Profile of Family Businesses
Owned by Families of Business Students of
De La Salle University-Manila

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EXECUTIVE SUMMARY

A survey conducted among owners of businesses owned by families of business students of De La Salle University-Manila reveals the following profile of the firms:

Eighty-seven percent (87%) of the respondents act both as owner and manager of their family businesses. Family members of the respondents usually share in the ownership of the family business, with 73 percent of the respondents reporting this as their case. A small percentage (19%) reported to have co-owners of the business who are not family members.

Eighty-two percent (82%) of the respondents are married. From the information obtained from this group, it is evident that the owners of family businesses usually team up with their spouses, as against other members of their families, in running the enterprise. The spouse is usually the one tapped to co-own the business, with 40 percent of married respondents (or 33 percent of the entire sample size) saying that their family businesses are co-owned by their spouses. Aside from ownership, most spouses of the respondents usually take part in the management of the firm, with 40 percent of the married respondents (or 33 percent of the of the entire sample size) saying that this is their case. The spouse is also usually the one being consulted by the family business owners when it comes to making decisions regarding the business. Thirty-two percent (32%) of married respondents (or 26 percent of the entire sample size) turn to their spouses before making critical business decisions. Likewise, rendering services for pay for the business usually involves the spouse. Specifically, 21 percent of the respondents who are married (or 17 percent of the entire sample size) reported that their spouses work more than 20 hours per week in the business for wage or salary. However, when it comes to rendering service for the family firm minus the pay, the sons, and not the spouses of the owner-respondents, are more involved. 78 percent of the respondents reported to have one or more offspring 18 years old and above. Of this, 18 percent said that it is their sons who usually render unpaid services to the firm. In comparison to the spouse, the in-laws are the least likely to be involved in the family businesses.

Ownership of a separate and distinct business (aside from those which are part of this study) by the spouses, children over 18 years of age and parents of the owner-respondents, is not typical. 85 percent of the respondents are either married or separated. Of this group, 69 percent (or 59 percent of the entire sample size) said that their spouses do not operate a separate business of their own. On the other hand, out of those group who reported to have child/children 18 years old and above (78 percent of the entire population), only 18 percent (or 14 percent of the entire sample size) have child/children who run a separate business of their own. Seventy-seven percent of the respondents have surviving parent/s. Of this group, only 28 percent (or 22 percent of the entire sample size) have parents who own a separate business. However, ownership of a separate business by the surviving siblings of the owner-respondents is common, with 65 percent of those with living brothers...
and/or sisters (or 64 percent of the entire sample size) saying that their siblings have their own businesses.

Majority of the family business owners (89%) would like one or more of the family members to eventually take over the business. The reason behind this may be explained by at least two factors: (1) the owner's belief regarding the impact of family members in the financial success of the business and (2) the involvement of family members even at the start of the business. Majority of the respondents (64 percent) believe that working with family members brings about financial success to the business. More than half (57 percent) of the respondents reported that they got into the business with a family member.

Almost half of the respondents (48 percent) expressed positive attitude towards consulting a third party on issues regarding succession planning in the family firm, with 36 percent saying that they would consider such move, while 13 percent said that they have actually already done this in the past.
I. RESEARCH PROBLEM

A. Background of the Problem

To establish its reputation of being the pioneer in the field of research on issues concerning family businesses in the Philippines, the De La Salle University-Angelo King Institute for Economics and Business Studies has set up the Family Business Studies Center, which is envisioned to be the research hub for family business-oriented topics in the country. Since family businesses in the Philippines will be the primary clientele of the Family Business Studies Center, the profile of such businesses thus becomes a primary interest, for this will aid the Center in designing its programs to be offered to its clientele. However, a significant and up-to-date study regarding the profile of family businesses in the Philippines, or some smaller unit within the country does not exist prior to this research.

B. Problem Definition

The proponents of this research would like to uncover the profile of family businesses owned by families of business students of De La Salle University-Manila.

II. SIGNIFICANCE OF THE STUDY

1. The data obtained from the survey can serve as initial source of information that can later on be built as a database of family businesses in the Philippines.

2. The study can be used to provide insights about the needs and concerns of family businesses in the Philippines.

3. Respondents of the survey can be tapped as initial clientele for the training programs of the Family Business Studies Center of the De La Salle University-Angelo King Institute for Economics and Business Studies.

4. The research can serve as a foundation of or input to further studies on family businesses in the Philippines. Specifically, it can be a model study for conducting a research on a nationwide scale regarding the profile of family businesses.

III. RESEARCH OBJECTIVES

This research aims to accomplish the following:

I. Determine the profile of family businesses owned by families of business students of De La Salle University-Manila in terms of:

A. Involvement of family members in the business
   a.) Ownership
   b.) Management
   c.) Decision-making
   d.) Working/helping out in the business

B. Involvement of family members in other separate/distinct business/es
   a.) Spouse
   b.) Children over 18 years of age
   c.) Brothers/sisters
   d.) Parents
C. Succession practices
   a.) Willingness to let one or more family members take over and operate the business
   b.) The likelihood that one or more of the family members will actually take over and operate the business
   c.) Plans to transfer ownership of the business to one or more family members
   d.) Attitude towards consulting a third party on issues regarding succession planning

D. Other topics
   a.) Mode of acquisition of the business
   b.) Belief regarding the impact of family member/s’ involvement in the family business on its financial success

E. Classification of the business based on:
   a.) Size based on number of employees
   b.) Size based on size of asset
   c.) Primary business activity
   d.) Form of ownership

F. Financial performance of the business in the past two years
   a.) Sales performance
   b.) Level of profitability

G. Other information regarding the operation of the family business
   a.) Base of operation
   b.) Years of ownership or operation

H. Demographic profile of the owner of the family business
   a.) Highest educational attainment
   b.) Age
   c.) Gender

II. Based on the experiences and learnings derived from the study, propose amendments to the research methodology utilized in this work to better aid succeeding researchers who intend to replicate the study on a bigger scale.

III. Outline implications of the study to the De La Salle University Angelo King Institute-Family Business Studies Center.
IV. FRAMEWORK OF ANALYSIS

The framework of analysis in the next page was adapted from a similar study done by the National Federation of Independent Research Foundation\(^1\), which published a survey entitled *Families in Business* in Small Business Poll, volume 2, issue 6, 2002.

The framework basically works on the premise that information on the profile of family business may be categorized into two major headings: the business information and demographic information. The business information, which were also used as bases in classifying the businesses either as family businesses or not, include topics regarding involvement of family members in the family business, involvement of family members in separate and distinct business/es aside from the family business included in the research, and practices on succession/transfer of ownership of the family business. Demographic information, on the other hand, would include demographic information both of the family business itself, and the owner. Demographic information of the business itself would include the classification of the family business, its financial performance for the last two years and other information such as the base of operation and the years of ownership or operation of the family business. Demographic information of the owner would include the level of formal education, age and gender.

