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Business Management Competencies as the Driver of Small-Medium Enterprises' Survival during COVID-19 Pandemic

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Abstract

Managerial competencies are vital in solving issues and providing quick solutions in this time of the pandemic. The capacity of top managers to manage the firm plays a critical part in the enterprise's survival. However, competency gaps among managers in this time of pandemics continue to be high. This study determined the management competencies of Managers and their impact on the survival of Small and Medium Enterprises during COVID-19. Business continuity strategies were also determined to prove managers possess the competencies to thrive in this challenging business environment. This study used a quantitative-qualitative research approach to identify the management competencies possessed by twelve SME managers in Santiago City, Philippines, as validated by the responses of five employees who directly work under each SME manager/owner. Data were collected through the drop-and-collect method. SPSS was used to process and analyze data using weighted means and Pearson-r correlation. In addition, financial accounts from SMEs were requested for triangulation to corroborate the findings on survival. Indeed, recovery planning, resilience, innovativeness, creativity, integrated decision-making, problem-solving, and analytical



thinking are crucial to managerial success and business survival. Business managers have deliberately designed continuity strategies to continue operating despite limits and profit from their business activities. This study increases transparency and accessibility of comprehensible and understandable information on intensified business management competencies, including its impact on business survival. Thus, SMEs may be able to adopt and implement practical approaches that were revealed. It will also allow business owners to create training, coaching, and mentoring programs that will suit the need of the managers, which may equip them with necessary competencies that can contribute more opportunities for the company's growth in the new century.

Keywords – business management competencies, business survival, continuity strategies, Philippines

INTRODUCTION

The worldwide connection was tested in the year 2020. The outbreak of the coronavirus known as COVID-19 has triggered a global health disaster. The situation is dire, and it has a significant impact on how people interact, work, produce, exchange, consume, and live (International Trade Center, 2020). The outbreak (COVID-19) has taken the entire economy by surprise. Individuals' lifestyles and financial activities are strictly regulated to protect their health and prevent the spread of the disease. Quarantines have been accompanied by travel bans, rapid closure of schools and organizations, and social isolation. In addition, private firms have been forced to temporarily lay off people due to reduced output and service delivery. Lack of working capital makes it difficult to continue working. Continuation control of COVID-19 increases the danger of poor performance and instability. Supply chain disruptions and tightening monetary circumstances are putting small and medium-sized firms in particular in jeopardy. The Pandemic- Coronavirus has harmed approximately 93 percent of enterprises, resulting in a significant drop in revenue. Because of the COVID-19 pandemic, the firms have also had to deal with stale goods, loan fees, laborer pay, and rental costs (Tran et al., 2020). As time passes, the business world becomes increasingly complex, shifting conditions that inspire business owners to develop effective and efficient methods (Johnson, 2017).

Small and medium-sized enterprises (SMEs) play an essential role in many economies, driving development, creating jobs, and expanding commercial opportunities. Although SMEs are critical to economic progress, they are typically the most vulnerable when major public emergencies occur (Lu et al., 2020). The economic consequences of the pandemic became apparent almost immediately, with small and medium-sized businesses (SMEs) at the forefront. With workers and customers staying inside and supply networks being tested by closures, the small companies that provide 70 percent of jobs and a significant percentage of global financial mobility have been put under strain (ITC, 2020). COVID-19 hit small businesses the hardest because they have lower levels of preparedness, are

more vulnerable, rely more on the government and neighboring organizations, and have a mental and financial impact on the owners/directors (Chen et al. 2020). Nonetheless, despite being granted permission to reopen, many small and medium-sized firms (SMEs) have found it difficult to maintain operations, resulting in further significant financial losses and putting numerous firms at risk of closing permanently (McCloskey & Heymann, 2020).

Every period seems to have severe disturbances of normalcy, but the COVID-19 Pandemic's impacts on trade were unprecedented (Ketchen, Jr. & Craighead, 2020). Micro, small, and medium-sized firms have a direct effect on public economies and global development opportunities. Governments created plans to aid SMEs in response to the COVID-19 pandemic. Governments are taking steps to assist small and medium-sized businesses (SMEs) to mitigate the financial impact of the COVID-19 flare-up (Antonescu, 2020). However, business firms still face numerous hurdles to survive in a challenging market (Johnson, 2017).

