhaiem, 2012; Okpara, 2011; Ramana, et al., 2008 |
| Organized systems | Biazzo & Bernardi, 2003; Teece et al., 1997; Dyer and Singh, 1998; Garengo & Bernardi, 2007; James, 2013; Islam, et al., 2011 |
| Profitability | Okpara, 2011; Dia, 1996; Mambula, 2002; Okpara & Wynn, 2007; Sunday, 2011; Garengo & Bernardi, 2007; Sharma, et al., 2011 |

| Stakeholder Engagement | Islam, et al., 2011; Sharma, et al., 2011; Hung and Effendi, 2011; Ghosh, et al., 2001; James, 2013; Rhaiem, 2012 |
|---|---|

Table 1 Key Success Factors According to a Review of Related Literature

These KSFs support the three-fold dimension of business sustainability by ensuring business stability and wellness in the following areas – organization, environment, and workforce. Social wellness, as the broader measure of workforce wellness, and that which considers external contributions to the welfare of the community did not emerge as a consistent key success factor for SMEs. Since most SMEs are working with limited budgets and do not have the scope of resources managed by many multinational and global companies, it is understandable why this had not been deemed as a critical success factor.

### Flexibility to Change

In terms of flexibility and adaptability, it is important for SMEs to adapt to new market forces and change rapidly in order to be sustainable (Fiksel, 2003) (Fiksel, 2006) (Rice Jr & Caniato, 2003). However, experts in the field like Amar Bhide who have extensively studied the growth trajectory of entrepreneurs and small businesses have stated that flexibility requires more than just being open-minded. In order to generate long term success for the enterprise, flexibility to change would require the ability and dynamism to shift focus and adapt to opportunities during the early stages then adjust and restructure to drive the core business principles to sustainably grow the business and ensure its longevity (Gendron, 2000). Tolerance for ambiguity is also another important aspect that emerged in order to effectively address opportunities within the market. For moderately successful entrepreneurs in India, this characteristic has been shown to influence entrepreneurial success with a positive correlation between the tolerance level of the entrepreneur and level of success achieved (Ramana, et al., 2008). Upskilling and training employees have also emerged as means to ensure that the business is able to adapt and address opportunities in the market (Khandwalla, 2006). There is a strong interrelationship between training and development and corporate entrepreneurship, wherein employees learn methods to innovate, implement new ideas, and acquire resources for entrepreneurial projects (Schmelter, et al., 2010).

Another important aspect to success is the enterprise's change management capability (Ates & Bititci, 2011) (Alesi, 2008). In terms of creating a resilient organization, it has been noted that companies that have thorough understanding of the market, and can generate strategic options as well as realign its resources faster than the competition, will have an advantage that can aid in its success and survival (Hamel & Valikangas, 2003) Specific to SMEs, there is a tendency to take a reactive stance and focus on short-term, operational and technical aspects of change management while neglecting the strategic, long-term requirements of the organizational change process, therefore undermining its resiliency (Ates & Bititci, 2011). It is critical for all organizations to address both in order to survive (Starr, et al., 2003).

**Innovation**

Innovation within SMEs is largely characterized by the development of new ideas, capabilities, products and services. New product development (NPD) is often seen as a risky activity for most SMEs with limited resources, however, such investments in R&D have been shown to be critical for an SME's survival (Rhaiem, 2012) (Sinha, 2003). Studies have shown that there is significant relationship between the distinctive capabilities and innovativeness of an enterprise on its business performance (Ghosh, et al., 2001) (Man & Wafa, 2007). Improving manufacturing flexibility for enterprises that deal with product manufacturing has also been identified as critical to survival, especially during periods of financial crisis, as it reduces the response time to market and ensures cost effective solutions for the customer (Sharma, et al., 2011). The effective usage of ICT is also noted as a critical factor of innovation as it enables the business to access accumulated knowledge that can support new product development; reduce the cost of transactions and processes; and connect, participate in, mobilize and empower new ways of doing business through multimedia, computer networks and the internet. In short, the proper use of ICT provides process efficiencies for the business (Sharma, et al., 2011).

**Long Term Focus**

The adoption of the correct strategy in connection to the firm's current level of development is an important aspect of any SMEs long term objectives. Organizations may have to evolve through time to adopt other strategy types and reconsider the KSFs that are given priority by the business as the environment changes (Ghosh, et al., 2001). The presence of a well-defined strategy in terms of new product development is also noted as a prerequisite to project success (Rhaiem, 2012). Having a long term focus with regards to the enterprise's activities entails the formulation and assessment of short, intermediate, and long-term goals in terms of financial, ecological, and social goals (James, 2013). This also means that SMEs need to engage in some form of long-term planning, which requires having a distinctive vision of what the business would be like. Bhide's insights about the balance between adaptability and remaining constant to a principle comes into play here, where enterprises need to remain mindful of the long term strategy and be willing to sacrifice short term opportunities in order to grow and achieve the long term goals (Gendron, 2000). Some examples of key activities that drive long-term strategies and have helped SMEs grow and survive are (1) identifying market niches and being able to focus on the market's current needs; (2) shifting to higher value add products and services; and (3) regionalization or expansion into other markets (Ghosh, et al., 2001) (Sharma, et al., 2011) (Hung & Effendi, 2011).

**Management Support**

One of the most important key success factors for the survival of any firm would be its management's support. It has been observed that SMEs led by entrepreneurial teams were high among successful SMEs and low among failed SMEs (Islam, et al., 2011). Among Malaysian firms, having a strong, supportive and committed management team with visionary leadership is considered to be vital in ensuring performance excellence. Strong, capable, visionary leaders that have influential power to guide and

motivate followers to achieve organizational goals and who focus on aspects such as providing care and support by promoting employee development can make a difference (Hung & Effendi, 2011) (Ghosh, et al., 2001). It is important that there exists good working relationships between top management and employees (Rhaiem, 2012), especially when prospecting opportunities as this would require good communication and collaboration within the organization (Ghosh, et al., 2001). In terms of new product development, support from management is one of the prerequisites to the success of a project (Rhaiem, 2012). Finally, since employees look to their leaders to guide the way and make important decisions about the firm, it is crucial for management to have the experience, adequate training, and skills to operate a business (Okpara, 2011) (Ramana, et al., 2008).

### Organized systems

The implementation of a systemic process in managing the organization has often been overlooked during the early phases of an enterprise (Biazzo & Bernardi, 2003), mainly due to the entrepreneurial spirit that drives the company and which requires flexibility and adaptability as previously mentioned. This factor however is the lynchpin to the success of any enterprise as it ensures that the company is able to achieve what it set out to achieve and that the goals, objectives, mission and vision of the firm are measurable and attainable at the end of the day.

Organizational capability was investigated as a firm's ability to manage managerial processes, i.e. the processes that primarily affect the way management operates when making decisions and exercising control (Teece et al., 1997; Dyer and Singh, 1998). These processes determine how well a competitive advantage is sustained.

Marianne James (2013), in her paper about integrated reporting in SMEs, identified the benefits of having a system of communicating and reporting important pieces of information on business operations to various stakeholders as part of the integrated reporting process. She also identified important steps that each organization would need to go through in order to have an organized system in place, namely:

1.  Clear formulation and assessment of short, intermediate, and long-term goals in terms of financial, ecological, and social goals and objectives. Companies must also take into consideration the opportunities, risks and constraints.

2.  Development of multiple performance indicators to measure the newly formulated goals.

3.  Incorporation of the goals, objectives and performance indicators into the planning, budgeting, and control processes, which includes the integration of everything into the accounting information system.

4. Development of a reporting system that incorporates and interrelates the performance measures associated with the company's financial, ecological, and social objectives.

5. Periodic reassessment of goals and performance indicators to ensure relevance to current business environment.

Garengo and Bernardini present a similar model in their study of organizational capabilities that could help develop more sustainable SMEs. The model encourages enterprises to spend time in the following key activities in order to develop the firm's organizational capabilities: strategy and planning, performance measurement, budgeting, and managerial control (Garengo & Bernardi, 2007). This process of performance measurement and integrated reporting helps companies assess the joint impact of their actions in order to develop strategies and business models that can assist in the creation of value; increase operational efficiencies, enhance customer and employee loyalty by improving a company's ability to communicate with its stakeholders; and improve a company's ability to take advantage of government mandated benefits such as grants and tax incentives (James, 2013).

Organized systems also focus on the importance of inter-firm cooperation and consultation. Inter-firm cooperation contributes largely to building a positive reputation in the industry and secures organizational legitimacy for the enterprise. It also helps to improve the firm's strategic position and core business focus; provides opportunities to enter international markets; reduce transaction costs; learn new skills, and cope with the rapidly changing pace of technology (Islam, et al., 2011).


## Profitability

This can be considered as the single most important factor in determining the survival of any business, as lack of capital or financial resources pose a major obstacle to business development. The extent to which it drives the business is still quite controversial (Okpara, 2011). There have been studies that have shown that additional capital is not a necessary requirement to ensure successful business activity wherein capital from operations can be compensated through creativity and initiative (Dia, 1996). Based on the results of most business case studies, in order for businesses to continue operations and fund their growth strategy, sufficient capital would need to be present as well as resources for expansion.

One of the major reasons cited for insufficient capital is the difficulty of securing a loan from the bank due to the lack of required collateral (Mambula, 2002) (Okpara & Wynn, 2007). Other observations of capital management within SMEs – with Nigeria as a specific example – were overtrading and illiquidity due to profit maximization at the expense of creditor repayment. In order for SMEs to survive, there must be a standard credit policy, good financial reporting, and a control system in place to ensure continuity, growth and solvency (Sunday, 2011). Budgeting, as a function of management and solid economic financial planning, is considered an important macro-process in the management of any enterprise (Garengo & Bernardi, 2007). Another factor that has been observed to drive profitability is keeping the inventory level to a minimum, as this would improve cash liquidity and reduce any wastage. This becomes especially important during periods of recession where resources are scarce and demand for goods drop (Sharma, et al., 2011),

## Stakeholder Engagement

The final KSF relates to the enterprise's ability to deal with the major stakeholders within the business – in this case, the firm's partners, customers, suppliers, and employees. Inter-firm cooperation plays an important role in business success as it contributes positively to gaining organizational legitimacy; developing a desirable marketplace reputation; improving a firm's strategic position, core business focus, penetration into the international markets, transaction cost reduction, adoption of new skills; and coping with rapid technological changes. Time spent communicating with partners, customers, suppliers, employees was one of the key factors that resulted in the success of a firm (Islam, et al., 2011). Networking and sharing of information through cluster development are other means to help build stakeholder engagement and increasing the current knowledge and access to new technology for the business (Sharma, et al., 2011). According to a study by Hung and Effendi (2011), building and developing the right networks and contacts is the most critical factor for business success for Malaysian SMEs. Good customer and client relationship has also emerged as one of the top ten SME success factors in a study run for the top 50 enterprises in Singapore and Australia (Ghosh, et al., 2001).

In terms of communicating with the various stakeholders involved in the business, integrated reporting is one way of providing information on the comprehensive impact of the company's actions on the financial, economic, environmental and social environment. Internally, this helps to align strategies that can drive the efficient utilization and preservation of resources, increase employee satisfaction and commitment, and improve the company services and offerings. This can also provide information needed for reporting to organizations (like governmental entities) that provide funding or financial incentives for certain areas of development or projects. Integrated reporting also helps to increase investor confidence in the business as well as encourage external customer support since public reporting helps lenders and investors assess the enterprise's long-term profitability, solvency and growth potential (James, 2013). Within project teams, it is also critical to have fluid communication between the teams and senior management, especially with new development product projects that require continuous communication as doing so could reduce the ambiguous risk present in any new endeavor and mitigate the differences in opinions (Rhaiem, 2012). Finally, relationships with vendors and suppliers can lead to more efficiencies within the business through cost-reductions and better customer-relationships, thus strengthening the overall performance of the firm (Sharma, et al., 2011).