This research would present an analysis based on this framework separately for the two classification of business based on size --- size of asset and number of employees.

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\(^1\) The National Federation of Independent Business Research Foundation is a research organization based in Washington, D.C. specializing on small-business-oriented research. It is affiliated with the National Federation of Independent Business, US’s largest small and independent business advocacy organization.
Profile of Family Businesses

PROFILE OF FAMILY BUSINESS

Business Information

Involvement of family members in the family business

- Ownership
- Management
- Decision-making
- Working/helping out in the business

Involvement of family members in other separate/distinct business/es

- Spouse
- Children over 18 years old
- Brothers/sisters
- Parents

Succession practices

- Willingness to let another family member take over and operate the business
- Likelihood that another family member will actually take over and operate the business
- Plans to transfer ownership to another family member/s
- Consulting third part re: succession planning

Other topics

- Manner of acquisition of ownership of the business
- Belief re: impact of family members on the financial success of the business

Demographic Information

Owner

- Level of formal education
- Age
- Gender

Family Business

Business classification

- By size based on number of employees/size of asset
- By primary activity
- By form of ownership

Financial performance

- Sales performance
- Level of profitability

Other topics

- Base of operation
- Years of operation
V. DEFINITION OF TERMS

1. **Family business** – for the purpose of this study, a business may be considered a family business if it meets one or more of the following qualifications:
   1.1 Two or more family members own a business (with or without other owners).
   1.2 Two or more family members help manage a business (that at least one of them owns) on a day-to-day basis.
   1.3 Adult family members (other than a/the owner/s) contribute to the business periodically by offering a special skill, filling in for someone, or otherwise helping out.
   1.4 Two or more family members collaborate on critical decisions affecting the business.2

2. **Owner** – a person who holds possession over something. As used in this research, as long as a family member has an investment in the family business, he/she is considered as an owner of the family business.

3. **Management** – the process of planning, organizing, leading, and controlling the work of organization members and of using all available organizational resources to reach stated organizational goals.

VI. SCOPE AND LIMITATIONS

Due to the nature of the research (it being a pilot study on the topic presented), the findings in this research should not be taken to represent the entire population of family businesses throughout the Philippines.

No data exists as to the actual number of business students of De La Salle University-Manila whose families have family businesses during the period the survey was conducted. This figure should have been compared with the number of questionnaires used in this study to determine the representativeness of the responses.

It should also be noted that the business classification by size of asset used in this research during the time of the survey has already been updated by the Department of Trade and Industry. DTI now prescribes the following classification:

<table>
<thead>
<tr>
<th>Business Classification</th>
<th>Size of asset under old classification</th>
<th>Size of asset under new classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Less than P1.5M</td>
<td>Less than P3M</td>
</tr>
<tr>
<td>Small</td>
<td>P1.5M to P15.0M</td>
<td>P3M to P15M</td>
</tr>
<tr>
<td>Medium</td>
<td>P15, 000,001 to P100.0M</td>
<td>P15, 000, 001 to P100M</td>
</tr>
<tr>
<td>Large</td>
<td>Over P100M</td>
<td>Over P100M</td>
</tr>
</tbody>
</table>

Using this updated classification by the Department of Trade and Industry may give us different statistical results. Specifically, more family businesses may be classified as micro type of businesses and less will fall under the category of small business.

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The absence of operational definition of the terms *ownership* and *management* during the period when the survey was administered may also be another limitation of this study. This concern is raised in relation to the questions in the survey questionnaire that investigate the issue of ownership and management of the family businesses of the respondents.

Take for instance the question “*Do one or more family member own any portion of this business?*” Different respondents may interpret the question differently. Some owners may consider their children as co-owners (even though these children do not really have investments in the business) simply because the owners think that these children are their children anyway and whatever they own is also owned by their offspring, and that these children will ultimately be the owners of the family business when succession time comes. Still others may think the term *owners* refer to those persons whose names are among those listed in the names of owners of the business in the business registration, whether or not they actually have investments in the family firm. As far as this study is concerned, *owners* should include those persons who have capital investment in the business.

The term *manage* as used in the questions in the survey (such as the question “*Do one or more family members help manage this business on a day-to-day basis?*”) may have also been interpreted differently by different respondents. Some may take it to mean the act of the process of planning, organizing, leading, and controlling the resources of the organization, which is really what the question was trying to find out. However, others may think that a family member who is able to perform errands for the business, for instance, is in a way helping the owner manage the business because instead of the owner doing the errands, the other family member does this for him, and thus the owner is left with more time to manage the business.

VII. RESEARCH DESIGN

A. Type of Research Design

The study is intended to be a descriptive research with the purpose of identifying the characteristics of family businesses in the Philippines, focusing on the family businesses owned by families of business students of De La Salle University-Manila.

B. Questionnaire Development

The questionnaire administered to the respondents is composed of two major parts. The first part requires identification information (name of student who turned in the questionnaire, his/her relationship to the respondent, name of the respondent, business name and address) contact information (telephone/fax number, e-mail address/web site), and business information. Business information includes inquiries regarding involvement of family members in the family business, involvement of family members in other separate business/es, and succession practices. The second part of the questionnaire focuses on the demographics of the family business itself (classification of business, financial performance, other information) and the owner of the family business (highest educational attainment, age, gender).

All the questions asked are structured questions, and are specifically of the fixed-alternative type (except for one item—item D4). Respondents were presented with a formal questionnaire, within which predetermined set of responses are provided after each item. Some questions present multiple choices for the responses, while others

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3 The design of the questionnaire was adapted from *Families in Business*, National Small Business Poll, vol.2, issue 6, 2002, National Federation of Independent Business Research Foundation, Washington, DC
are dichotomous in nature wherein there are only 2 choices for the response (for example, “Yes” or “No”).

C. Sampling Technique

The target population for this study was limited to owners/managers of the businesses owned by families of business students of De La Salle University-Manila.

A non-probability judgmental sampling technique was employed in choosing the respondents for the survey. Seven faculty members of the Business Management department tapped a total of nine (9) sections that they handled during the third trimester of school year 2002-03. Specifically, they identified students from these classes whose families operate family businesses and were willing to take part in the survey. These students were then asked to have the questionnaire filled-up by their family members involved in the family business. Data gathering was done during the months of February and March of 2003. A total of 217 surveys were taken in to be part of this research.