In their study of the performance of entrepreneurial organizations during times of crisis, Bartz and Winkler (2016) discovered that micro-organizations develop slowly during times of crisis, showing fragility, compared to larger enterprises, which expand faster and more adaptable. Crises, it is believed, are harmful to small enterprises; as a result, entrepreneurs must devise ways to manage and plan for alternate techniques to mitigate the crisis's impact on their firms. And, at this time of contagion, much emphasis must be placed on managerial knowledge, abilities, and attitude to address problems and deliver solutions. The COVID-19 Pandemic's unique challenges necessitate excellent abilities (Bondarenko et al., 2021). Identifying a manager's strategy and set of decisions is critical to a company's existence (Populova & Mokros, 2007). These businesses must adopt new strategies to cope with the demanding environment. However, there are still issues with how these techniques should be executed correctly and successfully, which managers and owners must be aware of (David, 2009).

Moreover, the skillsets of today's effective managers have yet to be standardized. The link between managerial abilities and firm survival is still a topic of discussion. As a result, this article investigates the relevant managerial competencies of business entities in this time of pandemic and their link to business firm survival in Santiago City, Isabela, Philippines. Furthermore, the techniques used by managers to respond to this crisis were identified to prove that they possess the necessary competencies to address the changing business climate and client expectations throughout the new normal. Thus, this study will ideally contribute to developing mechanisms for small-medium entrepreneurs to thrive after the crisis.

Statement of the Objective

The study aimed to investigate the managerial competencies of business entities and how such would drive the business survival among firms in Santiago City, Philippines.

In addition, the financial performance of the selected entities in Northern Luzon in terms of liquidity and profitability were used to validate findings for company survival.

Statement of Null Hypothesis

1. *Business Survival in this time of pandemic does not depend on Managerial competencies among managers of SMEs in Santiago City, Isabela, Philippines.*

LITERATURE REVIEW

Resource-based Theory

The company's unmatched sources and potentials act as a competitive advantage for the organization. Companies claim to have a plethora of resources and opportunities. Therefore, any sources that the firm or the corporation owns and controls have a high potential for generating competitive advantage and more extraordinary firm performance. According to resource-based theory, the primary source of a firm's competitive advantage is internal, as opposed to its external positioning, which is just evaluating some environmental possibilities and risks when conducting business. With a resource-based approach, the drivers of a firm's or company's competitive advantage and performance must be linked to their resources and skills. If the firm's resources and capabilities are significant, unique, and incomparable, and the firm is systematized to harness these potentials, it has an advantage over competitors (Barney et al., 2021). The resource-based view (RBV) ideology primarily reinforces the strategic human resource management (SHRM) principle, which states that an organization's distinctive nature is created by a variety of resources, including human resources (HR), and that this produces a competitive advantage (Assensoh-Kodua, 2019)

Management competencies in this time of COVID-19 crisis

Identifying the managerial tasks, decisions, and actions that can result in the formulation and implementation of specific performance objectives and strategies to be implemented with adaptation to internal and external environments to execute the chosen courses of action to achieve the organizational goals speaks about Management competencies (Tapera, 2014). Because it is a pool of experience, knowledge, and processes that produce and accumulate new strategic assets that constitute a firm's existence, management emphasizes the role of competencies and resources that accrue within an organization (Uysal, 2007). Every company's key goals in the global business sector are to expand, excel, and survive. The ability to differentiate between mediocre and great managers is based on the competencies they possess. As a result, managerial competencies play a significant role in a variety of businesses. Competent managers must have the knowledge, skills, and talents required to generate positive employee behavior (Krajcovicova et al., 2012). The COVID-19 Pandemic, on the other hand, put

unprecedented expectations on many managers in business and beyond. Employees and other stakeholders are concerned about COVID-19's humanitarian impact. Executives are finding it challenging to act due to the outbreak's colossal scale and unpredictability. Indeed, the outbreak has all the elements of a landscape-scale crisis: an unanticipated occurrence or series of events of enormous scope and speed, resulting in a significant degree of uncertainty (D'Auria & De Smet, 2020). The COVID-19 necessitates a complete rethinking of a successful manager's competency paradigm. The worldwide environment's transition has impacted different company fields necessitating essential professional abilities and capabilities for modern leaders, including self-development, cognitive thinking, market turbulence adaptability, and digitization (Bondarenko et al. 2021).