All the key success factors mentioned previously help to support and ensure the three-fold dimensions of sustainability – organizational, environmental and workforce wellness. This study therefore aims to generate measures of these KSFs in order to get an accurate assessment of SME sustainability and provide these businesses with recommendations to strengthen and improve operations for the long term.

# Method

This study will focus on validating business sustainability factors in the context of small to medium enterprises. Although current statistics show that micro enterprises make up the largest percentage of businesses established in the Philippines and along with small enterprises, are responsible for employing the largest percentage of workers in the country, most of the registered businesses have not yet met the criteria of being considered as resilient and sustainable. Thus, the parameters of this qualitative study will include micro to medium enterprises as defined by Table 2 below, which meet the following criteria (Ćorić, et al., 2011):

> **Structure:** The enterprise is independent and operates separately from any other group. This means that the enterprises that were interviewed were not subsidiaries of other groups; nor were they franchisees or "daughter" companies. There is a clear ownership structure.

> **Size:** The enterprise must fall in between the range of having 1- 199 employees, as defined by the parameters set in Table 2 for micro to medium enterprises.

> **Age:** The enterprise should have been operating for at least three (3) years or more to be considered sustainable. This ensures that companies have exited the "death valley" phase, and may be in the early growth phase, according to Ichak Adizes' (2005) company life cycle. Companies younger than 3 years were not considered.

> **Business Performance:** The enterprise is generally profitable and operating revenues can sustain operating costs.

**Table 2 Definition of Enterprises in the Philippines**

| Definition of Micro, Small, Medium and Large Enterprises | | | | |
|---|---|---|---|---|
| | Micro | Small | Medium | Large |
| Employment Size | 1 − 9 | 10 − 99 | 100 - 199 | 200 - over |
| Asset Size | Up to P3,000,000 | P3,000,001 - P15,000,000 | P15,000,001 - P100,000,000 | above P100,000,000 |

(Department of Trade and Industry, 2013)

## Instrumentation

### Identification of Key Success Factors in the Philippines

This is a qualitative study that aims to provide the following results – namely, (1) the identification of the Key Success Factors (KSFs) relevant to the Philippine SME population using in-depth interviews with different industry players and, (2) the creation of a survey tool through the research of related literature, and the application of the relevant Philippine KSFs.

The in-depth interviews consist of entrepreneurs from the following sectors below, as research has shown that 80% of Philippine Businesses are engaged in consumer services, while 10% are in the manufacturing, construction or other transformative lines of business (Licaros-Velasco, et al., 2013):

| Case | Company Name | Company Information |
|---|---|---|
| Case 1: Retail and Distribution (Consumer Services) | WrapShop | www.wrapshop.com.ph/ |
| Case 2: Printing (Transformative Services) | Tone Guide Press Inc | www.toneguide.com/ |
| Case 3: Manpower Services (Consumer Services) | HR Team Asia Inc | hrteamasia.ph/ |
| Case 4: Digital Media (Consumer Services) | Sound Design Inc | www.soundesignmanila.com/ |
| Case 5: Logistics (Consumer Services) | Asia Cargo Container Line, Inc | https://www.facebook.com/pages/Asia-Cargo-Container-Line-Inc-Ecj-Bldg-Intramuros-Manila/235664663221957 |

Content analysis will be performed on the responses from the interviews, which will then be collated and categorized according to the relevant variables. These variables will be compared to the extensive list of variables that have been proven to aid in the sustainability of enterprises globally and will be used to refine a survey tool that can help measure success factors for survival in a start-up or growing enterprise. A sample of the qualitative questionnaire used for the study can be found in Appendix A and its corresponding results and analysis in Appendix B, C and D respectively.

The survey tool will consolidate variables that have consistently surfaced as key success factors within related literature and is outlined in Tables 2 and 3. These have been grouped into 3 main areas (Environmental wellness, Organizational wellness, and Workforce wellness) with 7 supporting sub areas for consideration.

### Creation of the Survey Tool

The questions included in the survey were formulated based on the definitions given in the review of related literature and were further refined and validated using the following process:

- Questions were subjected to a readability test to assess complexity and ensure that its components were understandable to the target audience (e.g. business owners and managers who have completed a bachelor's degree in their specific fields or are of similar capacity). The readability tests used were the Flesch-Kincaid Reading Ease and Grade Level Formulas, as well as the Guning-Fog Readability scores. Scores of the readability Tests may be found in Appendix E.

- Questions that have passed the Readability test were then tested for content and face validity by having a representative of each business area, namely – IT, HR, Marketing, Sales, and Finance

– define each statement according to what they understood the question was asking about. All definitions were collected and scored by experts against the true definition by assessing the similar concepts and words used in both the true definitions and those given by the representatives.

- The scale used to score the definitions was a 5-point Likert scale, with 1 signifying that the definition was farthest from the true definition, 3 signifying indecision, and 5 signifying that the definition provided closely matched the true definition. The averages of all definitions were calculated for each question and only the questions that received a mean score of "4" and above were used for the survey tool.

- To strengthen the test for validity, the assessment of definitions were assigned to experts in psychological test survey creation, namely professionals with degrees (doctorate and undergraduate degrees) in Psychology that have created and administered tests in the social sciences, as well as research consultants who currently work in organizations that specialize in test creation. These experts scored each definition and also provided recommendations to further strengthen the survey tool, thus providing a measure for expert validity. Results of these assessments may be found in Appendix F.

## Results

Interviews were conducted to identify the key success factors to sustainability in startups and entrepreneurial businesses. After conducting a content analysis on the results and mapping these to Triple Bottom Line model for sustainability (Dyllick & Hockerts, 2002), the findings were as follows:

| Factors | Highest Number of Responses |
|---|---|
| Important Factors for Business Survival | Hiring Employees that are the Right Fit Understanding Clients Needs Ensuring Employee Commitment |
| Operational: Most important Plans and Processes for Business Growth | Implementing Controls Using Checklists Conducting Training |
| Social: Important factors of Company Culture in Business Growth (Triple Bottom Line) | Understanding Client's Needs Flexibility to Market/Client Needs Timeliness Strong Mission and Vision |
| Financial: Important Practices for Business Success (Triple Bottom Line) | Ensuring no resources are wasted or lost Ensuring solid funding Using lean principles (maximizing resources while minimizing loss) |

| | |
|---|---|
| Environmental: Important Practices for Business Success (Triple Bottom Line) | ** Deemed important in more mature businesses but admitted to have low relevance for start-ups |

**Table 3 Major Key Success Factors**

In terms of specific sub-factors or examples for each Key Success Factor (KSFs), a list of the top responses are included below:

| Key Success Factors | Highest Number of Responses |
|---|---|
| a. Flexibility to Change | Flexibility to Market/Client Needs |
| b. Long Term Focus | Set Achievable goals |
| c. Innovation | Improve status quo<br>Flexibility to Market/Client Needs<br>Understanding Client's Needs |
| d. Stakeholder Engagement | Understanding Client's Needs<br>Treat Employees like family |
| e. Workforce Wellness | Provide for employee needs<br>Provide medical coverage/assistance |
| f. Management Support to Employees/Business | Maintain an open door policy<br>Implement Employees' ideas<br>Discussion of Ideas |
| g. Environmental Wellness<br>** Relevant only to more matured businesses | Zero Waste/ Cutting Losses<br>Provides positive Public Image<br>Proper disposal |
| h. Organizational Wellness | Presence of Succession Plan<br>Flexibility to Market/Client Needs<br>Clear Organizational Structure<br>Good Back Up Planning |

**Table 4 Specific Key Success Factors**

It was noted that environmental wellness did not factor in as an important aspect to business survival for SMEs. Majority of the responses - two out of the five interviewees- indicated that this was not so important in this stage of the business. It should also be noted that those that did agree that environmental awareness was important were considered to be in the more mature stages of their business (20-30 years in operation and currently with plans for expanding internationally). Thus, in terms of assessing business sustainability for small-medium enterprises that have just started out within the Philippines, this factor was removed from the survey due to more of its relevance being in the later stages of the business cycle.

Other factors that resulted in the survival of the business were mentioned individually by each interviewee and a list of all other factors are included in Table 5 below:

| | |
|---|---|
| Clear Company Guidelines | Ensuring First Mover Advantage |
| Proper Collection | Ensuring solid funding |
| Communication | Establishing External Networks |
| Competitor Liasons | Maintaining Financial Strength |

| | |
|---|---|
| Focus | Profit Share |
| Good Back Up Planning | Provides positive Public Image |
| Honesty | Recycling |
| Innovation | Resolves Conflicts Set |
| Instilling best practices | Achievable goals |
| Monitoring | State of the Economy |
| Establishing Non-compete clauses for partners | Upgrading systems |
| Passion for Business | Use of Contractual Agreements |
| Problem Solving Abilities | |

**Table 5 Other Identified Factors (Qualitative Interviews)**

The consolidation of the most widely mentioned Key Success Factors from the qualitative interviews has aided in the refinement of the survey questionnaire in order to produce the most concise and relevant tool for Philippine entrepreneurs. Extrapolating the given data, and applying this to the initial set of questions created based on a review of the relevant literature has resulted in the final set of questions. This can be found in Appendix A. This basically covers the following aspects, which according to the interviews, are the most important factors to consider in business sustainability and survival:

| Key Success Factors | Initial Number of Questions | Refined Number of Questions |
|---|---|---|
| Stakeholder Engagement | 6 | 6 |
| Innovation | 5 | 4 |
| Long Term Focus | 2 | 2 |
| Flexibility to Change | 5 | 4 |
| Organized Systems | 7 | 7 |
| Management Support | 4 | 4 |
| Profitability | 0 | 0 |
| Environmental Wellness | 3 | 0 |
| Organizational Wellness | 5 | 3 |
| Workforce Wellness | 7 | 5 |
| Social Wellness | 3 | 2 |
| **TOTAL** | **47** | **37** |

**Table 6 Refined Set of Variables and Questions**

## Discussion

The aim of this research was to create a business sustainability measurement tool which could aid Philippines SMEs in assessing their current state in terms of certain key success factors that have been proven to be critical to every start-up or growing business. The first set of questions were created through a review of related literature and a consolidation of all important concepts of sustainability as

proven in various business models. Its relevance to small and medium enterprises as well as to businesses in the Philippine context have been validated through a qualitative interview process covering the major industries that make up majority of the SMEs in operations within the country today. Insightful examples of each key factor were shared and collated, grouping similar responses through a content analysis of all interview results as supporting evidence of the strength or weakness of each survey question. A discussion of the insights collected from the content analysis can be found in the following sections.

## Key Factors for Business Survival

Hiring Employees that were the right fit for the role was one of the most widely mentioned factors for the survival of any business by all interviewees. The Chief Financial Officer for Tone Guide Press mentioned that hiring professionals for their skills, knowledge and advice, and good business practices from their experience in previous companies have helped to improve and grow the business. They have also learned that hiring candidates with at least 5 years of work experience was very effective as it ensured the employee already had good working ethics and business maturity. Having the right skills for the job was also important to companies like Asia Cargo, wherein it was a requirement for them to hire employees with a logistics background so that process pick-up would be easier due to the industry-specific accounting transactions the employees needed to run.