VI. DATA PREPARATION

A. Checking of Questionnaires

All the questionnaires turned in by the students were examined and screened based on some criteria prior to the encoding of the responses. The criteria used in qualifying the questionnaires are the following:

1. The questionnaire should be physically complete.

2. The respondent should be a relative of student who turned in the questionnaire.

3. All items (with the exemption of contact information) in the questionnaire should have been filled-up by the respondent.

4. Responses to all the questions should be coherent and consistent.

B. Editing of Questionnaires

In case one or more of the criteria for screening questionnaires were not met, a review or editing of questionnaires was done to increase accuracy and precision of the output of the survey.

Physically incomplete questionnaires

Questionnaires returned with incomplete pages were not included in the sample. Two of the questionnaires sent to respondents were returned with incomplete pages.

Unqualified participants

There were a number of students who turned in questionnaires accomplished by non-family members like friends, acquaintances and neighbors (a total of 140 of this case). These questionnaires were excluded from the sample.

If more than one owner of the same family business submitted accomplished questionnaires, only one of these questionnaires was included in the study (usually, the questionnaire answered by the patriarch was retained). This was done to avoid responses, which are biased towards the family business. Hence, every family business is represented by only one owner in this study.
There were two cases wherein the student themselves are the owners of their respective business. Those questionnaires were considered and included in the study.

**Questionnaires with missing responses**

There should be no item in the questionnaire left unanswered by the respondent. Exemption was applied to questionnaires that were returned with incomplete contact information like telephone/fax number, e-mail address, and web site. Understandably, some respondents would not like to give out contact information, specifically telephone numbers and e-mail addresses. Still others may simply have no e-mail addresses and/or web site. As long as all the other qualifications were met by these questionnaires, they were included in the sample.

If the respondent failed to answer one or more items from the other parts of the questionnaire, efforts were done to contact them and seek the missing response/s.

In cases where no contact information was provided or contact information was provided but the respondent cannot be reached for one reason or another, substitution of imputed responses was done to items in the questionnaire amenable to such technique. Particularly, some respondents whose civil status is single skipped question #8 (How many children age 18 or over do you have?). For cases like these, a response of “None” was imputed for question #8. There are 12 (or 5.5% of the sample population) questionnaires with such case.

Due to the nature of the question, substitution of imputed response was also done to questionnaires whose respondents failed to answer question #2d (Are there other owners of the business who are not family members?) whether contact information is available or not. If the respondent’s response to question #2 (Do one or more family members own any portion of the business?) is “No”, and the business is a sole proprietorship, question #2d is automatically assigned a “No” answer. But if the business is a partnership or a corporation, a “Yes” response was imputed for question #2d. There are 35 questionnaires (or 16.1% of the sample population) with case like this.

In cases where there were missing responses, no contact information provided and for which substitution of imputed response is not amenable for the item in question, “new” response labeled as “No response” was introduced to account for the missing response. The survey turned out 14 questionnaires with such case, or 6.5% of the entire sample population.

**Inconsistent responses**

The treatment of questionnaires returned with inconsistent responses was the same with the treatment of those questionnaires with incomplete responses. Efforts were done to get in touch with the respondent to clarify the inconsistent response/s.

C. Coding of responses

All identification information obtained from the survey was encoded in a database.

A code of 1 was assigned to the response/s chosen by the respondent, and a code of 0 was assigned for all the other responses under the same item not chosen by the respondent. This system makes the codes amenable to computation of frequency distribution.
VII. DATA ANALYSIS

PART 1. PROFILE OF FAMILY BUSINESSES AS CATEGORIZED BASED ON NUMBER OF EMPLOYEES

The first part of the analysis presents the profile of family businesses according to category of business based on the number of employees. The categorization as prescribed by the Department of Trade and Industry groups businesses into the following:5

<table>
<thead>
<tr>
<th>Business Category</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Less than 9</td>
</tr>
<tr>
<td>Small</td>
<td>10 to 99</td>
</tr>
<tr>
<td>Medium</td>
<td>100 to 199</td>
</tr>
<tr>
<td>Large</td>
<td>More than 199</td>
</tr>
</tbody>
</table>

1. BUSINESS INFORMATION

1.1. Involvement of family members in the business

a) Ownership of family businesses (Q1-Q2b, Q2d)

Ownership of family business, or any business for that matter, leaves the owner the option of acting solely as owner of the organization, or acting both as owner and manager of the firm. Based on our survey, regardless of the size of the business organization, most of the respondents act as owner/manager of the family business (86% for micro, 87% for small, 88% for medium and 100% for large).

Majority of the respondents across the different business groups (60% for micro, 81% for small, 81% for medium and 80% for large) reported that the family business is partly owned by one or more family members.

Most owners of micro and small family businesses (51% and 40% respectively) stated that the business is partly owned by only one more family member other than the owner-respondent. However, most of the respondents from medium and large family businesses (62% and 75% respectively) reported more family member/co-owners being involved in the business with four or more family members sharing in the ownership of the family venture. These figures are consistent with the expectation that the larger the business, the greater is the tendency for the business organizations to take in more people to be part owner of the business. But would this “additional persons” pertain to family members alone? The survey shows that bigger family businesses have more non-family members as co-owners as compared to smaller ones. Forty percent (40%) of respondents from large family businesses stated that a non-family member co-owns the business aside from the owner-respondent. The figure is twenty one percent (21%) for medium, twenty (20%) for small and fifteen (15%) for micro family businesses.

4 Please note that since not all respondents were asked every question in the questionnaire, the percentages appearing in the data analysis does not always represent the entire population. Some percentages would represent only those asked the particular question. For details of the statistics, please consult the exhibit.

5 For the purpose of this research, an additional group labeled as “No response” was added to the business classification to account for those questionnaires wherein the information on the number of employees was not indicated/available.
Most owners of micro and small businesses stated that it is the spouse sharing ownership of the business (55% for respondents owning micro and 47% of respondents owning small family businesses). Almost half of medium-sized family businesses are usually co-owned by the father and/or brothers of the respondent most of the time. For large family businesses, it is usually the parents (75%) of the owner. This figure seems to be telling us that ownership of bigger family businesses (medium and large firms) are already shared with the second generation of the families.

An interesting insight regarding the survey on ownership of family business is the fact that there are a number of respondents who reported that the family business is registered as a sole proprietorship but at the same time owned by one or more family members other than the owner-respondent. Such was the case for 29% of the respondents from micro family business, 27% for small, 6% for medium, and none for large family businesses. It seems that the smaller the family business, the more probable is this kind of internal arrangement. This arrangement might be more prevalent with family businesses than in other types of businesses.

b) Management of family businesses (Q3-Q3a)

When it comes to the management of the business, majority of the respondents across the different business groups (72% for micro, 84% for small, 81% for medium and 80% for large) reported that another family member/s helps in the management of the family business.