In the scientific literature, universal competency models have been published. Businesses use organizational skills for various managers at various levels and particular capabilities for staff in critical departments. However, because the modern corporate world is continuously changing, it is essential to pay attention to competencies to ensure future success (Tomastika et al., 2015; Bondarenko, 2020). With the World Economic Forum report, most work competencies will alter dramatically by 2022, particularly for managers at all levels. Future managers' core competencies or skill groups will be formed by the pandemic-related global recession of 2020 and the transition toward the predicted introduction of new technology, automation, and further advances by 2025. Analytical thinking, creativity, and ingenuity, as well as integrated problem-solving, recovery planning, and self-management abilities like resilience, are among them (World Economic Forum, 2020). Resilience, adaptability, and tenacity are examples of newly emerging self-management skills (World Economic Forum, 2020). As a result, management and firms are increasingly valuing creativity, innovation, and initiative. These skills allow firms to adapt to change, thrive, and help shape new industries and markets (Bondarenko, 2020; Czarnecka & Szymura-Tyc, 2016).

A corporate turnaround strategy is necessary due to a decline in SMEs' revenues due to a drop in client demand and rising operating costs. Therefore, managers must have recovery strategies in place and make informed decisions on many facets of company management. In addition, businesses have been obliged to develop unique and imaginative solutions to some of the world's most pressing problems due to the COVID-19 Pandemic (Nurunnabi et al., 2020).

Business survival through competencies

Even though many factors influence small business growth and survival, the owner-approach manager is maybe the most important (Mazzarol, 2005). Experts believe that managers must develop managerial competencies to achieve organizational objectives. The capacity to leverage capabilities is critical to long-term survival (Javadin et al., 2010). Managerial competencies should not be outmoded or incorrect; instead, they should constantly evolve and improve to meet the demands of an ever-changing market.

Competency is a must to have a mark that leads to market dominance and, in turn, good performance, as it is a sign that embodies a firm-specific way of doing business and develops from expertise, experience, skills, systems, knowledge, capabilities, and resources, as well as a value chain that all set the firms apart from their competitors. Furthermore, managerial qualities are critical in small businesses' potential to grow and survive (Uysal, 2007; Sidek & Mohammad, 2014).

METHODOLOGY

Design

The study is quantitative and qualitative in design to investigate business entity managerial competencies as drivers for business firm survival in Santiago City, Isabela, Philippines, during this Pandemic. Quantitative research design through descriptive and correlational methods was employed in this study as this method is concerned with gathering, classifying, presenting data, and the correlation between data. Additionally, to validate information gathered in the descriptive method, the qualitative design was utilized to develop more extensive and realistic data. Thus, the researcher used a questionnaire and semi-structured interviews in the form of open-ended questions.

Respondents

The people that took part in this study were business owners/managers and employees. A total of twelve (12) owners/managers and sixty (60) employees were selected to participate in this study. Respondents were chosen from independent enterprises in various industries using the convenience sample methodology (three from the Private Academe, three from Cooperatives, three from Pharmaceuticals, three from Sales). During this pandemic, the Licensing Department/Department of Trade and Industry provided 12 continuously operational business enterprises. To illustrate the study's aims, the ratio of respondents is 5:1, with five employees and one owner/manager in each firm.

To have a bird's eye view of the respondents' profile, Table 1 and 1.2 presents the profile of SME Managers and employees in Santiago City when grouped by Sex, Age, Educational Attainment, and Years being employed. It can be gleaned in Table 1 that most of the managers operating SMEs are male, ages ranging from 35 to 44 years old. Moreover, they finished their bachelor's degree, which constitutes 91.7 % of the total population. Thus, it is proven that a managerial position requires a candidate or employee to have a degree related to the position. Also, they have been working within the organization for 6 to 10 years. While Table 2 shows that most of the employee respondents are female, 23-24 years old, college graduates, and working in the company for 2-5 years.