Another important factor was being able to understand the client's needs. According to Asia Cargo's Head of IT, keeping the customer happy and away from competitors is critical to business survival and one way to be able to do this was to ensure that transactions went smoothly and were hassle-free to the client. In this case, smooth transactions always resulted from the employees' ability to ask the client about their concerns and solve them in a timely and efficient manner.

Finally, employee commitment was also mentioned as a critical factor among all interviewees. According to the owner of Wrap Shop, hiring employees whom you can trust and who show enthusiasm and commitment to the business has been key in her success. In her case, their business underwent a period of having to 'tighten belts' due to the financial crisis a few years back. Instead of letting people go, the situation was explained and employees were given the choice to work part-time. The employees chose to stay, delivering the same results even if they worked less hours because they believed in the business and were committed to see it thrive.

## Operational Factors

One of the key factors which generated the most number of similar comments was implementing checks and controls in each business process. For Soundesign Operations Manager, Alejandro Blay, "There need to be controls in place in order to monitor and ensure processes are done correctly and by the correct person. For example, there are 7 room units in the company that each have checklists of what needs to be done. In each room, the time and tasks are listed and supervisors check that all the tasks are done for the day. This also reduces finger-pointing if projects are not completed on time."

The specific use of checklists were also mentioned by both Soundesign and Tone Guide Press interviewees. For Cathy Lim, CFO of Tone Guide Press, "As the business grows, it is impossible to be

present 24-7 so there is delegation in decision-making - especially as every job is specific." In order to ensure sound decision-making, Tone Guide Press has made use of order checklists that list down the process of dealing with clients and which provide options to help in quick decision-making. The same is true for Soundesign as mentioned above, though the checklists are to ensure that all processes are done in an orderly and timely fashion and no part of the process is missed during the project timeframe.

Another important operational factor mentioned was training provided to employees. HR Team Asia specializes in the deployment of man power to different companies so their business model requires services rendered from employees. It is thus important to get all employees trained, and functioning well for an easier fit into the companies they will be deployed into.

## Company Culture

Building the company culture was highlighted as an important aspect of growing a business, particularly around the area of dealing with customers. Understanding clients' need came up once again as a key success factor in 4 out of the 5 interviews. Tone Guide Press for instance believes that having a customer-oriented culture is crucial in running the business. One example of how the company inculcates such behavior is in the way management requires employees to create a client report two days after each visit to ensure that reactions and next steps to customer needs are immediate.

Another similar factor discussed was having the flexibility to deal with the market or a customer's needs. It was not just necessary to understand what was needed; being able to solve or take action on a particular request was even more important. For Asia Cargo, this meant having constant sales meetings with clients or having management conduct regular checks on the status of each customer. This includes not only checking with employees but reaching out to clients themselves to validate whether employees are delivering the actions they have proposed they would deliver and clients are happy with the results.

One key area in the delivery of goods and services to clients that was highlighted during the interviews was around timeliness. Both for Wrapshop and Tone Guide Press, timeliness required commitment to finish the goods and deliver the order within the expected time. And for both, these were behaviors that were critical to the survival of the business and in ensuring that customers were happy with the relationship.

In building and strengthening a company's culture, most interviewees mentioned the importance of having a strong mission and vision to guide the company. For HR Team Asia, this was necessary especially since it was dealing with different businesses and models. Having the mission and vision as an overarching guide enabled employees to be fast and nimble in addressing client's needs and still ensure that they were going towards the direction that the business needed to go.

## Financial Stability

It is self-explanatory to say that having a strong and steady stream of revenue is key in any business. However, in discussing the ways and means to ensure this, three factors emerged as best practices in this area, namely: cutting losses, ensuring solid funding, and maximizing resources while minimizing waste.

In terms of cutting losses, the prime example would be how HR Team Asia sold off part of the business that had not been generating revenue after a year in operations. As part of its expansion plan, the company tried to grow internationally by offering manpower services to other countries. However, due to the distance, legal difficulties around operating as a business in certain countries, and even environmental conditions that affected the employees themselves, the international arm of the business had to be shut down despite the large investment that was put into garnering contacts and agreements overseas. After reporting a loss for the year, the amount was then recouped and the business stabilized in the following two years by increasing contracts within the Philippines and reorganizing resources within the business. Though the company reported a loss in the short run, in the long run letting go of this particular sector in the business saved the company from expanding into an area which would have continued to cause the business more pain and deficits.

Funding to support all business operations is always key in any business. One way of ensuring solid funding was supplied by Asia Cargo wherein the company would take loans for any part of the business that required financing. As a shipping and logistics company, their current business model required that the company shoulder all costs of shipping and handling before they could charge the customer for the service. If capital was insufficient to do this, then a loan was taken to cover the costs initially. This also meant that the collections arm of the business had to be strong to ensure that customers were able to pay in a complete and timely fashion in order to the balance the ledger. The same concept applies to HR Team Asia's business model as the company is required to pay the employees' payroll before the manpower is hired and paid for by the client. Thus, it is also a critical factor for the Sales team to sign up clients and deliver to ensure the debts are all covered for by the incoming revenue.

The use of lean principles, or in this case maximizing resource potential while at the same time minimizing resource waste, was exemplified in two practices mentioned in the interviews. The first was related to actual resource and energy usage wherein companies like Tone Guide Press encourage a Zero-waste principle to all their employees. This meant studying each part of the printing process and optimizing it in such a way to eliminate the generation of physical waste in the final output. This also includes inculcating energy-saving practices, like encouraging employees to switch of all appliances that are not in use. Employees who do not adhere to this are also given warnings to ensure that energy-saving behavior is ingrained into the work culture. Another best practice which was mentioned in the interviews was related to employee utilization and productivity. As mentioned earlier, when Wrap Shop encountered difficulties staying afloat due to the global financial crisis, instead of employee retrenchment that would have caused many employees to lose all income sources, the company offered employees the choice to work part-time and pay increases would be based on the number of orders generated and fulfilled. This increased employee commitment and productivity, as employees worked harder to save the business knowing their own survival was tied to the business' survival.

## Flexibility to Change

Being flexible in addressing the market or customer needs were highlighted as well within the interviews. According to HR Team Asia, this is especially important in the accounting or billing process due to the client's own cash flow in these instances; recruitment in terms of hiring the right people for

the client, and in sales negotiations. For Tone Guide Press, flexibility to market needs is best seen in the way management encourages employees to do research in their own areas for new products which can be developed by the company. This is especially important as the business puts high premium in always being first to market in order to keep competitors at bay. According to their CFO, "We need to be the 'tone of the future' through having first-mover advantages." A good example of this is Tone Guide Press's current initiative to revolutionize birth certificate printing using a more economical type of ink, which the company had discovered by working with US suppliers that were using a different ink base. Having the first-mover advantage has helped them capture and grow their market share in particular areas easily.

## Short Term versus Long Term Focus

In talking about the companies' goals and business focus, it was interesting to note that although all interviewees agreed that having long-term focus was important in any business, for start-ups and growing enterprises, short term planning proved to be more useful and important. For Tone Guide Press' CFO, long term goals need to be split into smaller goals that are achievable as it provides the company with better momentum and is more relevant to each department's function. For instance, in the Sales department, the yearly forecast for the company is broken down into months and weeks which the company monitors and tracks the department's performance on. There are two main questions that each department is asked to address, namely: 'What do we need?' (objective) and 'How do we get there?' (action plan).

For HR Team Asia, any plan beyond three years ended up being irrelevant to the business, as month-on-month many things change internally and in the industry. Asia Cargo follows the same thinking process as the business adopts regular short-term goal setting. This does however, eventually become part of the long-term vision of the company. Once the results of the short term goals progress, the goals are replicated and expanded the following year to help shape and support the company's long term goals. Thus, goal setting becomes a flexible and dynamic process.

## Innovation

One of the key success factors that was completely agreed upon was the concept of innovation. And this is typical of any start-up or growing enterprise as the germination of new ideas and implementation of novel concepts lie at the core of every entrepreneurial venture. In this case, three manifestations have emerged from the interviews as important aspects to innovation, namely: improving the status quo, understanding the customer's needs and being flexible to both the market's and customer's needs. For most enterprises, improving the current status quo means thinking of new ways to do things or businesses to get into. At least this is certainly the case for Tone Guide Press, wherein as a company, employees are encouraged to look for new business ventures that the company can invest in. The sharing of ideas within every monthly meeting is encouraged and forms part of the innovative process that the company tries to inculcate.

Similarly, Soundesign has a process for innovation through the observation of customer needs. This starts off with having employees and operational teams observe current processes being employed within the company and throughout the whole industry in general. Employees are then encouraged to

identify stress points within these processes and define what concerns and problems need to be addressed. Once this is mapped out, employees are encouraged to come up with a solution for these problems, which is discussed through a forum. If the solution is approved by management, this is then implemented and the company puts all effort to own the brand image or position within the industry. At least this was the process Soundesign employed when they came up with the concept of the mobile studio, which consisted of installing studio equipment into a T-150 van, and sound-proofing it in order to replicate broadcast studio quality. This concept was actually one of the first in the Philippines and has been coined by Soundesign as OS or On-Site Broadcasting, which is what many media outfits call mobile studio solutions today. According to Andro Blay, Operations Manager at Soundesign, 'Competitors also refer clients to Soundesign when clients are unable to do the recordings in actual studios because of location requirements.' He insists that apart from having the first-mover advantage, the industry trusts the quality of their solution and thus it becomes a more sensible solution for similar companies to help each other rather than try to compete with them in the short term to address this specific market need.

There is however a caveat in running the business to address specific client needs as both timing and feasibility need to be considered before the implementation of any solution. For HR Team Asia, understanding client needs is one thing, but determining whether addressing this need would be possible or even helpful for the client is another thing. According to the CEO, "You cannot go too fast than what is accepted. Go with what the client wants and what the government deems allowable. You will need to react and come up with new ideas to address both government and client concerns." A good example of this is when one of their clients wanted support in creating a manpower cooperative – doing so had so many legal issues that the company had to decline the request in the end as it would have harmed both the company and the client's company in the long run.

## Stakeholder Engagement

Though relevant literature states that spending time communicating with partners, customers, suppliers, and employees is a key factor to ensure the success of a firm (Islam, et al., 2011), results of the interviews show that enhancing the relationship of the company to its customers and employees are the crucial factors in business success, mainly through understanding the customer's needs and treating employees like part of the 'family'.

For WrapShop, it is encouraged among employees to talk with the clients in order to build a warm relationship with them and that whatever is committed is always delivered. For Asia Cargo, providing clients with updates of their deliveries helps to keep clients happy, engaged and keeps the relationship warm.

In terms of creating a family culture within the company in order to keep employees engaged, both Tone Guide Press and WrapShop try to make employees feel they are stakeholders in the company. This was best seen in how WrapShop tied employment to the company's actual business success, thus increasing employee productivity. For Tone Guide Press, employees were rewarded for ideas that they developed for the company through profit share and bonuses tied to business performance. In terms of building a culture, the management of Soundesign make it a point to remind employees that they are

brand ambassadors of the company and that what they do ultimately affects the entire brand of the office.

## Workforce Wellness

It is interesting to note that although employee commitment and skill-fit were lauded as important factors to business sustainability, investments made by SMEs to workforce wellness consisted of the bare minimum – in this case, the provision of healthcare and employees' basic needs. All the interviewees agreed that having employees that were happy in their roles ensured more productivity. This includes ensuring that employees felt welcome and appreciated in the company. Soundesign and Tone Guide Press have made it a point to provide 'merienda snacks' and birthday blowouts to encourage bonding and relationship building within teams. This was also done to foster the familial culture so employees felt more committed to the company and driven towards meeting its goals.