Many owners of micro and small businesses (44% of micro and 42% of small firm owners) said that they have their spouses as their usual assistant in managing the venture. This finding is consistent with the figures presented above on ownership of the family businesses, where it was stated that it is also the spouse who usually owns part of the business for most of the micro and small firms. For medium-sized family businesses, it is the son (46%) who usually assists the owner-respondent in the management of the business. For three-fourths of large family businesses, it is the brother and/or sister.

c) Decision-making in the family businesses (Q2c, Q6-Q6b)

When asked about the status of co-owners who are also family members during times of decision-making, most of the respondents owning either a micro and small family business that has family members as co-owners in the venture stated that these co-owners are active owners (63% and 44%, respectively). For large family businesses and medium family businesses, a majority (75%) said that family members who are co-owners of the business are a combination of the active and the passive type of owners.

Based on the survey, turning to another person before making critical business decision is very normal for a majority of the respondents across all business groups (68% for micro, 66% for small, 75% for medium and 80% for large). Moreover, majority of the respondents from all the business groups (except for medium-sized businesses) said that the person they consult when making decisions is usually a family member. This is true for 81% of those owning micro, 83% owning small and 75% owning large family firms who stated that they consult other person/s when making business decisions. Fifty percent (50%) of those respondents representing medium-sized firms said that this is their case. The spouse is usually the one being consulted by most of the owner-respondent across the different groups. This is true for 45% of the respondents representing micro, 53% representing small, 50% representing medium and 33% of those owning large family businesses. However, for the last group, owners also consult
other family members as often as they consult the spouse. This would include both the parents and siblings.

The resulting figures on this topic seem to be telling us that smaller family firms (micro and small) have the tendency to seek out the opinion of more family members in the process of making critical decisions. They would go as far as consulting the niece, nephew, cousins and in-laws, as opposed to owners of medium and large family businesses, who considered consulting only people within the more immediate circle of family (parents, spouse, children, siblings, uncle/auntie).

d) Working/helping out in the family businesses (Q4-Q5a)

Aside from extending assistance in the management of the business, family members of owners of family-owned firms may help the owner in the operation of the business in at least two more ways. They may render labor (non-managerial) in exchange for salary or wage, or help out even without being paid.

The survey shows bigger family businesses have greater tendency to take in family members as employees in the firm. Except for micro businesses, majority of the respondents owning small, medium and large family businesses reported that one or more family members work in the business for more than 20 hours per week in exchange for salary or wage (53% for small, 75% for medium, and 80% for large). For micro and small firms, it is the spouse who usually works for the family business for wage or salary (36% for micro, 32% for small). For medium-sized family businesses, it is usually the spouse (42%) and/or the son (42%). For large family businesses, it is usually the brother (75%) and/or the sister (75%) of the respondent.

A different story is true when it comes to extending help to family businesses without being paid. As the firm's size increases, less and less family members help out in the family business minus the salary or wage. Forty nine percent (49%) of respondents owning micro, 29% of those owning small, 19% of those owning medium and none for those owning large family businesses reported this case. To put it differently, helping out even without salary or wage is more prevalent in smaller-sized family businesses as is reflected in the survey.

1.2. Involvement of family members in other separate/distinct businesses

a.) Spouse (Q7-Q7a)

Majority of the respondents from among the different business groups (92% from micro, 93% from small, 87% from medium and 100% from large firms) are either married or separated. Out of this group, only the group of owners of large family businesses has the majority (60%) saying that their spouses own a separate business aside from the subject of this research. Only a small percentage of the owners of micro, small and medium family businesses reported that their spouses also own a separate business aside from the one used in this research.

b.) Children over 18 years old (Q8-Q8b)

Seventy-five percent (70%) of respondents owning micro, 79% owning small, 81% owning medium and 100% owning large family businesses reported that they have one or more children over 18 years of age. Ownership of a separate business by the sons/daughters of these respondents seems not to be typical for most of them. Of those who reported to have children who are over 18 years in age, only a minority of the respondents from all the different business groups reported to have children over 18
years of age who have separate businesses. Such is the case for only 11% of micro (8.2% of the entire population of respondents), 23% of small (18% of the entire population of respondents), 31% of medium (25% of the entire population of respondents) and none of large family business owners.

c.) Brothers/sister (Q9-Q9b)

Only a small percentage of the respondents have no surviving siblings. Ninety nine percent (99%) of those owning micro, 98% of those owning small, 94% of those owning medium and 100% of those owning large firms said that they have one or more surviving brother/s and/or sister/s. Majority of the respondents have siblings who operate their own businesses aside from that which is part of this research. This is the case for 54% of micro, 70% of small, 73% of medium and 60% of large firm owners who reported to have surviving brother/s and/or sister/s. As to how many sibling/s own a separate business, our respondents gave out varying responses. Smaller family business owners seem to have more siblings running their own enterprises. Specifically, for micro and small firm owners, there are usually three or more siblings who have their own businesses; for medium firm owners, usually only one or two; and for large firms owners, usually two siblings.

d.) Parents (Q10-Q10a)

Though a majority of our respondents (80% of those owning micro, 78% of those owning small, 68% of those owning medium and 60% owning large family businesses said that they have one or both parents surviving) still have surviving parent/s, these parents do not typically own a separate business. Only 32% of respondent owning micro, 27% owning small, 8% owning medium and 33% from those owning large family businesses said their parent/s own a separate and distinct business.

1.3 Succession practices in the family businesses

a.) Willingness to let one or more family members take over and operate the business (Q11)

All respondents were asked whether they are willing to let another family member/s take over and operate the business. Majority (85% of those owning micro, 92% of those owning small, 100% of those owning medium and 80% owning large family businesses) of them said that, yes, they are indeed willing.

b.) Likelihood that another family member/s will actually take over and operate the business (Q11a)

There is also a good probability (“very likely” or “likely”) for most of the respondents across the different business groups that another family member will actually take over and operate the family business. Moreover, the bigger the firm is, the bigger is this probability. This is true for 75% of respondents owning micro, 88% owning small, 100% owning medium and 100% owning large family firms.

c.) Plan to transfer ownership of the business to family member/s (Q11b)

However, when asked as to their plans to transfer ownership of the business to another family member/s within the next five years, majority of the respondents (56% of those from micro, 51% from small, 56% from medium and 60% from large family businesses) actually said “No”.

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6 It must be noted, though, that 48% of our owner-respondents from the different business categories have mother and/or father sharing in the ownership of the business included in the study.
d.) Attitude towards consulting a third party regarding succession planning (Q14)

Almost half of the respondents (48%) expressed positive attitude towards consulting a third party on issues about succession planning in their family firms. Particularly, 50% of micro, 46% of small, 57% of medium, and 60% of large family business owners stated that they are open to such idea, or have actually tried consulting other people about succession planning.