Table 1. Demographic Profile of SME Managers

Variables	Frequency	Percentage
Sex	f	%
Male	23	38.3
Female	37	66.7
Age	Frequency (f)	Percentage (%)
23-34 y/o	29	48.3
35-44 y/o	18	30
45-55 y/o	8	13.3
55 and above	5	8.4
Educational Attainment	Frequency (f)	Percentage (%)
College Undergraduate	12	80
College Graduate	48	20
Master's Degree Holder	-	-
Years Employed	Frequency (f)	Percentage (%)
2-5 years	33	55
6-10 years	18	30
11-20 years	6	10
21-25 years	3	5

Table 2. Demographic Profile of SME Employees

Variables	Frequency	Percentage
Sex	f	%
Male	7	58.3
Female	5	41.7
Age	Frequency (f)	Percentage (%)
23-34 y/o	3	25.0
35-44 y/o	7	58.3
45-55 y/o	1	8.3
55 and above	1	8.3
Educational Attainment	Frequency (f)	Percentage (%)
College Graduate	11	91.7
Master's Degree Holder	1	8.3
Total	12	100
Years Employed	Frequency (f)	Percentage (%)
2-5 years	3	25.0
6-10 years	5	41.7
11-20 years	3	25.0
21-25 years	1	8.3

Data Gathering Tools

Data were collected using a modified questionnaire based on the work of other prominent scholars. Questionnaires were divided into three parts. Part I includes the demographic profile of the respondents in terms of age, sex, educational attainment, and years in Service. Part II has managerial competencies. To measure managers' management competencies in this time of the pandemic, questions were outlined or patterned with the M-Astra method (Laguna et al., 2011) and other eminent authors. A subjective scale derived from Adam and Alarifi (2021) was used to assess SME survival. Expert pooling, refinement, field testing, and final refinement were used to validate the instrument since it was derived from different sources. Cronbach's alpha ($=.893$) was used to determine validity and reliability. For follow-up questions, open-ended questions were inserted at the end of the questionnaire. Data were collected during the second quarter of 2021 using the drop-and-collect approach to maintain health and safety protocols.

To prevent biases, the results from the survey were interpreted using a four-point Likert Scale (Pimentel, 2019)

Table 3.1. Evaluation Scale for Business Management Competencies

Numerical Evaluation	Range	Qualitative Description
1	1.0-1.75	Very Low
2	1.76-2.50	Low
3	2.51-3.25	Average
4	3.26-4.0	High

Table 3.2. Evaluation Scale for Perceived Business Survival

Numerical Evaluation	Range	Qualitative Description
1	1.0-1.75	Largely Decreased
2	1.76-2.50	Decreased
3	2.51-3.25	No Changed
4	3.26-4.0	Increased

Variables of the Study

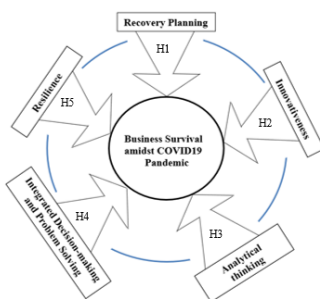


Figure 1. Schematic diagram of the study

The independent variable in the study involves business management competencies (recovery planning, innovativeness, analytical thinking, integrated decision-making, problem-solving, resilience), while business survival is the dependent variable. Fig. 1 displays the relationship between the variables.

Treatment of Data

The Pearson-r correlation and weighted means were calculated. Financial Statements for the year 2020 were also requested to examine and support data acquired about firm survival. 2020 Financial statements were requested as the onset of COVID-19 started on March 16, 2020. Survey questionnaires were distributed in the second quarter of 2021. The measurement of business survival was from the soft reopening (August 2020) to the actual data gathering (2nd quarter of 2021).

The formulas for liquidity and profitability were employed in the financial statement analysis, as stated in the table below: Quick ratio, Current Ratio, Overall Profitability, and Return on Investment. Internal accountants of the SMEs prepared financial statements that were used in this study. In addition, researchers sought the assistance of a Certified Public Accountant to analyze financial statements.

Table 4. Formulas on Liquidity and Profitability ratios

Liquidity Ratios	Profitability Ratios
1. Quick Ratio	1. Overall Profitability
$\frac{\text{Cash + Receivables}}{\text{Current Liabilities}}$	$\frac{\text{Net Surplus}}{\text{Revenue from all Sources}}$
2. Current Ratio	2. Return on Investment
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{\text{Net surplus after Statutory Funds}}{\text{Average Share Capital}}$

Source: Lafuente & Maria (2005).