Another aspect that was mentioned around providing for employees' basic needs was ensuring that employees were paid enough to cover for their personal and family needs so their focus could be on their work and helping the business grow. It was also mentioned that employees had to feel that what they were being paid was commensurate to all the work they were putting in. This is of course mandatory according to the basic labor laws which all companies must comply with.

In terms of employee health, all interviewees mentioned that they had internal programs that covered for all employees' healthcare needs. This includes reimbursement schemes or enrollment into HMO packages that provided basic health insurance and services. Apart from ensuring that employees remained healthy enough to do their jobs, providing medical coverage also gives the company a good public image. According to Cathy Lim, CFO of Tone Guide Press, having a healthcare program shows external parties that the company is "serious in its business and people investments" due to the fact that it is taking good care of its employees. Doing so provides a positive image and has helped the company in convincing more multi-nationals to do business together.

## Organizational Wellness

It was mentioned that in ensuring organizational wellness, having a solid organizational structure and sound succession plan would be necessary. Most interviewees however have admitted that they lacked both and were only in the process of finalizing both aspects in strengthening their business processes. The CEO of HR Team Asia admitted that both practices were necessary in ensuring business continuity in most global organizations and mature institutions; however, since the business in question was still starting up at the time, forming a proper structure and succession plan had been put to one side to focus on getting the right people in place and establishing solid and stable processes to run the business smoothly. Now that the company has stabilized and is more mature, it thus becomes critical to begin the process of creating a succession plan and structuring the organization in a more efficient and effective manner.

In having a clear organizational structure, the operations manager of Soundesign has mentioned that doing so would help the business immensely as it would help achieve bigger goals and the vision for the company, avoid rework, and provide a direction for the future. Further to that, Asia Cargo believes that

if management recognizes potential in employees - training these employees, grooming them, and providing them with more opportunities to grow would help to ensure business continuity in the long run.

Finally, having a back-up plan as part of business continuity is also deemed critical to ensure that the company still continues to function in the event of any catastrophe or emergency. According to Cathy Lim (Tone Guide Press), "We [the company] ensure that employees are generalists. They need to know their co-workers' jobs so if one falls sick there is continuity." The same goes for employees who are seen as potential successors – having back up plans in place would ensure that if the manager is out on a business trip or engaged elsewhere, their successor would be able to make sound and well-informed decisions on their behalf.

## Management Support to Employees and the Business

Three of the best business practices mentioned around providing management support to employees consisted of the following: (1) maintaining an open door policy, (2) discussing, and (3) implementing employee ideas and suggestions.

In maintaining an open door policy, employees are invited to speak freely with management, especially if they have bright ideas that could help the company innovate further. Asia Cargo makes it a point to encourage their sales people to present ideas to the management levels with the incentive that if the idea is within the department budget and feasible, management would invest.

Similarly, Soundesign has a process of deliberating on ideas. Employees are given the directive to create and present a business case to management during the weekly operational meetings. This includes presenting their suggestions and justifying the idea based on its impact to the business. Having a forum where they can present and discuss their ideas among peers and management promotes fairness and ensures that employees do not feel bad if in the end their idea is not chosen for implementation.

If an idea is chosen for implementation, it is important that in executing the idea, the company acknowledges the employee's efforts and contributions to the growth of the company. A good example was how Tone Guide Press implemented one employee's idea for reducing waste in the company which he developed from his previous experience working for the US embassy. He introduced a process that could eliminate waste in printing and ensure that printing was secure. As the employee developed the idea while working for Tone Guide Press, it was by contract the company's own property already but in order to give the employee a sense of appreciation for his idea, management decided to have the employee patent his process and the company paid the employee for the rights to his idea. This was done along with awarding the employee a bonus for using the idea it to make the company more profitable through resource maximization and waste reduction.

## Conclusion

After an extensive foray into literature related to business sustainability in small-to medium enterprises, and comprehensive interviews with companies that make up 80% of the SME business types in the Philippines, the conclusion of this research is a survey tool that measures business sustainability though the manifestation of a specific set of key success factors generated in this research. The specific examples provided throughout the qualitative interviews were used to trim down more than 60 manifestations of the key factors, refining the measures down to 37 questions included in the survey tool.

In terms of usage, the tool can be understood as a list of best practices that are essential for the survival of young SMEs or a guide as to where the business owner can improve his/her processes and operations. Although this research focused on the creation of a business sustainability measurement tool for SMEs, future researchers and advocates in this area are encouraged to take the research study to the next level by refining the tool further, expanding its scope, or using it to improve existing business practices in Philippine SMEs. Since the tool uses a 6-point scale, further research to determine the optimal mean score that enterprises must achieve for each variable and overall, would aid greatly in determining which of the specific key factors are the most critical for business sustainability. This would also increase the validity and reliability of assessing whether businesses can survive and be sustainable in the long run through the presence of certain practices that are found in all surviving and successful enterprises.

Thus, use of this tool and research will continue to be offered online for the development of all SMEs and can be found at this address:

https://philippinesustainability.wordpress.com/2014/11/17/building-a-sustainable-business-framework-for-philippine-smes/

The tool has been linked up to Google Forms in order to provide each user with a way to compare their results against the results of other survey participants in a collective manner. This will allow for continuity in the output of this research and provide a dynamic, real-time comparison of SMEs within the industry. Thus, the development of Philippine SMEs can continue on, even after the conclusion of this study.

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# APPENDIX A:

## BUSINESS SUSTAINABILITY MEASUREMENT TOOL

survey questionn
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**Thank you for participating in this survey. This is a study supported by AusAID and the Philippine Australia Human Resource Organisational Development Facility (PAHRODF) to study and promote business sustainability for small to medium enterprises in the Philippines.**

**The aim of this study is to provide business owners of SMEs with a set of measures that can guide them in ensuring that their business operations are sustainable and follow best practices in the industry.**

**Feel free to use this survey tool to assess whether you are following best practices for survival and sustainability within the industry.**

**For comments or questions on the tool, you may contact Ms Kim Marquez (Research Analyst) at kagmarquez@gmail.com**

**Instructions:**
1. Read each question under the "Survey Question" column carefully.

2. Please rate the following on a scale of 1 to 6.
(1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = slightly agree, 5 = agree, 6 = strongly agree)

3. Submit the completed questionnaire to Kim Marquez in hard copy or scanned format. If electronic, please email to kagmarquez@gmail.com.

| | Survey Question | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|
| 1 | I feel involved in planning the company's objectives, mission and vision. | O | O | O | O | O | O |
| 2 | My company welcomes new ideas and ways of doing existing processes. | O | O | O | O | O | O |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | I understand how our team objectives support our company's mission and vision. | O | O | O | O | O | O |
| 4 | My company gives me opportunities to learn new skills from other work divisions. (projects, job rotations) | O | O | O | O | O | O |
| 5 | My company has a channel for communicating important messages throughout the whole organization. | O | O | O | O | O | O |
| 6 | I am comfortable sharing my concerns and views with my manager. | O | O | O | O | O | O |
| 7 | I feel safe and comfortable in my physical environment. | O | O | O | O | O | O |
| 8 | My company has regular health programs being offered to employees. | O | O | O | O | O | O |
| 9 | My company provides network opportunities to build relationships with external organizations. | O | O | O | O | O | O |
| 10 | I am given opportunity to voice my inputs on major company decisions that affect me. | O | O | O | O | O | O |
| 11 | My company invests in system and process updates. | O | O | O | O | O | O |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 12 | I feel well equipped with the tools and systems necessary for me to meet my work's current challenges. | O | O | O | O | O | O |
| 13 | I am doing the work that was communicated to me when I was hired. | O | O | O | O | O | O |
| 14 | My company invests in training and development programs that help me. | O | O | O | O | O | O |
| 15 | My company engages in projects that help develop the external communities outside of our organization. | O | O | O | O | O | O |
| 16 | My company welcomes suggestions and appreciates ideas from all employees. | O | O | O | O | O | O |
| 17 | My manager encourages me to think out of the box. | O | O | O | O | O | O |
| 18 | Management gives regular feedback on our performance. | O | O | O | O | O | O |
| 19 | There is someone in the company who I can go to for advice and who I look up to as my mentor. | O | O | O | O | O | O |
| 20 | My manager supports me when I want to attend training. | O | O | O | O | O | O |

| # | Statement | | | | | | |
|---|-----------|---|---|---|---|---|---|
| 21 | My company gives us sufficient information on the direction and status of the business every year. | O | O | O | O | O | O |
| 22 | I regularly give feedback to my peers and manager about my concerns in the company | O | O | O | O | O | O |
| 23 | Our suppliers and business partners advocate the same values and practices that we do. | O | O | O | O | O | O |
| 24 | When an idea I came up with is tested successfully, I am given enough support to implement this. | O | O | O | O | O | O |
| 25 | I feel sufficient time is spent planning the yearly objectives that can help us meet our company's mission and vision. | O | O | O | O | O | O |
| 26 | I am encouraged to learn other relevant skills above the skills necessary for my current role. | O | O | O | O | O | O |
| 27 | My company has a good system for delegating work within each team. | O | O | O | O | O | O |
| 28 | I feel comfortable with the organizational culture. | O | O | O | O | O | O |
| 29 | I feel that my work makes a difference in my company. | O | O | O | O | O | O |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 30 | I am familiar with my job description and what my responsibilities are in my role. | O | O | O | O | O | O |
| 31 | I feel motivated to come to work every day. | O | O | O | O | O | O |
| 32 | My manager reviews my career development plan with me. | O | O | O | O | O | O |
| 33 | I can easily access data or information necessary for me to succeed in my role. | O | O | O | O | O | O |
| 34 | There is someone in the company who I can go to for advice and who I look up to as my mentor. | O | O | O | O | O | O |

35    In your opinion, what factors have helped your company survive?

|  |
|---|
|  |

36    What should your company improve on?

|  |
|---|
|  |

# APPENDIX B: REFINED LIST OF QUESTIONS

| Key Success Factors | Initial Number of Questions | Refined Number of Questions |
|---|---|---|
| Stakeholder Engagement | 6 | 6 |
| Innovation | 5 | 4 |
| Long Term Focus | 2 | 2 |
| Flexibility to Change | 5 | 4 |
| Organized Systems | 7 | 7 |
| Management Support | 4 | 4 |
| Profitability | 0 | 0 |
| Environmental Wellness | 3 | 0 |
| Organizational Wellness | 5 | 3 |
| Workforce Wellness | 7 | 5 |
| Social Wellness | 3 | 2 |
| **Total** | **47** | **37** |

**LEGEND:**

**Red Boxes** → Questions removed based on the results of expert validation and consolidation of factors from qualitative interview content analysis