1.4 Other topics

a.) Mode of acquisition of the business (Q12-Q12a)

Businesses may be acquired through a number of means, among which include the following: by starting the business, purchasing the business, inheriting the business, or by being an employee in the business brought into ownership later on by current owners. When asked as to the manner by which they acquired the business, smaller family businesses tend to be started out by the owner-respondents themselves. Majority of the respondents from across the different business groups (save for large firms) said that they started the business. This is true for 78% of the respondents representing micro, 76% representing small, 81% representing medium firms. Correspondingly, inheritance of the family business, as opposed to starting out the business by the owner-respondent, is more typical for owners of large firms. 13% of the owners of micro, 19% of the owners of small, 13% of the owners of medium and 60% of the owners of large family businesses said that they inherited the firm. With this, we could say that large family businesses in the hands of second or later generations of the family.

In going into a business venture, an individual has the option of entering the business all by him/herself, with family member, with a non-family member, or with a combination of family and non-family members. The survey shows that it is typical for most owners of family business to go into the venture with another family member. Such is the case for 61% of owners of micro, 53% of owners of small, 56% of owners of medium and 60% of owners of large family businesses.

b.) Belief on the impact of family member/s’ involvement in the family business in its financial success (Q13)

It’s a common sentiment among majority of the respondents across the different business groups that the working with family members in the family business actually increased the financial success of the business. This is true for 60% of the owners of micro, 63% of the owners of small, 88% of the owners of medium and 80% of the owners of large family firms.
2. DEMOGRAPHIC PROFILE OF THE FAMILY BUSINESSES

2.1. Business classification

a.) By size based on number of employees (D4)

![Business Classification by Size Based on Number of Employees]

Out of 217 family businesses surveyed, half (50%) can be classified as small businesses, with number of employees ranging from 10 to 99. The next most likely set-up is micro type of business (less than 9 employees), with 39% of the family businesses organized this way. Large family businesses are not typical, with only five family businesses (or 2%) having this status.

b.) By form of ownership (D2)

Majority of the family businesses included in this survey is organized as a sole proprietorship.

As expected, smaller businesses have greater tendency to be organized as sole proprietorships. Sixty five percent of micro businesses and 40% of small business surveyed are organized as sole proprietorship. On the other hand, bigger firms are more likely to be organized as corporations. This is the case for 81% of medium-sized and 100% of large family businesses.
c.) By primary business activity (D1)

All family businesses discussed in this survey were grouped according to their primary business activity. It is worth noting here that some family businesses engage in more than one business activity. Some do wholesale and retail. Others may perform manufacturing and wholesaling. Still others may be involved both in agriculture and wholesale.

Family businesses in this survey are usually in the business of retailing. This includes grocery shops, clothing stores, jewelry stores, and general merchandisers, among others. Then, they are most likely to be involved in the business of manufacturing. This consists of businesses on garments, distillery, food manufacturing, etc. A complete rundown of the distribution of the family businesses in this survey based in their primary business activities follows.

<table>
<thead>
<tr>
<th>Primary business activity</th>
<th>Frequency Dist. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>28.11</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>21.66</td>
</tr>
<tr>
<td>Wholesale</td>
<td>18.89</td>
</tr>
<tr>
<td>Services, personal</td>
<td>13.82</td>
</tr>
<tr>
<td>Services, business</td>
<td>10.14</td>
</tr>
<tr>
<td>Construction</td>
<td>7.37</td>
</tr>
<tr>
<td>Services, non-professional</td>
<td>5.99</td>
</tr>
<tr>
<td>Services, professional</td>
<td>4.15</td>
</tr>
<tr>
<td>Transportation</td>
<td>3.69</td>
</tr>
<tr>
<td>Agriculture, forestry, fishing</td>
<td>3.69</td>
</tr>
<tr>
<td>Others</td>
<td>3.69</td>
</tr>
<tr>
<td>Financial services</td>
<td>2.76</td>
</tr>
<tr>
<td>Communication</td>
<td>0.46</td>
</tr>
</tbody>
</table>

Most of the micro family businesses (31%) are into retailing. Small businesses are usually in the business of manufacturing, with 29% of the respondents from small firms engaged in this area. Both medium and large firms are often doing wholesaling, with 38% of medium and 60% of large firm owners saying that this is their line of business.

2.2 Financial performance of the business in the past two years

a.) Sales performance (D5)

Except for owners of medium-sized family businesses, more than half of the respondents from all the business groups reported that the real volume sales of their businesses have increased by some level during the last two years. 57% of owners of micro, 54% of owners of small and 60% of large firms said that this is their case. On the other hand, for the medium-sized businesses, most (38%) said that the real volume sales changed less than 10% one way or the other for the last two years. Same fraction for the same business group indicated that the real volume sales actually decreased by 10% or more within the same period.
b.) Level of profitability (D6)

More than half of the family businesses from all the business groups (60% for micro, 70% for small, 66% for medium and 80% for large) reported that the business registered net income during the most recent fiscal year of the firm.

2.3 Other topics

a.) Base of operation (D7)

Most of the family businesses are operated in structures separate from that of the house of the owner-respondent, though this is more likely the case for medium and large family businesses. Such is the case of 66% of micro, 68% of small, 56% of medium and 80% of large family businesses.

b.) Years of operation (D8)

It seems that most of the family businesses discussed in this survey managed to grow big through time. Majority of the micro firms (47%) are less than 6 years in existence. In the case of small firms, most (31%) are in existence for 11 to 20 years. Medium-sized firms, on the other hand, are usually 11 to 20 years (25%) and 21 to 30 years (25%). Lastly, more than half (60%) of the large businesses have been in operation for 31 years or more.