RESULTS AND DISCUSSION

Business management competencies

Table 5. Management Competencies of Owners/Managers of Small Medium Enterprises in Santiago City as perceived by Managers/Owners and Employees

Management Competencies	Managers		Employees	
	Mean	D.I	Mean	D.I
Recovery Planning	3.58	H	3.21	A
Resilience (Adaptability)	3.56	H	3.33	H
Innovativeness and Creativity	3.57	H	3.00	A
Analytical Thinking	3.53	H	3.39	H
Integrated Decision-making and Problem Solving	3.57	H	3.38	H
Overall Mean	3.56	H	3.30	H

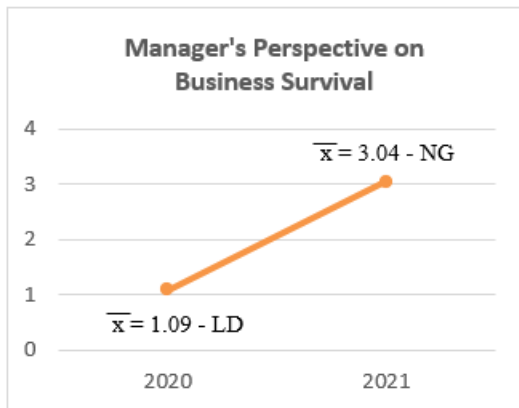
Legend: 1.0- 1.75= Very Low (VL); 1.76-2.50= Low (L); 2.51-3.25= Average (A); 3.26- 4.0= High (H)

The table above shows the mean of managerial competencies possessed by managers/owners among SMEs in Santiago City in this pandemic. With the overall mean of 3.56 with a qualitative description of "High" on a four-point Likert scale, it can be shown that managers/owners are confident in their ability to keep the company afloat during this crisis with the competencies they possess. According to the data presented, managers feel they are good crisis planners, resilient enough, innovative, decision-makers, problem solvers, and analytical thinkers. Furthermore, employees strongly agree that the owners/managers of the organizations they work for have management capabilities essential in this time of crisis, with a general mean of 3.30 and a qualitative description of "High" on a four-point Likert scale.

According to the respondents, managers took extra and strenuous attempts to keep their businesses afloat during the pandemic. Actions and plans were reviewed and re-evaluated in light of the current circumstances. Owners and managers studied various strategies to suit consumer demand while following health norms mandated by the authorities. According to the respondents, owners/managers' knowledge and imagination are challenged in conveying fresh and unique ideas in this age of advanced technology. Firm owners/managers are open to new ideas for their businesses to survive. Respondents constantly anticipate many scenarios that may develop during a pandemic. Owners/managers approach problem-solving and decision-making from a broad, long-term perspective, including objective analysis, foresight, and planning. Owners and managers think in different time frames, identifying what they aim to achieve over time and what needs to happen now, in six months, a year, and three years. Business owners/managers in Santiago City can also anticipate new opportunities while considering the uniqueness of tactics or solutions relevant to various pandemic-related difficulties for the organization's betterment and survival. The pandemic has altered the business environment, necessitating multiple adaptive systems. Organizations must invest more in establishing managerial competency, particularly among their leaders, to thrive in this type of climate.

Business Survival and Continuity Strategies during COVID-19

The graphs above show the general mean of SMEs' survival from 2020 to the first quarter of 2021, as perceived by their owners/managers and employees. According to the findings, the COVID-19 downturn affected SMEs, followed by social isolation and a statewide lockdown. SMEs said that no matter how well-established they are, they have suffered and continue to incur significant consequences. SME sales, earned profit, assets, capital, output, and market share all declined significantly in the year 2020, according to both managers/owners and staff, when compared to the performance of SMEs before COVID-19.



Legend: 1.0- 1.75= Largely Decreased (LD); 1.76-2.50= Decreased (D); 2.51-3.25= No Change (NC); 3.26- 4.0= Increased (I)

Figures 2.1 and 2.2. Business Survival of SMEs during COVID-19 Pandemic as perceived by managers/owners and employees for the year 2020 and first quarter of 2021.