**Multicolor Boxes** → Questions that are shared under more than 1 key success factor.

## Internal Success Factors

| Environmental Wellness | Organizational Wellness | Workforce Wellness | Social Wellness |
|---|---|---|---|
| I am encouraged to keep my workplace and workstation clean. | I feel safe and comfortable in my physical environment. | My company has regular health and employee well-being programs being offered to employees. | My company provides network opportunities to build relationships with external organizations. |
| My company practices proper waste management and disposal. | I am doing the work that was communicated to me when I was hired. | My company invests in training and development programs that help me. | My company engages in projects that help develop the external communities outside of our organization. |

| | | | |
|---|---|---|---|
| My company supports activities that relate to preserving and maintaining natural resources and the environment. | My company is made up of employees from different cultures. | My manager supports me when I want to attend training. | My company is active in Corporate Social Responsibility initiatives. |
| I re-use and recycle any of the materials and resources that can be recycled. | I do not feel that there is gender inequality within my company. | My company promotes work life balance and helps us achieve it. | |
| I am aware of the need for paperless documentation. | I feel comfortable with the organizational culture. | I consider the training that I receive valuable to me in my career. | |
| I minimize paper printing if I can. | | I feel motivated to come to work everyday. | |
| I am aware of my company's current carbon footprint. | | The training I get from the company helps me to perform better in my job. | |
| I am conscious of my energy consumption and try my best to minimize electricity and power usage. (turning of lights, computers, etc) | | My company involves me in projects and activities that help me to grow and to expand my skills. | |
| | | There is someone in the company who I can go to for advice and who I look up to as my mentor. | |

# External Success Factors

| Stakeholder Engagement | Innovation | Long Term Focus | Flexibility to Change | Organized Systems | Management Support |
|---|---|---|---|---|---|
| I feel involved in planning the company's objectives, mission and vision. | My company welcomes new ideas and ways of doing existing processes. | I understand how our team objectives support our company's mission and vision. | My company gives me opportunities to learn new skills from other work divisions. (projects. Job rotations) | My company has a channel for communicating important messages throughout the whole organization. | I am comfortable sharing my concerns and views with my manager. |
| I am given opportunity to voice my inputs on major company decisions that affect me. | My company invests in system and process updates. | Management prefers long term stability over short term gains. | I feel well equipped with the tools and systems necessary for me to meet my work's current challenges. | Important guidelines are communicated clearly and completely to the whole organization. | I feel that if I share ideas and feedback with executives of the company they will be welcomed and apprecated. |
| My company welcomes suggestions and appreciates ideas from all employees. | My manager encourages me to think out of the box. | Investments into resarch and development are budgeted correctly. | My company is made up of employees from different cultures. | Management gives regular feedback on our performance. | There is someone in the company who I can go to for advice and who I look up to as my mentor. |
| My company gives us sufficient information on the direction and status of the business every year. | I feel motivated to experiment and try new ideas. | I feel my company makes efficient use of the investments into research and development | My company invests in training and development programs that help me. | I regularly give feedback to my peers and manager about my concerns in the company | My manager supports my ideas and decisions about my work. |
| Our suppliers and business partners advocate the same values and practices that we do. | When an idea I came up with is tested successfully, I am given enough support to implement this. | I feel sufficient time is spent planning the yearly objectives that can help us meet our company's mission and vision. | I am encouraged to learn other relevant skills above the skills necessary for my current role. | My company has a good system for delegating work within each team. | My company provides network opportunities to support and build relationships with external organizations. |
| I feel that my work makes a difference in my company. | I am able to implement at least one improvement or new process a year. | | | I am familiar with my job description and what my responsibilities are in my role. | Management gives regular feedback on our performance. |
| I am given opportunities to lead initiatives that can make a difference to my company. | | | | My manager reviews my career development plan with me. | Important guidelines are communicated clearly and completely to the whole organization. |
| I feel empowered to help build the future of the company. | | | | I can easily access data or information necessary for me to succeed in my role. | |
| | | | | There is a clear succession management program running in my company. | |

# APPENDIX C: CONTENT ANALYSIS AND CONSOLIDATED DATA

Content
Analysis_17 October

| QUESTIONS | Y | N | Passion for Business | Flexibility to Market/Client Needs | Focus | Innovation | Understanding Client's Needs | Employee Commitment | Hiring Employees that are the right fit | Clear Company Guidelines | Financial Strength | Implementation of Controls | Checklist | Training | Communication |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.) In your journey as a business, what are the factors that have contributed to the survival of your company? Why do you say so? | | | 1 | 2 | 1 | 1 | 4 | 3 | 5 | 1 | 1 | 1 | | | |
| 2.) Do you think operational plans and processes are important in growing a business? | 4 | 1 | | | | | | | 1 | 1 | | 5 | 3 | 3 | 2 |
| 3.) Do you think company culture is important in growing a business? | 4 | 1 | | 3 | | | 4 | 1 | | 1 | | | | | 1 |
| 4.) In terms of financial stability, what are some factors or practices that have helped you succeed? | | | | 1 | | | 1 | | | | | | | | |
| 5a. Flexibility to Change | 5 | 0 | | 5 | | | 1 | | 1 | | | | | | |
| 5b. Long Term Focus | 3 | 2 | | | | | | | | | | | | | |
| 5c. Innovation | 3 | 0 | | 2 | | | 2 | | | | | | | | 1 |
| 5d. Stakeholder Engagement | 3 | 0 | 1 | 1 | | | 2 | 1 | 1 | 1 | | 1 | | | 1 |
| 5e. Workforce Wellness | 5 | 0 | | | | | | | | | | | | 1 | |
| 5f. Management Support to Employees/Business | 5 | 0 | | | | | | | | | | | | | |
| 5g. Environmental Wellness | 2 | 3 | | | | | | | | | | | | | |
| 5g. Organizational Wellness? | 5 | 0 | | 2 | | | | | | | | 1 | | | |

| QUESTIONS | Timeliness | Honesty | Trust | Problem Solving Abilities | Strong Mission and Vision | Use of lean principles | Instilling best practices | Zero Waste/ Cutting Losses | Upgrading systems | Profit Share | Non-compete clauses for partners | Monitoring | Ensuring solid funding | Update product/ideas | Ensure First Mover Advantage |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.) In your journey as a business, what are the factors that have contributed to the survival of your company? Why do you say so? | | | | | 1 | | | | | | | | | | |
| 2.) Do you think operational plans and processes are important in growing a business? | | | | | | | | | | | | 2 | | | |
| 3.) Do you think company culture is important in growing a business? | 3 | 1 | 1 | 1 | 3 | | | | | | | | | | |
| 4.) In terms of financial stability, what are some factors or practices that have helped you succeed? | | | | | | 2 | 1 | 3 | 1 | 1 | 1 | 1 | 2 | | |
| 5a. Flexibility to Change | | | | 1 | | | | | 1 | | | | | 1 | 1 |
| 5b. Long Term Focus | | | | | 1 | | 1 | | | | | | | | |
| 5c. Innovation | | | | 1 | | | | | 1 | | | | | 1 | 1 |
| 5d. Stakeholder Engagement | | 1 | 1 | | | | | | | | | | | | |
| 5e. Workforce Wellness | | | | | | | | | 1 | | | | | | |
| 5f. Management Support to Employees/Business | | | | | | | | | | | | | | | |
| 5g. Environmental Wellness | | | | | | | | 1 | | | | | | | |
| 5g. Organizational Wellness? | | | | | | | | | | | | | | | |

| QUESTIONS | Set Acheivable goals | Improve status quo | Treat Employees like family | Provide for employee needs | Provide medical coverage/assistance | Maintain an open door policy | Implement Employees' ideas | Provides positive Public Image | Proper disposal | Recyling | Presence of Succession Plan | Clear Organisational Structure | Good Back Up Planning | State of the Economy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.) In your journey as a business, what are the factors that have contributed to the survival of your company? Why do you say so? | | | | | | | | | | | | | | 1 |
| 2.) Do you think operational plans and processes are important in growing a business? | | | | | | | | | | | | | | |
| 3.) Do you think company culture is important in growing a business? | | | | | | | | | | | | | | |
| 4.) In terms of financial stability, what are some factors or practices that have helped you succeed? | | | | | | | | | | | | | | |
| 5a. Flexibility to Change | | | | | | | | | | | | | | |
| 5b. Long Term Focus | 4 | | | | | | | | | | | | | |
| 5c. Innovation | | 4 | | | | | | | | | | | | |
| 5d. Stakeholder Engagement | | | 2 | | | | | | | | | | | |
| 5e. Workforce Wellness | | | | 5 | 4 | | | | | | | | | |
| 5f. Management Support to Employees/Business | | | | | | 3 | 4 | | | | | | | |
| 5g. Environmental Wellness | | | | | | | | 2 | 1 | 1 | | | | |
| 5g. Organizational Wellness? | | | | | | | | | | | 4 | 2 | 2 | |

| QUESTIONS | External Networks | Use of Contractual Agreements | Resolves Conflicts | Competitor Liasons | Collection | Discussion of Ideas |
|---|---|---|---|---|---|---|
| 1.) In your journey as a business, what are the factors that have contributed to the survival of your company? Why do you say so? | 1 | 1 | | | | |
| 2.) Do you think operational plans and processes are important in growing a business? | | | | | | |
| 3.) Do you think company culture is important in growing a business? | | | 1 | | | |
| 4.) In terms of financial stability, what are some factors or practices that have helped you succeed? | | | | 1 | 1 | |
| 5a. Flexibility to Change | 1 | 1 | | | | |
| 5b. Long Term Focus | | | | | | |
| 5c. Innovation | | | | | | |
| 5d. Stakeholder Engagement | | | | | | |
| 5e. Workforce Wellness | | | | | | |
| 5f. Management Support to Employees/Business | | | | | | 2 |
| 5g. Environmental Wellness | | | | | | |
| 5g. Organizational Wellness? | | | | | | |

| Questions | Wrap Shop | Tone Guide Press | HR Team Asia | Soundesign | Asia Cargo |
|-----------|-----------|------------------|--------------|------------|------------|
|           |           |                  |              |            |            |

| 1.) In your journey as a business, what are the factors that have contributed to the survival of your company? Why do you say so? | 1) Passion for Business - Never get tired of implementing new ideas<br>2) Flexibility - adjust to market needs<br>3) Focus - knowing your target market<br>4) Innovation<br>5) Sensitivity to Client's Needs<br>6) Employee Commitment - which includes hiring employees you can trust and who show enthusiasm and commitment for the business | 1) Personnel - hiring professionals for skills, advice and good practices that can help you; hiring candidates with at least 5 years of work experience - for work ethics and maturity<br><br>2) Clear Company Guidelines - especially for a family run business; this includes company conduct and fair compensation | 1) Financial strength - necessary in this type of business as overhead costs need to be paid for; also need to pay manpower while working towards their placement in companies | External<br>1) State of the economy - if the buying power of people is high, there is a domino effect in their interest to invest in higher quality services<br>2) Government stability - there will be an increase in investors and compan ies have a higher budget to advertise<br>3) Support from Associations (i.e. Advertising Association of the Philippines)<br>- provides information on future trends<br>- agreement and support on pricing across all companies in the same industry<br>- buyer confidence by being in recognised associations<br>- support in payment collections from defaulting clients<br><br>Internal<br>4) Reliability of People<br>5) Company Culture<br>6) Systems and Processes - | 1) Relationship with Client<br>- regular meetings and sales calls<br>- gifts given on birthdays<br>- ask client concerns and provide smooth transactions<br><br>2) Good People Selection (Passionate employees)<br>- experienced employees so they know how to handle sales process<br>- should show diligence in work<br>- assessed through agency filters and interviews, background checks; profile should fit job description<br>ex. IT has accounting transactions so need employees to be able to understand logistics industryso pickup is easier<br><br>3) Use of Contractual Employees - easier to replace and avoid legal |

| | | | | helps company to function like a well-oiled machine | issues; helps to be more flexible<br><br>4) Vision and employee empowerment<br>- need to be hands-on - provides weekly goals |
|---|---|---|---|---|---|