3. DEMOGRAPHIC PROFILE OF THE OWNERS OF THE FAMILY BUSINESSES

a.) Highest educational attainment (D9)

A majority of the respondents in the survey (73%) are college degree holders. Owners of bigger firms have greater tendency to earn master's degrees as compared with owners of other smaller family firms. Specifically, 40% of those owning large firms reported to have earned a master's degree, while such is true for only 6% of those owning medium, 6% of those owning small, and 8% of those owning micro firms. However, none of the owners of large firms reported to have earned a doctoral degree, while a very small fraction of the respondents from the other business categories earned this educational level.

b.) Age (D10)

Majority of the owners of the family businesses are in the age range of 45-54 years. Very few (only 2%) reported to be 65 years or older.

c.) Gender

More than half of the owner-respondents (57%) are males. Specifically, 59% of micro, 60% of small, 69 percent of medium and 60% of large family firms in this survey are owned by males.
PART 2. PROFILE OF FAMILY BUSINESSES AS CATEGORIZED BASED ON SIZE OF ASSET

This second part of the analysis presents the profile of family businesses as they are grouped according to their size based on size of asset. The categories of businesses based on size of asset is as follows:

<table>
<thead>
<tr>
<th>Business category</th>
<th>Size of asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Up to P1.5M</td>
</tr>
<tr>
<td>Small</td>
<td>P1.5M-P15.0M</td>
</tr>
<tr>
<td>Medium</td>
<td>P15.0M-P100.0M</td>
</tr>
<tr>
<td>Large</td>
<td>Over P100.0M</td>
</tr>
</tbody>
</table>

It is worth noting here that as we redefine business categories from that based on the number of employees to that based on size of asset, there occurs a difference in the count of micro, small, medium and large firms. Specifically, the figures are as follows:

<table>
<thead>
<tr>
<th>Categorization by size based on:</th>
<th>Number of businesses categorized as:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Micro</td>
</tr>
<tr>
<td>a.) Number of employees</td>
<td>85</td>
</tr>
<tr>
<td>b.) Size of asset</td>
<td>60</td>
</tr>
</tbody>
</table>

If we use the number of employees in determining the category of a particular business, there are eighty five (85) businesses belonging to the micro business category. On the other hand, if we base the category on the size of asset, there are fewer businesses that can be categorized under micro --- only sixty (60). The same analysis goes on for the rest of business categories presented above. The difference may be attributed to the nature of the activities of the businesses in the survey.

1. Business Information

1.1. Involvement of family members in the business

a.) Ownership of family businesses (Q1-Q2b, Q2d)

More than three-fourths of owners from all the business categories (92% from micro, 85% from small, 84% from medium and 90% from large firms) act both as owner and manager of the family business. Moreover, a majority of them (57% from micro, 72% from small, 94% from medium and 80% from large) stated that another family member also owns the family business. Smaller firms have fewer family members acting as co-owners of the business as compared to bigger businesses. Specifically, most of micro firm owners (50%) and small firm owners (49%) reported that only one other family member co-owns the business. In contrast, more owners of medium (49%) and large (88%) businesses reported that four or more other family members act as co-owners of the businesses. In the case of micro and small business owners, it is usually the spouse of the respondents who co-owns the business. This is the case for 59% of respondents owning micro
and 46% of respondents owning small businesses. In the case of medium firms, the brother of the respondent usually holds co-ownership rights of the firm. This is true for 40% of the respondents from this category. For large firms, the parents of the owner-respondents are usually the ones who co-own the business. This is the case for 50% of the respondents owning large firms.

b.) Management of family businesses (Q3-Q3a)

A big portion of the respondents from across the different business groups receives assistance from another family member/s in the management of the family business. Sixty-seven percent (67%) of owners of micro, 82% of owners of small, 86% of owners of medium and 90% of owners of large family firms have one or more family members helping out in the management of the family business on a day-to-day basis. Except for large firms, it is usually the spouse who renders managerial services to micro, small and medium ventures. This is the case for 45% of micro, 41% of small and 40% of medium family business owners. For large family firms, it is usually the sister who assists the owner in the management of the firm. This is true for at least 78% of the owners of large family businesses.

c.) Decision-making in the family businesses (Q2c, Q6-Q6b)

Majority of the owners of smaller family businesses (53% of micro and 56% of small family firms) have family members/co-owners who actively participate in the creation of critical business decisions. Large firms, on the other hand have the most of the owners (43% of medium and 50% of large family businesses) saying that their family members/co-owners are a mixture of active and passive type of owners.

Most of the respondents from all the business categories turn to another family member before making important decisions regarding the family business. 82% of the owners of micro and 84% of small firm owners, and 69% of medium and 75% of large firm owners consult their family members prior to making critical business decisions. Except for large firms, most of the respondents (38% from micro, 60% from small, 45% from medium) have their spouses as their confidant when it comes to business matters. Large firm owners, on the other hand, mostly turn to their brothers when making business decisions. This is the case for 67% of large firm owners.

d.) Working/helping out in the family businesses (Q4-Q5a)

Only the group of micro firm owners has less than half of the respondents (only 33%) saying that one or more family member are employed in the firm rendering service of more than 20 hours per week. Bigger family firms have greater tendency to employ family members into the family business. 54% of small, 58% of medium and 70% of large family firms take in family members as employees in their businesses. Micro and small family business owners usually employ their spouses into the business. Medium and large family business owners, on the other hand usually employ their siblings into the business.

Consistent with the figures presented above, it is the group of micro business owners which has the majority (50%) saying that they have family member/s over 18 years of age who render service to the business without getting paid. This may mean that there may be as much family members of micro firm owners as family members of the other business categories who render services to the family business, but the figures differ only between those who get paid and
those who do not. As it is, more family members who work for bigger family businesses are most likely to be paid in exchange for their services to the firm as compared to those who work for micro firms. The spouses of most of the owners of micro family businesses are usually the ones who render services to the business minus the pay. In the case of small firm owners, it is usually the sons and/or daughters who help in the business even without getting paid. Their spouses and daughters usually assist large firms owners.

1.2. Involvement of family members in other separate/distinct businesses

a.) Spouse (Q7-Q7a)
More than half of the respondents (78% of micro, 87% of small, 86% of medium and 100% of large business owners) are either married or separated. Thirty-four percent of micro, 27% of small, 35% of medium and 40% of large family firm owners have spouses who maintain a separate business of their own, aside from that business included in the study.

b.) Children over 18 years old (Q8-Q8b)
More than half of the respondents reported to have children over 18 years of age. Just like in the case of the spouses of our owner-respondents, ownership of a separate business by the children of the respondents is not usual. Only 13% of micro, 22% of small, 19% of medium and 22% of large family business owners said that their children over 18 years of age maintain their separate enterprise.

c.) Brothers/sister (Q9-Q9b)
More than half of the respondents owning micro, small and medium firms have five or more living brothers and sisters. Only 30% of respondents representing large firms have more siblings who are also owners of separate ventures as compared with owners of large firms. Fifty-three percent of micro, 65 of small, 77 of medium and 70% of large business owners said that their brothers/sisters have a separate business of their own. Owners of micro, small and medium firms have more siblings who are also owners of separate ventures as compared with owners of large firms. Forty-seven percent of micro, 37% of small and 38% of large business owners who reported to have surviving siblings have three or more brothers/sisters who maintain their own business. Majority of owners of large firms who have surviving siblings (57%) have only two siblings who operate their own businesses.

