Entrepreneurial Competencies and Succession Planning among Family Business Owners in a Second-Class Municipality in Iloilo Province: An Explanatory Sequential Mixed Methods Study

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Introduction: Family businesses dominate the market, yet their owners require distinct competencies and effective succession planning—areas often treated informally among Filipino enterprises despite their acknowledged importance post-pandemic. This explanatory sequential mixed-method study assesses the levels of entrepreneurial competencies and succession planning among family business owners, analyzing the influence of demographics (age, sex, education, and experience) and the relationship between these two core variables. Furthermore, the study qualitatively explores the deeper insights and influences shaping these entrepreneurial dynamics.

Methodology: This study employed an explanatory sequential mixed methods design utilizing stratified random sampling. The initial quantitative phase assessed entrepreneurial competencies and succession planning via a validated instrument, using descriptive statistics and Spearman's rho coefficient to analyze demographics, variable levels, and relationships. Subsequently, the qualitative phase involved semi-structured interviews with seven family business owners, where transcripts were processed using Lichtman's coding, categorizing, and conceptualizing approach.

Results: This study indicates that family business owners—particularly younger and less experienced individuals—possess high entrepreneurial competencies yet often fail to implement specific succession steps like successor training. Statistical analysis confirms a strong link between these competencies and succession planning, with age and experience significantly influencing both areas. While education enhances entrepreneurial skills, it does not directly drive succession planning, and gender shows no impact. Ultimately, the findings suggest that effective succession requires structured planning rooted in owner experience and supported by robust entrepreneurial capabilities.

Conclusion: Business owners in the selected second-class municipality demonstrate high entrepreneurial competence driven by education, yet succession planning remains inconsistent. While transitions occur, they are often hampered by informal strategies, conflicting heir interests, and the owner's continued involvement. Given that aging makes succession inevitable, adopting formal transition plans is essential regardless of business contingencies. Ultimately, owners must prioritize continuous education to refine the competencies needed for innovative and stable business continuity.

Practical Value: To address the scarcity of formal succession strategies, the researcher developed the "Business Continuity Compass: A Family Business Formal Succession Plan." This manual outlines the essential requirements for ensuring business continuity and serves as a practical guide for family enterprises. Additionally, the Business Process and Licensing Office can utilize this resource to train and educate the business sector on effective succession planning.

Direction for Future Research: Future researchers should replicate this study across other Iloilo local government units to validate and generalize the findings. Adopting alternative qualitative designs, such as case studies or phenomenology, would allow for a deeper exploration of the constructs. Additionally, the scope could be expanded to investigate succession planning within public entities or entrepreneurial competencies in private businesses.

Keywords: entrepreneurial competencies, succession planning, family business, demographics, explanatory sequential

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