| 2.) Do you think operational plans and processes are important in growing a business? | Not so important<br><br>There are controls for accounting requirements and we watch the inventory but<br>-<br>More important for employees to adjust to client's needs and have them be committed to doing this | YES<br><br>As the business has grown, it is impossible to be present 24-7 so there is delegation in decisionmaking - espcially as every job is specific<br><br>1) Order checklist - lists down how to deal with clients and helps in the decision-making<br><br>2) Training - train employees how to do the process and to troubleshoot<br><br>3) Assessment - good check to see if employees can keep up<br><br>4) Good Communication - all changes need to be communicated to related departments to ensure quality service<br><br>Back-up Plan - this ensures business continuity in the absence of employees | YES - but simple operational plans<br><br>Main objective: Being able to deliver on time So process that ensures this is to hire people that have the attitude to provide quality service provision<br><br>Factors:<br>1) Hiring - Interview Techniques and Assessment Tests<br>2) Onboarding - HR Discussion and briefing<br>3) Operations - ensuring organised payroll operations - making sure employees are paid on time<br><br>As the business model requires services rendered from employees, it is important to get them trained, and functioning well (not worrying about financial concerns) | YES<br><br>Small business require multi-tasking but as it grows, we need to set specific roles and responsibiltiies for each department. There are individual standard operating procedures.<br><br>Ensures resources are balanced as without this system people get stretched to do routinary tasks and cannot focus on developing the strategy of the company.<br><br>Also, there needs to be controls in place to monitor and ensure processes are done correctly and by the correct person. ex. There are 7 room units in the company which each have checklists of what needs to be done. In each room, the time and tasks are listed and supervisors ensure that all the tasks are done for the day.<br><br>Before: We relied on the capability of the person but it has caused confusion and finger pointing when tasks were | YES<br><br>Have daily progress updates - update third party, sales and the client<br><br>Since employees are contractual, assessment does not have to take so long and replacement is easy if employees cannot absorb information<br><br>Processess:<br>1) Scheduling<br>- have a specific time that process must be completed<br>- updates are given regularly<br>- meticulous with details<br><br>2) Communication<br>- Employees have mobile phones and are asked to be available for sales calls<br><br>3) Knowledge Transfer for New Employees<br>- Shadowing until new hires can do it on their own |
|---|---|---|---|---|---|

| | | | | Current: With the checklists, there is assurance that all tools are in place and tasks are covered per person. | |
|---|---|---|---|---|---|

| 3.) Do you think company culture is important in growing a business? | YES<br><br>Employees should be sensitive to customer needs<br>Commitment and Timliness is important<br>Honesty and trust | YES<br><br>Instilled a:<br><br>1) Problem solving culture - finding a solution and not blaming others<br>2) Customer-oriented culture - creating a client report 2 days after a visit so reaction to needs are immediate<br>3) Timeliness - come in and deliver on time<br><br>Important to communicate Mission, Vision and Goals | NO (In the beginning)<br>- just important to deliver what the client wants<br><br>YES (as we expand)<br><br>Need to have a strong mission and vision especially as we go into different businessesin order to be fast and nimble in addressing our client's needs<br><br>Clients like the way we do things - it would be helpful if we can identify what exactly these things are so we can replicate and strengthen them | YES<br><br>1) It helps resolve conflicts and people from different backgrounds can work together<br>ex. Artists are sensitive people so if anyone is being insensitive, they feel out of place and end up leaving on their own without having to go through legal measures<br>Conflicts are addressed though:<br>- out-of-office discussions<br>- agreement with ground rules - personal conflicts must be taken outside of the office and not in front of the client<br><br>2) It also ensures people respect one another - this is emphasised in employee's orientation into the company.<br>This is also practicied by management - 'we treat each other equally, no matter the position'<br>ex. managers make coffee for clients and help clean up when they are there | YES<br><br>Vision is addressed in weekly meetings<br><br>Customer satisfaction is important and this is done through a culture of good client handling<br>- Thinking of client's needs - every action done is for the client<br><br>This is ensured through sales meetings or when management checks on the status of each customer - Check actions done by sales with the client |

| 4.) In terms of financial stability, what are some factors or practices that have helped you succeed? | Use of LEAN principles Instead of employee retrenchment, believe in asking employees to adjust (3 days work and payoff instead of laying off to cut manpower costs)<br><br>Use of seasonal opportunities for comtractors | 1) Switch from hiring professionals to run process to instilling practices to succeed<br>2) Zero waste - ex. Studying printing process to eliminate waste; employees not switching electronics off get a warning<br>3) Map out necessary processes and number of resources needed to run them<br>4) Earnings given as profit share AND upgrading systems<br>5) Putting non-competition clauses in place<br>Suppliers are not allowed to sell solutions to competitors for 2 years<br>6) Sales Report Monitoring | 1) Relying on loans and funding from a creditor (7-9% per annum)<br>2) Closing off bad areas of the business that are clearly making losses (after monitoring this for some time - a year at most) | 1) Building relationships with customers<br>- Started as a 1-room company<br>- used to offer free services to first time clients with no budget - this builds loyalty<br>- when client's business grows they come back<br><br>2) Liase with Competitors<br>- Fair-pricing agreements across the industry<br>- Support each other | 1) Take loans if operations require financing<br>- business model means company shoulders all costs then bills after service is rendered; if capital is insufficient, loan is taken<br><br>2) Collection<br>- biggest problem<br>- check PDCs<br>- make followup calls - if they dont work, go to the client's office<br>- last resprt - management escalation and head talks to client head |

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| 5.) In your experience, tell me if you think the following concepts are important in growing a start-up business: | | | | | |
|---|---|---|---|---|---|
| **5a. Flexibility to Change** | YES<br><br>Update the design of your product to follow the market and implement new ideas.<br><br>Use Google to search for trends | YES<br><br>We tell staff if you see a new product - get it so we are the first.<br>Need to be the 'tone of the future' (first mover advantage)<br><br>Delegate - so employees learn to think and make own decisions and learn what to do | YES<br><br>Need to be flexible to client's needs - this is especially important in Accounting (billing), Recruitment (hiring the right people) and Sales (negotiations)<br><br>Employees not adhering to client requests are called to attention and discussion with management if a repeat offender<br><br>General mandate is to get more clients<br>Hire employees that naturally follow the general mandate and understand how to do this | YES<br><br>Networking and information-sharing with other companies allow us not to be left behind<br><br>Employees ask clients for feedback and note observations in the industry. Supervisors also sit with engineers and note these observations down.<br>ex. Mergers and acquisitions, tend movements, etc<br><br>There is a core group meeting every Monday where observations are shared from the past week by the supervisors | YES<br><br>During the 2008 depression<br>- laid of employees and had to restructure employment to help company survive<br><br>currency fluctuations affect imports so its necessary to check industry updates and how external changes affect the industry |

| 5b. Long Term Focus | YES | YES | NO | YES | NO |
|---|---|---|---|---|---|
| | Have a dream (ex. Expanding overseas to tap into opportunities and networks like in UK and Brunei) | Long term goals are split into smaller goals that are acheivable ex yearly forecast for company is broken down into months and weeks for Sales - ask WHAT DO WE NEED and HOW DO WE GET THERE | Medium term focus is more important - right now increasing revenue is more important at this stage Anything beyond 3 years is not so relevant as month on month many things change and thus strategic planning is not so relevant (planning for 4-5 years at this stage may be a waste of time due to the need to be dynamic) | Company sets short, medium and long term goals Head of the company is a visionary Company focuses first on short term goals - this puts the necessary processes in place as the short term goals support the long term goals - each department can then effectively function and supervisors time can be used to develop the long term goals | Mostly short term goal setting - This eventually becomes part of long-term vision though - After a year, if the short term goal results progress, replicate this to the following year |

| 5c. Innovation | YES | YES | YES | YES | YES |
|---|---|---|---|---|---|
| | Improve design; Reinvention | 1) Have staff look for new products 2) Challenge departments - how can we do this better? Ex Birth certificate printing - think of new ways to do things and businesses to get into | But you cannot go too fast than what is accepted. Go with - what the client wants - what the government deems allowable - need to react and come up with new ideas to address both government and client concerns ex. Client wanted manpower cooperative but had so many legal issues | Process: 1) Observe a current process 2) Identify stress point in the industry 3) Implement a solution 4) Own the brand image/position ex. We noticed it's hard for celebrities to travel to recording stuidos to record voiceovers. We created the mobile studio in a T150 van, sound-proofed it to get broadcast studio quality. - First in the Philippines - | - It is important that we improve ourselves on a day to day basis - Company is more vigilant because competitors might get the customers Thus, - Client maintenance is important - By always keeping up-to-date and communicating with the client, company is able to improve itself |

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|---|---|---|---|---|
| | | | that had to decline request | Called Soundesign OS (On Site Broadcasting). <br> - Even competitors encourage use of our mobile studio as we have first mover advantage | |

| 5d. Stakeholder Engagement | YES | YES | YES | YES | 1) Client |
|---|---|---|---|---|---|
| | 1) Employee - take care of them like family 2) Client - whatever we commit, we deliver; provide best quality 3) Supplier - talk to them; be honest; ask them for support when going through tough times Transparency; give and take relationship | 1) Employee - create a family culture; - make employees feel they are stakeholders in the company - reward employees that achieve their jobs | Choosing people who are already engaged and believe in mission and vision  Employees and consultants drive the services and revenues - thus require that anyone allowed to work with the company understands that they must be engaged and have the passion for driving the business  Note: There are currently no activities | 1) Employees - we tell them they are ambassadors of Soundesign; what they do affects the brand of the office  2) Owners - decisionmaking resides with the President and VP - investors agree on the onset that they won't interfere with operations. They provide the financial investment and company grows this - legal clause in place.  Analogy: President is the | - most important - engaged through provision of updates  2) Employee and Suppliers - high engagement needed - communication needs to be tight; there is a chain so if tracking is broken then quality fails ex. Brokerage fails in updating status; we can't update client |

| | | | | | |
|---|---|---|---|---|---|
| | | | to keep them engaged though | Captain of the Ship and investors are First Mates | |

| 5e. Workforce Wellness | YES<br><br>Help employees when they are in need<br>Check their basic needs<br>Understand concerns about retirement pay | YES<br><br>1) Address basic wellness - legal rules of any company<br>2) Upgrade facilities - ensure safety<br>3) Provide full medical insurance program<br>4) Hire company nurse and doctors - helps employees to be more efficient and follow best practices to keep safe<br>This provides a good business image<br>-shows public how much the company invests in the business by how they take care of their employees<br>-gets multi-nationals to prefer to do business with you | YES<br><br>1) Ensure Payroll Timeliness<br>2) HMD Enrollment<br>3) Company Outing and Christmas Party<br>4) In-house training - for both function related activities and soft skills<br><br>Currently no budget for sports and wellness though | YES<br><br>Happy workers ensure more productivity<br><br>- Ensure employees are well paid<br>- Health insurance is provided and company pays for hospital bills<br>- emotional wellness is very important and critical as employees are artists. Facilities are leased to employees for their personal use - band practice, etc.<br>- Sleeping areas are provided<br>Company provides meriendas and birthday blowouts to encourage team bonding and relationship building | YES<br><br>1) Provision of mandatory benefits (sick and vacation leaves)<br>2) 13th month pay<br>3) Sports Fest (bowling and basketball games), Outings, Team buildings, Christmas parties<br>4) Calamity assistance (during floods, storms, etc) |