In August 2020, the city of Santiago, Philippines, began to relax its prohibitions. Temporary measures such as solid restriction on people's mobility and transportation, strict management of running industries, food, and essential services, an increased presence of uniformed officers to enforce community quarantine rules are loosened and less necessary. According to the respondents, the pandemic had a significant impact on them because they were compelled to close their firm temporarily during the Enhanced and modified community quarantine periods. The majority of SMEs stated that they had only restarted operations in the fourth quarter of 2020.

On a lighter note, small businesses thought their operations were improving in the first quarter of 2021 compared to their performance in 2020. In addition, managers and staff believe that sales, profit, and production have improved slightly compared to the fourth quarter of 2020. However, their assets, capital, and market share all remained unchanged.

The restart of operations coincided with a significant shift in how business was conducted before the pandemic. Various organizations have tried and tested a variety of continuity solutions. In industries like pharmaceuticals and general sales, SMEs use multiple techniques to keep their businesses running during the loosened community quarantine. For example, SMEs reduced the supply chain, developed new items to fit current customer needs (essential foods, cleaning, and sanitary goods), automated market access and delivery schedules, and promoted products and services using mobile applications and digital marketing. In addition, all SMEs used various payment options for product sales to reduce face-to-face transactions, including mobile apps (Gcash, Paymaya, Paypal), credit, and debit cards.

The use of technology, innovation, product diversification, market exploration, and multiple channels in distributing goods to customers through distributors, mobile apps, and physical stores, according to studies conducted by Papadopoulos et al. (2020), Palmatier et al. (2019), Alves et al. (2020), and Cabellero (2021), is more beneficial.

Liquidity and profitability were determined based on financial statements submitted by SMEs for the year 2020 to substantiate the claims of managers and staff that enterprises survive.

Table 6. The measure of Liquidity - Quick & Current ratio

Entity	Quick ratio	Interpretation	Current ratio	Interpretation
A- Academe	.51:1	Not Liquid	.54:1	Not Liquid
B- Cooperative	1.47:1	Liquid	1.53:1	Not Liquid
C- Pharma	1.16:1	Liquid	1.46:1	Not Liquid
D- General Sales	.9:1	Not Liquid	1.08:1	Not liquid

The quick and current ratios of the firm's A, B, C, and D are shown in the table above that measures their ability to pay their debts as they become due and mature. According to Lafuente and Marie (2005), the quick ratio rule of thumb is 1:1, which means that for every 1 peso of current liabilities, there must be a comparable 1-peso quick asset to cover the current liabilities. At the same time, the current ratio is calculated by dividing current assets by current liabilities. Thus, the 2:1 rule states that for every one peso in current liabilities, there must be two pesos in current assets.

Only B and C, the cooperative and pharmaceutical companies, exceeded the quick ratio rule of thumb among the four entities. It indicates that this entity's liquid assets, cash, and receivables are sufficient to satisfy its short-term obligations. It could be due to the assumption that adequate money is earned and receivables are recovered promptly because the business continued to operate during General Community Quarantine. It is not the case for entities A and D, as their quick ratios are less than the rule of thumb (1.1:1), at .51 and .90, respectively. These findings suggest that during the peak of the COVID-19 pandemic, these entities did not meet their current obligations when they came due.

On the other hand, Entity B has the highest current ratio (1.53:1), whereas entity A's current ratio is non-liquid. Thus, the findings indicate that none of the four organizations met their existing obligations at maturity.

Liquidity management has been a critical cause of concern for corporate managers, particularly in the aftermath of the global financial crisis. It is becoming too expensive to sustain due to tightening in both the local and worldwide financial markets. Companies

must retain adequate liquidity; failure to do so puts a company's survival in jeopardy. In addition, the public's unwillingness to invest in company shares due to the capital market crash can be a concern if the company is discovered to be non-liquid (Edem, 2017).

Table 7. The measure of profitability –Overall Profitability & Return of Investment

Company	Overall profitability	Interpretation	Return of investment	Interpretation
A-Academe	(.27)	Loss	(33.93)	Negative
B-Cooperative	.36	Profit	.15	Positive
C-Pharmaceutical	.45	Loss	.33	Positive
D- General Sales	.05	Profit	.02	Positive

Entities A, B, C, and D's overall profitability and return on investment are shown in the table above. The overall profitability is used to assess a company's ability to produce a profit from its assets. An upward trend in the percentage is considered a favorable trend. Thus, a high percentage indicates a beneficial outcome from operations. On the other hand, return on investment is the return on invested capital, calculated by dividing net surplus by investment (Lafuente & Maria, 2005).