d.) Parents (Q10-Q10a)
More than half of our respondents from across the different business groups still have surviving parent/s. Eighty-eight percent of micro, 70% of small, 78% of medium and 70% of large family business owners said that one or both of their parents are surviving. Only a minority of respondents from the different business categories (30% of micro, 25% of small, 31% of medium and 29% of large business owners) reported that their parents have other businesses of their own, which which is separate from the businesses included in this study.
1.3 Succession practices in the family businesses

a.) Willingness to let one or more family members take over and operate the business (Q11)

A big fraction of our respondents from across the different business groups are willing to turn over the operation of the family business to one or more family members. Specifically, 82% of micro, 92% of small, 94% of medium and 80% of large family business owners said that they are willing to do such.

b.) Likelihood that another family member/s will actually take over and operate the business (Q11a)

When asked as to the likelihood that other family member/s will take over and operate the business, again a majority of the respondents expressed positive responses to the question. Seventy-one percent of micro, 88% of small, 88% of medium and 90% of large firm owners said that it is either “very likely” or “likely” that another family member will take over and operate the family business.

c.) Plan to transfer ownership of the business to family member/s (Q11b)

Fifty percent (50%) or more of the respondents from the different business groups expressed positive attitude towards transfer of ownership of the family business to family member/s. In particular, 50% of micro, 54% of small, 60% of medium and 50% of large family business owners have plans of transferring ownership of the business.

d.) Attitude towards consulting a third party regarding succession planning (Q14)

The group of small family business owners has the most (39%) saying that they are open to consulting a third party on issues regarding succession planning. The group of large firms, on the other hand, has the most (20%) owners who have consulted in the past a third party on succession planning concerns.

1.4 Other topics

a.) Mode of acquisition of the business (Q12-Q12a)

For most of the respondents, the usual mode of acquisition of the business is through starting it out by themselves. This is true for 77% of small and micro business owners, 78% of medium and 50% of large firm owners.

For most of the respondents, the entrance into the business was made possible through collaboration with family members. This is the case for 57% of micro, 55% of small, 66% of medium and 40% of large firm owners.

b.) Belief on the impact of family member/s’ involvement in the family business in its financial success (Q13)

More than half of our respondents believe that the family members’ involvement in the family business is doing the business good. This is the sentiment of 57% of micro and small, 65% of medium and 78% of large business owners.
2. DEMOGRAPHIC PROFILE OF THE FAMILY BUSINESSES

2.1. Business classification

a.) By size based on size of asset (D3)

If the family businesses in this survey are classified based on the size of asset employed in the venture, 44% can be classified as small firms. The next most likely category is that of micro type of business (28%), followed by medium firms (23%). A very small portion of 5% of the family businesses can be considered as large businesses.

b.) By form of ownership (D2)

Almost three-fourths (73%) of the micro firms are organized as a sole proprietorship. Small firms are also usually organized as a sole proprietorship, with 51% of small businesses organized as such. Medium and large businesses, on the other hand, are mostly (66% of medium and 90% of large) registered as a corporation.

c.) By primary business activity (D1)

Most (30%) of the micro family businesses surveyed are in the business of rendering personal services like beauty salons, party coordination, laundry services, etc. Small and medium firms are usually in the business of retailing. At least 29% of small and 32% of medium firms are either in retailing or manufacturing. There are as much medium firms in the business of retailing as those in the business of manufacturing. Large firms are usually engaged in construction and manufacturing. Thirty percent of them are in this line of business.

2.2 Financial performance of the business in the past two years

a.) Sales performance (D5)

More than half of the family businesses surveyed reported to have registered an increase at some level of their real volume sales for the past two years. Specifically, 59% of micro, 53% of small, 60% of medium and 50% of large firms’ real volume sales increased by at least 10%. We would notice that the group of large firms had less number of firms saying that their real volume
sales increased for the past two years. It is also the same group who had the most number of firms who experienced decline in real volume sales by 10% or more for the past two years. Thirty percent of large firm owners said their real volume sales declined by at least 10% for the past two years. Only 13% of micro, 18% of small and 24% of medium family business owners reported the same performance.

b.) Level of profitability (D6)

More than half of respondents from all the different business categories (60% of micro, 70% of small, 66% of medium, 80% of large) reported that their family business generated net income during the most recent fiscal year of the firm. More respondents from bigger firms reported to have experienced net loss. Specifically, 2% of micro, 5% of small, 10% of medium and 20% of large firms registered net loss during the most recent fiscal year of the business.

2.3 Other topics

a.) Base of operation (D7)

Majority (53%) of micro businesses in the survey is operated primarily from home. All the other business categories are operated in structures separate from the house of the owner/s. Such is the case for 75% of small, 88% of medium and 70% of large businesses included in the survey.

b.) Years of operation (D8)

Except for micro firms, most of the businesses under the different business categories (34% of small, 30% of medium, 40% of large) have been operating for a span of 11 to 20 years. Most of the micro firms (52%) have been in existence for less than six years.

3. DEMOGRAPHIC PROFILE OF THE OWNERS OF THE FAMILY BUSINESSES

a.) Highest educational attainment (D9)

Most of the owner-respondents are college graduates. Specifically, 75% of micro, 72% of small, 78% of medium and 50% of large family business owners earned bachelor’s degree. It is worth noting that unlike the owners from micro, small and medium firms, no one respondent from large family firms has a degree lower than a bachelor’s degree. In fact, the other half of the respondents from this business group earned either a master’s (40%) or doctoral (10%) degrees.

b.) Age (D10)

More than half of the respondents from small, medium and large-scale family business are within the age range of 45-54 years of age. There are 57% of small and 56% of medium firm owners and 60% of large firm owners who are within this age range. Though most of micro firm owners are also within the 45-54 years age range, the proportion is smaller --- only 38%. Almost half of the owners of micro firms are 44 years or younger.

c.) Gender (D11)

Except for micro firms, the males dominate the pool of respondents for all the business groups. Males consist of 46% of micro, 59% of small, 61% of medium and 80% of large business owners.
VIII. CONCLUSIONS

From the survey conducted among family business owners of families of business students of De La Salle University-Manila, the following profiles of family business can be drawn:

On involvement of family members in the family businesses

Owners of family businesses usually act also as the manager of the business. Moreover, ownership of these businesses usually rests on other family member/s of the owner-respondent. Specifically, three or more other family members usually share in the ownership of the enterprise. Usually, this includes the spouse, brother and/or sister of the respondent. A very small portion reported to have co-owners who are not family members.

Family members of the owner-respondents have very high involvement in the management of the firm on a day-to-day basis. The family member usually involved in this task is the spouse of the owner.