| 5f. Management Support to Employees/Business | YES<br><br>However, business needs to grow first in order to address this | YES<br><br>Listen to employees' ideas<br>ex. One employee used to work in the US embassy and introduced a process to eliminate waste in printing and ensure secure printing. Company bought the rights to the idea from employee and awarded him with a bonus | YES<br><br>Open door policy<br>If staff has request from customers - management listens and supports requests | YES<br><br>Goal of Management - continous improvement<br>Thus, management invests in employee ideas thast help increase productivity<br><br>Process:<br>- Employee makes suggestions and is asked to justify idea based on impact to business - this ensures fairness and employees don't feel bad if their idea is not implemented<br>- Management discusses idea and the idea which everyone agrees with is implemented<br>- This ensures:<br>* Balanced Decision-making<br>* Fair treatment of Employees<br>* Win-Win Situation for All<br><br>- In any change management initiative, the intention is asked/disclosed in order to make the change management initiative easier to accept for everyone | YES<br><br>If Sales have an idea, let them present to management and if it is within the budget - management invests<br><br>Most of the time this does not push through - only if the idea is good<br><br>Management goes through proposal filtering<br>50% of ideas are implemented on average |
|---|---|---|---|---|---|

| 5g. Environmental Wellness | YES<br><br>Helps in the image of the company<br>ex. Indigenous wrapping introduced to help Filipinos living in rural areas - business became known for that<br><br>Only problem is people in rural areas have no sense of urgency so there is a gap in delivery | YES<br><br>In this business, it is required by the DENR<br>1) Waste water needs to be filtered and secured<br>2) Encourage employees to recycle and bring them to centers where they can keep the money they get for these resources<br>3) Have a policy to deal with companies that have the same environmental practices ex. Don't buy from companies in Indonesia cause they do not replantthe trees they cut | NO<br><br>Services business so not so worried about the impact to the environment | NO | NO |
|---|---|---|---|---|---|

| 5h. Organizational Wellness? | YES | YES | YES | YES | YES |
|---|---|---|---|---|---|
| | However, staying lean is more important in order to be flexible and react to the market faster | Clear Organisational Structure Ensure employees are generalists - they know their co-workers jobs so there is continuity | Addressed informally - if there are issues between departments/employees, addressed privately by superiors and parties involved | Very important - foundation which helps the whole system run well | 1) Quality Control - we have checks and balances for processes |
| | Problem: No succession plan as children don't seem to be interested - need to have this in place | Have a succession plan - and by doing so allowing employees not be afraid to make mistakes as it empowers them to make the right decisions | Reaction based since we are a small company - nor formal structure to monitor issues | Succession planning is important as it is good for employees to know where they can grow | 2) Succession Planning Dad owns the business and is immersing son into operations; more exposure to the work |
| | | | | ex. Utility employees are encouraged to grow by providing those that seem to have the potential different opportunities like sound engineering so in a few years time they may grow to be one. | Informal succession process - if management sees an employee has potential, they train them and provide more opportunities (grooming) |
| | | | | Note: Organisation structure now is not that clear yet but there is a plan and currently company is building an organisation tree to achieve bigger goals and visions. This helps to avoid rework | |

# APPENDIX E: READABILITY ASSESSMENT SCORES

Readability
Scores_17 October 2

| Survey Question | Flesch-Kincaid Reading Ease | Readability Tests | |
|---|---|---|---|
| I feel involved in planning the company's objectives, mission and vision. | 49.5 | **Readability Formula** | **Grade** |
| | | Flesch-Kincaid Grade Level | 9.1 |
| | | Gunning-Fog Score | 11.7 |
| | | | |
| | | | |
| My company welcomes new ideas and ways of doing existing processes. | 41.9 | Flesch-Kincaid Grade Level | 10.2 |
| | | Gunning-Fog Score | 15.3 |
| | | | |
| | | | |
| | | | |
| I understand how our team objectives support our company's mission and vision. | 46.6 | Flesch-Kincaid Grade Level | 9.7 |
| | | Gunning-Fog Score | 14.8 |
| | | | |
| | | | |
| | | | |
| My company gives me opportunities to learn new skills from other work divisions. (projects. Job rotations) | 53.4 | Flesch-Kincaid Grade Level | 7.1 |
| | | Gunning-Fog Score | 12.1 |
| | | | |
| | | | |
| | | | |
| My company has a channel for communicating important messages throughout the whole organization. | 17.9 | Flesch-Kincaid Grade Level | 14 |
| | | Gunning-Fog Score | 17.5 |
| | | | |
| | | | |
| | | | |
| I am comfortable sharing my concerns and views with my manager. | 72.6 | Flesch-Kincaid Grade Level | 5.9 |
| | | Gunning-Fog Score | 8 |
| | | | |
| | | | |
| | | | |
| I am encouraged to keep my workplace and workstation clean. | 86.7 | Flesch-Kincaid Grade Level | 3.7 |

| | | Gunning-Fog Score | 8 |
|---|---|---|---|

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|---|---|---|---|
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| | | | |
| | | | |
| I feel safe and comfortable in my physical environment. | 37.9 | Flesch-Kincaid Grade Level | 10.2 |
| | | Gunning-Fog Score | 16.9 |
| | | | |
| | | | |
| | | | |
| My company has regular health and employee well-being programs being offered to employees. | 47.6 | Flesch-Kincaid Grade Level | 10.1 |
| | | Gunning-Fog Score | 11.3 |
| | | | |
| | | | |
| | | | |
| My company provides network opportunities to build relationships with external organizations. | -19.7 | Flesch-Kincaid Grade Level | 18.7 |
| | | Gunning-Fog Score | 22.6 |
| | | | |
| | | | |
| | | | |
| I am given opportunity to voice my inputs on major company decisions that affect me. | 39.3 | Flesch-Kincaid Grade Level | 11.5 |
| | | Gunning-Fog Score | 14 |
| | | | |
| | | | |
| | | | |
| My company invests in system and process updates. | 50.7 | Flesch-Kincaid Grade Level | 8.2 |
| | | Gunning-Fog Score | 8.2 |
| | | | |
| | | | |
| | | | |
| Management prefers long term stability over short term gains. | 37.9 | Flesch-Kincaid Grade Level | 10.2 |
| | | Gunning-Fog Score | 8 |
| | | | |
| | | | |
| | | | |
| I feel well equipped with the tools and systems necessary for me to meet my work's current challenges. | 71.1 | Flesch-Kincaid Grade Level | 7.8 |
| | | Gunning-Fog Score | 9.4 |
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| Important guidelines are communicated clearly and completely to the whole organization. | -4.3 | Flesch-Kincaid Grade Level | 16.6 |
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|---|---|---|---|
| | | Gunning-Fog Score | 18.9 |
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| | | | |
| | | | |
| I feel that if I share ideas and feedback with executives of the company they will be welcomed and apprecated. | 51.2 | Flesch-Kincaid Grade Level | 11.1 |
| | | Gunning-Fog Score | 14 |
| | | | |
| | | | |
| | | | |
| My company practices proper waste management and disposal. | 18.9 | Flesch-Kincaid Grade Level | 12.6 |
| | | Gunning-Fog Score | 18.2 |
| | | | |
| | | | |
| | | | |
| I am doing the work that was communicated to me when I was hired. | 77.8 | Flesch-Kincaid Grade Level | 5.9 |
| | | Gunning-Fog Score | 8.5 |
| | | | |
| | | | |
| | | | |
| My company invests in training and development programs that help me. | 49.5 | Flesch-Kincaid Grade Level | 9.1 |
| | | Gunning-Fog Score | 11.7 |
| | | | |
| | | | |
| | | | |
| My company engages in projects that help develop the external communities outside of our organization. | 22.4 | Flesch-Kincaid Grade Level | 13.9 |
| | | Gunning-Fog Score | 19.3 |
| | | | |
| | | | |
| | | | |
| My company welcomes suggestions and appreciates ideas from all employees. | 27.5 | Flesch-Kincaid Grade Level | 11.9 |
| | | Gunning-Fog Score | 16 |
| | | | |
| | | | |
| | | | |
| My manager encourages me to think out of the box. | 86.7 | Flesch-Kincaid Grade Level | 3.7 |
| | | Gunning-Fog Score | 8 |
| | | | |
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| | | Readability Formula | Grade |
|---|---|---|---|
| Investments into resarch and development are budgeted correctly. | -2.2 | Flesch-Kincaid Grade Level | 15.6 |
| | | Gunning-Fog Score | 18.2 |
| | | | |
| | | | |
| | | | |
| My company is made up of employees from different cultures. | 61.3 | Flesch-Kincaid Grade Level | 7.2 |
| | | Gunning-Fog Score | 12 |
| | | | |
| | | | |
| | | | |
| Management gives regular feedback on our performance. | 18.4 | Flesch-Kincaid Grade Level | 12.4 |
| | | Gunning-Fog Score | 14.2 |
| | | | |
| | | | |
| | | | |
| There is someone in the company who I can go to for advice and who I look up to as my mentor. | 84.5 | Flesch-Kincaid Grade Level | 6.9 |
| | | Gunning-Fog Score | 10.6 |
| | | | |
| | | | |
| | | | |
| My company supports activities that relate to preserving and maintaining natural resources and the environment. | 11.1 | Flesch-Kincaid Grade Level | 15.4 |
| | | Gunning-Fog Score | 22 |
| | | | |
| | | | |
| | | | |
| My manager supports me when I want to attend training. | 69.8 | Flesch-Kincaid Grade Level | 6 |
| | | Gunning-Fog Score | 8 |
| | | | |
| | | | |
| | | | |
| My company is active in Corporate Social Responsibility initiatives. | -18.5 | **Readability Formula** | **Grade** |
| | | Flesch-Kincaid Grade Level | 18.1 |
| | | Gunning-Fog Score | 12.5 |
| | | | |
| | | | |
| My company gives us sufficient information on the direction and status of the business every year. | 32 | Flesch-Kincaid Grade Level | 12.8 |
| | | Gunning-Fog Score | 21.4 |
| | | | |

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|---|---|---|---|
| I feel motivated to experiment and try new ideas. | 56.7 | Flesch-Kincaid Grade Level | 7.6 |
| | | Gunning-Fog Score | 12.5 |
| | | | |
| | | | |
| | | | |
| I feel my company makes efficient use of the investments into research and development | 41.6 | Flesch-Kincaid Grade Level | 10.9 |
| | | Gunning-Fog Score | 17 |
| | | | |
| | | | |
| | | | |
| I regularly give feedback to my peers and manager about my concerns in the company | 45 | Flesch-Kincaid Grade Level | 10.7 |
| | | Gunning-Fog Score | 14 |
| | | | |
| | | | |
| | | | |
| My manager supports my ideas and decisions about my work. | 52.9 | Flesch-Kincaid Grade Level | 8.4 |
| | | Gunning-Fog Score | 12 |
| | | | |
| | | | |
| | | | |
| I re-use and recycle any of the materials and resources that can be recycled. | 61.9 | Flesch-Kincaid Grade Level | 8.4 |
| | | Gunning-Fog Score | 11.3 |
| | | | |
| | | | |
| | | | |
| I do not feel that there is gender inequality within my company. | 53.7 | Flesch-Kincaid Grade Level | 8.8 |
| | | Gunning-Fog Score | 11.5 |
| | | | |
| | | | |
| | | | |
| My company promotes work life balance and helps us achieve it. | 72.6 | Flesch-Kincaid Grade Level | 5.9 |
| | | Gunning-Fog Score | 8 |
| | | | |
| | | | |
| | | | |
| Our suppliers and business partners advocate the same values and practices that we do. | 59.7 | Flesch-Kincaid Grade Level | 8.4 |
| | | Gunning-Fog Score | 14.2 |