Entity C had the highest return of 45 percent among the four entities, followed by entity B with 36 percent. However, it can be shown that entity A had suffered a 27 percent loss. A positive return suggests two things: the revenues generated are adequate to cover both costs and expenses. Therefore, the total costs and expenses incurred have been kept to a positive return level even if the revenue is insufficient. Conversely, a negative return indicates that costs and expenses are not under control at the intended level, and revenues are inadequate to cover the costs and expenses.

The table also shows that entities A did not derive a favorable return on their investments as reflected in their negative 33.93. Instead of obtaining favorable results on their investments, it turned unfavorable and, therefore, a loss. However, entity C's return on investment is 33%, showing a favorable result of investments. Likewise, entities B and D made a 15% and 2% return on their investment, respectively.

The academe incurred loss and negative investment return because the COVID-19 pandemic necessitated the immediate closure of in-person instruction to adhere to social rules. It has resulted in the most extensive disruption of educational systems in history, affecting about 1.6 billion people. Closures of academies and other learning places have impacted 94% of the world's student population, with rates as high as 99 percent in low and lower-middle-income countries. The COVID-19 outbreak caught the higher education system off guard. It has had a widespread impact on the higher education sector worldwide (United Nations, 2020). The new normal of instruction posed challenges for various delivery structures, particularly in the rapid digitalization of educational programs, which impacted private institutions' revenue (Perez, 2020).

Table 8. Pearson-r correlation on the Management Competencies of Managers and Business Survival of SMEs in Santiago City, Philippines during the COVID-19 Pandemic.

Variables		Sig. (2-tailed)	Correlation Coefficient	Interpretation	Decision
Recovery Planning	→ Business Survival	.01	.59	Moderate positive correlation	Reject Null Hypothesis
Resilience (Adaptability)	→ Business Survival	.00	.62	Moderate positive correlation	Reject Null Hypothesis
Innovativeness and Creativity	→ Business Survival	.02	.67	Moderate positive correlation	Reject Null Hypothesis
Analytical Thinking	→ Business Survival	.00	.68	Moderate positive correlation	Reject Null Hypothesis
Integrated Decision-making and Problem Solving	→ Business Survival	.00	.68	Moderate positive correlation	Reject Null Hypothesis

*. Correlation is significant at the 0.05 level (2-tailed).

The findings show a moderate positive association between management qualities such as recovery planning, resilience, innovativeness and creativity, analytical thinking, integrated decision making, and problem-solving and business survival in the COVID-19 crisis, with all p-values below .05. The significance level is set at .05. Thus, all of the null hypotheses appear to be rejected as a result of the findings.

The competencies required to do the majority of workers were altered dramatically throughout the pandemic. Managers were obliged to think outside the box to survive the new normal of doing business. Managers must develop clear goals consistent with agreed-upon strategies, identify priority activities and assignments, adjust priorities as needed, foresee risks, allow for contingencies, monitor and adjust plans and actions as required, and use time efficiently due to the challenging business environment brought on by the coronavirus2019. Managers in the new normal are more actively seeking solutions to improve programs or services to accommodate changing client demands and wants while complying with the new normal's established principles for conducting business. They are willing to take measured chances with novel and unique concepts. According to the United Nations (2020), the quality of our employees and managers is the key to corporate success, growth, and survival.

The essential managerial skillsets were honed. They were thinking beyond the box, originality, innovativeness, and effective adaptation to the global environment's instability (Caballero-Morales, 2021). Because managers must make informed decisions on

numerous elements of firm management, critical thinking will become even more crucial. Moreover, complex business processes necessitate non-standard solutions. Therefore firm executives' necessary talents will include innovative thinking. Given these trends in the dominance of cognitive skills over fundamental management abilities, it's important to stress that general managing abilities don't become obsolete (Bondarenko et al., 2021).