Rendering service for pay is typical for family businesses, with more than half of the respondents saying that they have relatives who work more than 20 hours for the family business for salary or wage. Family members involved in this are usually the spouse and/or siblings of the owner. On the other hand, it is not typical for family members of owners of family businesses, specifically those older than 18 years, to render services to the business without pay. If ever, it is usually the son/s or daughter/s of the owner who extend services to the business minus the pay.

Decision-making in family businesses usually involves people other than the owner him/herself. Four out of every five family business owners consult another family member prior to making critical business decisions. Collaboration often takes place between the owner and his/her spouse.

On involvement of family members in other separate/distinct businesses

Ownership of a separate business venture is not typical for the parents, spouse and sons/daughters (over 18 years of age) of family business owners\(^7\). In contrast, siblings of family business owners usually maintain their own businesses, separate and distinct from those businesses included in this study.

On succession practices

For every ten family business owners, nine would like one or more family members to eventually take over and operate the family business. Family business owners projected a good likelihood that one or more of their family members will actually take over and operate the family business eventually. However, more than half of them do not have plans of transferring the ownership of the business to another relative in the next five years. Moreover, a big portion of the family businesses would not consider consulting a third party about succession planning.

On mode of business acquisition, impact of family members on performance of the business

\(^7\) This should be differentiated from parents, spouse and sons/daughters sharing co-ownership with the owner-respondents included this study.
More than half of family business owners started the venture on their own. The next most likely mode of acquisition of the business is through inheritance. A few have been purchased from the original owner of the business.

Financial success of family enterprises has been positively affected by the involvement of other family members of the owners, that is as far as the perception of more than half of family business owners in this survey are concerned.

**Business Classification**

Family businesses are usually into retailing. Then, they are most likely to be in the business of manufacturing. Business registration is often in the form of sole proprietorship. Business classification by size (whether be it based on size of asset or number of employees) reveals that most of the family businesses can be classified as small businesses.

**Financial Performance**

Most business owners reported an increase in their real sales volume by 10%-19% over the last two years. Profitability of family businesses is also in good health, with more than half of the family businesses saying that they registered net income during their most recent fiscal year.

**Base and Years of Operation**

Though most family businesses are small businesses, they are not operated primarily from home. Years of operation of family businesses are usually less than 6 years.

**Demographics of Owner**

A majority of family business owners are males and college degree holders. Almost half of them are between the age bracket of 45 and 54 years.

**IX. RECOMMENDATIONS**

**A. Improvements on the research methodology**

Any researcher interested in further enhancing or developing this study may take into consideration the following recommendations:

The operational definitions of terms such as *owners*, *ownership*, *manage* and *management* should be properly communicated to the respondents prior to answering the survey questions. This will help ensure that the respondents understood the questions in the survey the way the researchers meant them to be.

Another way to resolve the concern regarding the different interpretations on the term *ownership* is by coming up with separate questions about (1) owners of the family firm who actually have investments in the business and at the same time are declared as owners of the business in the business registration and (2) those who are declared as co-owners of the business in the business registration, but does not really have financial investments in the family business. This will avoid inconsistencies in the responses for the question "Do one or more family members own any portion of the business?" (Q#2) and the respondent’s classification of his/her business as a sole proprietorship, partnership or corporation (D2). As discussed above, some family businesses are organized as sole proprietorships but have one or more family members (aside from the owner-respondent) owning a portion of the business. Doing modifications in the question on ownership as
recommended will enable the researcher to determine not only the percentage of family businesses registered as sole proprietorship, partnership or corporation, but also the prevalence of internal arrangement that occurs in the family wherein more than one family member invest in a venture but only one member is declared as owner of the business (hence, a sole proprietorship form of business). Such dynamics may be common in family businesses, but not in other types of ventures.

B. Directions for Future Research

Follow-up studies could take a different direction, that is, instead of taking the point of view of the current owners of the family business regarding their succession practices or attitude towards issues on succession, the succeeding generation (or the owner-respondents’ sons, daughters, nieces, nephews, etc.) could also be probed as to their attitude towards succession of their family businesses. Factors such as their willingness to be involved in the family business, willingness to eventually take over the family business; their familiarity with the operation of the business, etc. may be explored.

Instead of doing the analysis of the family businesses as they are categorized based on their size of asset and number of employees, future research similar to this one can explore the analysis of the data as businesses are classified based on their form of ownership and/or the number of years of existence of the family firm. The analysis of family business if done based on their form of ownership or number of years of existence may give us whole new insights as to the differences in attitudes of family firm owners of single proprietorship, partnership and corporation on issues on issues about ownership, management and succession of the family business. For instance, are owners of family businesses registered as corporation more open to succession issues, as compared to those whose family businesses who are registered as sole proprietorship or partnership? In the same light, do owners of family businesses that are in existence for a longer period, have more positive attitude towards succession as compared to owners of family businesses that are relatively new? Or is it the other way around?

Finally, it is very interesting (though time-consuming and expensive) to blow-up the study to include family businesses throughout the Philippines. Such large-scale research may be done using random sampling method on a per region basis so that amount of data may be more manageable, and also to be able to take into consideration the fact that different regions present different environmental, social, political and economic characteristics that may have effects on the business opportunities available to families who run their businesses. Consideration of such factors may produce more insights to the result of the survey. For example, while family businesses included in this study who are, generally speaking, residents of greater manila area, are mostly involved in retailing, we may not find such profile in family businesses based in other parts of the country.

C. Implications for De La Salle University Angelo King Institute-Family Business Studies Center

A nationwide survey on profile of family businesses will be very useful for the Family Business Studies Center of the De La Salle University Angelo King Institute in designing more effective programs and services for its clients. If a survey of this scope is to be pursued by the Institute, it is imperative that appropriate funding be made available. In lieu of this, a proposal for such project may be prepared at this point. Results of this survey may be attached to the proposal. Aside from the funding needed for the research, the proposal should also take into consideration the specific activities to be undertaken in
relation to the study, the time frame allotted, human resources required, proposed sampling method, among others. It is very advisable that an advanced statistical software such as SPSS be used in encoding and processing the data that will be gathered through such survey.

An alternative approach to doing the survey is by doing it on a per industry basis. The De La Salle University Angelo King Institute-Family Business Studies Center may approach industry associations and obtain roster of members for each association and come up with profile of family businesses belonging to different industry classification. Industry associations may be furnished with the results of the study in exchange for funding for such research. Given the result of such study, the Center could develop seminars and training programs designed for family businesses in specific industry.

Finally, the initial database developed from this study should be constantly utilized by the De La Salle University Angelo King Institute-Family Business Studies Center to market the Center and its services to family firms. As a starting point, the list could be used in disseminating copies of *Generations*, the official publication of the DLSU-AKI Family Business Studies Center.
X. REFERENCES