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| | | | |
| When an idea I came up with is tested successfully, I am given enough support to implement this. | 61.7 | Flesch-Kincaid Grade Level | 9.1 |
| | | Gunning-Fog Score | 11.6 |
| | | | |
| | | | |
| | | | |
| I feel sufficient time is spent planning the yearly objectives that can help us meet our company's mission and vision. | 60.6 | Flesch-Kincaid Grade Level | 10 |
| | | Gunning-Fog Score | 14.1 |
| | | | |
| | | | |
| | | | |
| I am encouraged to learn other relevant skills above the skills necessary for my current role. | 58.4 | Flesch-Kincaid Grade Level | 9.1 |
| | | Gunning-Fog Score | 11.4 |
| | | | |
| | | | |
| | | | |
| My company has a good system for delegating work within each team. | 60.7 | Flesch-Kincaid Grade Level | 7.8 |
| | | Gunning-Fog Score | 11.5 |
| | | | |
| | | | |
| | | | |
| I am aware of the need for paperless documentation. | 56.7 | Flesch-Kincaid Grade Level | 7.6 |
| | | Gunning-Fog Score | 8 |
| | | | |
| | | | |
| | | | |
| I feel comfortable with the organizational culture. | 6.4 | Flesch-Kincaid Grade Level | 14.1 |
| | | Gunning-Fog Score | 14.2 |
| | | | |
| | | | |
| | | | |
| I consider the training that I receive valuable to me in my career. | 57 | Flesch-Kincaid Grade Level | 8.5 |
| | | Gunning-Fog Score | 11.4 |
| | | | |
| | | | |
| | | | |
| I feel that my work makes a difference in my company. | 80.3 | Flesch-Kincaid Grade Level | 4.8 |

| | | Gunning-Fog Score | 11.7 |

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| | | | |
| | | | |
| I am able to implement at least one improvement or new process a year. | 65.7 | Flesch-Kincaid Grade Level | 7.6 |
| | | Gunning-Fog Score | 11.3 |
| | | | |
| | | | |
| | | | |
| I am familiar with my job description and what my responsibilities are in my role. | 50.6 | Flesch-Kincaid Grade Level | 9.9 |
| | | Gunning-Fog Score | 14 |
| | | | |
| | | | |
| | | | |
| I minimize paper printing if I can. | 66.8 | Flesch-Kincaid Grade Level | 5.7 |
| | | Gunning-Fog Score | 8.5 |
| | | | |
| | | | |
| | | | |
| I feel motivated to come to work everyday. | 50.7 | Flesch-Kincaid Grade Level | 8.2 |
| | | Gunning-Fog Score | 13.2 |
| | | | |
| | | | |
| | | | |
| I am given opportunities to lead initiatives that can make a difference to my company. | 39.3 | Flesch-Kincaid Grade Level | 11.5 |
| | | Gunning-Fog Score | 16.7 |
| | | | |
| | | | |
| | | | |
| My manager reviews my career development plan with me. | 47.3 | Flesch-Kincaid Grade Level | 8.9 |
| | | Gunning-Fog Score | 12.5 |
| | | | |
| | | | |
| | | | |
| I am aware of my company's current carbon footprint. | 61.3 | Flesch-Kincaid Grade Level | 7.2 |
| | | Gunning-Fog Score | 8 |
| | | | |
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| The training I get from the company helps me to perform better in my job. | 78.8 | Flesch-Kincaid Grade Level | 6 |
|---|---|---|---|

| | | | |
|---|---|---|---|
| | | Gunning-Fog Score | 8.7 |
| | | | |
| | | | |
| | | | |
| I feel empowered to help build the future of the company. | 72.6 | Flesch-Kincaid Grade Level | 5.9 |
| | | Gunning-Fog Score | 11.7 |
| | | | |
| | | | |
| | | | |
| I can easily access data or information necessary for me to succeed in my role. | 45 | Flesch-Kincaid Grade Level | 10.7 |
| | | Gunning-Fog Score | 14 |
| | | | |
| | | | |
| | | | |
| I am conscious of my energy consumption and try my best to minimize electricity and power usage. (turning of lights, computers, etc) | 53.4 | Flesch-Kincaid Grade Level | 8.5 |
| | | Gunning-Fog Score | 13.5 |
| | | | |
| | | | |
| | | | |
| My company involves me in projects and activities that help me to grow and to expand my skills. | 61.7 | Flesch-Kincaid Grade Level | 9.1 |
| | | Gunning-Fog Score | 13.9 |
| | | | |
| | | | |
| | | | |
| There is a clear succession management program running in my company. | 41.9 | Flesch-Kincaid Grade Level | 10.2 |
| | | Gunning-Fog Score | 15.3 |
| | | | |
| | | | |
| | | | |
| There is someone in the company who I can go to for advice and who I look up to as my mentor. | 84.5 | Flesch-Kincaid Grade Level | 6.9 |
| | | Gunning-Fog Score | 10.6 |
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# APPENDIX F: EXPERT VALIDATION MEAN SCORES

## Question Definitions - Survey Gathering Tool

(Provided to professionals from each business sector to gather meanings)

questionnaire for
expert validation _17

## Assessment Sheet for Expert Validation:

(Provided to survey test creation experts to score each question against their likeness to layman's perceived definitions)

questionnaire-mea
ning score sheet for

## Summary of Expert Validation Scores

Expert Validation
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|  | Key Success Factors | Survey Question | Expert Validity Score |
|---|---|---|---|
| 1 | Stakeholder Engagement | I feel involved in planning the company's objectives, mission and vision. | 4.333333333 |
| 2 | Innovation | My company welcomes new ideas and ways of doing existing processes. | 4.6 |
| 3 | Long Term Focus | I understand how our team objectives support our company's mission and vision. | 4.466666667 |
| 4 | Flexibility to Change | My company gives me opportunities to learn new skills from other work divisions. (projects. Job rotations) | 4.4 |
| 5 | Organized Systems | My company has a channel for communicating important messages throughout the whole organization. | 4 |
| 6 | Management Support | I am comfortable sharing my concerns and views with my manager. | 4.4 |
| 7 | Environmental Wellness | I am encouraged to keep my workplace and workstation clean. | 4.083333333 |
| 8 | Organizational Wellness | I feel safe and comfortable in my physical environment. | 4.066666667 |

| 9 | Workforce Wellness | My company has regular health and employee well-being programs being offered to employees. | 4.00 |
|---|---|---|---|

| 10 | Social Wellness | My company provides network opportunities to build relationships with external organizations. | 4.00 |
|----|----|----|----|
| 11 | Stakeholder Engagement | I am given opportunity to voice my inputs on major company decisions that affect me. | 4.40 |
| 12 | Innovation | My company invests in system and process updates. | 4.40 |
|  | Long Term Focus | Management prefers long term stability over short term gains. | 3.93 |
| 13 | Flexibility to Change | I feel well equipped with the tools and systems necessary for me to meet my work's current challenges. | 4.60 |
|  | Organized Systems Management Support | Important guidelines are communicated clearly and completely to the whole organization. | 2.40 |
|  | Management Support | I feel that if I share ideas and feedback with executives of the company they will be welcomed and appreciated. | 3.53 |
| 14 | Environmental Wellness | My company practices proper waste management and disposal. | 4.27 |
| 15 | Organizational Wellness | I am doing the work that was communicated to me when I was hired. | 4.53 |
| 16 | Workforce Wellness Flexibility to Change | My company invests in training and development programs that help me. | 4.60 |
| 17 | Social Wellness | My company engages in projects that help develop the external communities outside of our organization. | 4.67 |
| 18 | Stakeholder Engagement | My company welcomes suggestions and appreciates ideas from all employees. | 4.73 |
| 19 | Innovation | My manager encourages me to think out of the box. | 4.53 |
|  | Long Term Focus | Investments into resarch and development are budgeted correctly. | 3.928571429 |
| 20 | Flexibility to Change Organizational Wellness | My company is made up of employees from different cultures. | 4.33 |
| 21 | Organized Systems Management Support | Management gives regular feedback on our performance. | 4.20 |
| 22 | Management Support Workforce Wellness | There is someone in the company who I can go to for advice and who I look up to as my mentor. | 4.07 |
| 23 | Environmental Wellness | My company supports activities that relate to preserving and maintaining natural resources and the environment. | 4.47 |

| 24 | Workforce Wellness | My manager supports me when I want to attend training. | 4.73 |

| 25 | Social Wellness | My company is active in Corporate Social Responsibility initiatives. | 4.93 |
|----|----------------|-----|------|
| 26 | Stakeholder Engagement | My company gives us sufficient information on the direction and status of the business every year. | 4.93 |
| | Innovation | I feel motivated to experiemnt and try new ideas. | 3.60 |
| | Long Term Focus | I feel my company makes efficient use of the investments into research and development | 3.07 |
| 27 | Organized Systems | I regularly give feedback to my peers and manager about my concerns in the company | 4.40 |
| | Management Support | My manager supports my ideas and decisions about my work. | 2.80 |
| | Environmental Wellness | I re-use and recycle any of the materials and resources that can be recycled. | 2.93 |
| 28 | Organizational Wellness | I do not feel that there is gender inequality within my company. | 4.67 |
| 29 | Workforce Wellness | My company promotes work life balance and helps us achieve it. | 4.60 |
| 30 | Stakeholder Engagement | Our suppliers and business partners advocate the same values and practices that we do. | 4.40 |
| 31 | Innovation | When an idea I came up with is tested successfully, I am given enough support to implement this. | 4.13 |
| 32 | Long Term Focus | I feel sufficient time is spent planning the yearly objectives that can help us meet our company's mission and vision. | 4.53 |
| 33 | Flexibility to Change | I am encouraged to learn other relevant skills above the skills necessary for my current role. | 4.57 |
| 34 | Organized Systems | My company has a good system for delegating work within each team. | 4.33 |
| | Environmental Wellness | I am aware of the need for paperless documentation. | 2.60 |
| 35 | Organizational Wellness | I feel comfortable with the organizational culture. | 4.53 |
| 36 | Workforce Wellness | I consider the training that I receive valuable to me in my career. | 4.00 |
| 37 | Stakeholder Engagement | I feel that my work makes a difference in my company. | 4.67 |
| 38 | Innovation | I am able to implement at least one improvement or new process a year. | 4.60 |

| 39 | Organized Systems | I am familiar with my job description and what my responsibilities are in my role. | 4.53 |
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| | Environmental Wellness | I minimize paper printing if I can. | 2.87 |
| 40 | Workforce Wellness | I feel motivated to come to work everyday. | 4.00 |
| | Stakeholder Engagement | I am given opportunities to lead initiatives that can make a difference to my company. | 2.73 |
| 41 | Organized Systems | My manager reviews my career development plan with me. | 4.53 |
| | Environmental Wellness | I am aware of my company's current carbon footprint. | 2.87 |
| | Workforce Wellness | The training I get from the company helps me to perform better in my job. | 2.93 |
| | Stakeholder Engagement | I feel empowered to help build the future of the company. | 3.33 |
| 42 | Organized Systems | I can easily access data or information necessary for me to succeed in my role. | 4.20 |
| | Environmental Wellness | I am conscious of my energy consumption and try my best to minimize electricity and power usage. (turning of lights, computers, etc) | 3.73 |
| | Workforce Wellness | My company involves me in projects and activities that help me to grow and to expand my skills. | 3.73 |
| | Organized Systems | There is a clear succession management program running in my company. | 3.60 |
| 43 | Management Support Workforce Wellness | There is someone in the company who I can go to for advice and who I look up to as my mentor. | 4.33 |