Managers are now working in a more complicated, dynamic, uncertain, and competitive environment than ever. Competencies aid in overcoming and adapting to the global economy's issues in today's environment. A manager's competencies should be explained in three dimensions: a cognitive dimension (the ability to think, analyze, select, and interpret information based on relevance, reliability, and suitability); a technological dimension (managers' ability to explore and solve problems in novel ways using digital technology); and a social dimension (the ability to think, analyze, select, and interpret information based on relevance, reliability, and suitability) (the ability to teach and upskill employees, constructively and responsibly, and the ability to be a leader-motivator and generator of change and innovation) (Czarnecka & Szymura-Tyc, 2016). Only firms led by capable managers have a chance of surviving in today's competitive market (Aslan & Pamukçu, 2017).

Knowledge is a valuable resource for organizations, and it is generated mainly by people (able ones). Nonetheless, effective utilization of this knowledge necessitates skilled people who understand how to obtain and apply it appropriately (Assensoh-Kodua, 2019).

CONCLUSIONS

This study summarizes the managerial competencies among managers of SMEs in Santiago City, Isabela, Philippines, and its relationship to business survival in this pandemic. Data were gathered from twelve (12) small and medium-sized businesses in Santiago City, Isabela, Philippines in the second quarter of 2021. The quantitative-qualitative methodology was used to investigate the managerial capabilities of managers/owners and how such would drive the survival of commercial organizations in Santiago City. According to the findings, managers put in a lot of work on their responsibilities and duties to survive the pandemic's harsh business climate. Managers firmly agree that they have the competencies to allow the organization to operate continuously. Recovery planning, resilience, innovativeness and creativity, analytical thinking, integrated problem solving, and decision-making are among the skills necessary in the new normal. Managers of SMEs in Santiago, Philippines, claim to be competent as they can formulate immediate solutions to the problems brought by the pandemic in their operations. SME managers are resilient enough as they are able to create and implement plans even when confronted with challenges. Their employees who work under their supervision support this claim as they used various continuity measures, which has proven to be true. These competencies should not be disregarded because they are critical to the company's survival. However, due to a lack of liquidity and

profitability ratios, some businesses cannot meet current obligations and profit from their operations, as revealed in the financial statement analysis.

RECOMMENDATIONS

Everything in business has been altered due to the pandemic, and there is no going back. Transformations in the industry occur in the new future triggered by COVID-19 and how to survive in the aftermath as firms worldwide explore how to recover from the anguish brought by the coronavirus. Changes in operations will be more rapid, with a decrease in manual and repetitive work and increased demand for analytical and technical support. This transformation will necessitate significant labor participation and new skill training, given via digital means. In addition, more automation and technology will be deployed regularly. COVID-19 has accelerated the process. Managers and owners are debating whether or not to accept the new normal's challenge. A series of planning, analyzing, and problem-solving activities will be assessed, as well as complicated decision-making. Every day, managers and employees should be equipped with the competencies required by the future. Improving competencies is a continuous process. Managers learn from experiences, thus, improving performance when confronted by challenges.

The post-crisis stage, also known as the restoration phase, may take two to three years after most people have been vaccinated. During this stage, entrepreneurs are likely to have had more experience, expertise, and resources to recover from the crisis. The business recovery plan is now based on this understanding. Some solutions are presented below to assist managers/owners in sustaining their businesses following the COVID-19 epidemic.

People- In the end, we're all human. Companies should reconsider the modification of business models based on how their employees like to work. In circumstances where physical reporting in the workplace is required, businesses must protect workers from limiting the direct consequences of the coronavirus. Occupational safety and health measures, including social distance, supply of protective equipment, hygiene practices, and work organization, should be improved by business owners and management (supported by information and awareness campaigns). Encourage suitable flexibility in the workplace, such as teleworking and staggered hours. Improve and assure that all people, especially uninsured employees and their families, have access to publicly funded health care. To promote income security, expand access to collectively-financed paid benefits.

Process- Technology, automation, and analytics are all advancing at a rapid pace. The COVID-19 dilemma has hastened the digital transition. On the other hand, the top organizations are going above and beyond by upgrading and expanding their digital platforms. Digital technologies used to modify the present business model, alter how work is done, add a new dimension to contacts with customers,

contractors, and government agencies, and create new revenue and product prospects are known as digitalization. Managers can advance digital capabilities by increasing adoption of digital consumer tools (e-commerce, digital payments, entertainment, and so on); equipping and attracting digital talent; investing in fast, universal, terrestrial (e.g., fiber optics) and mobile broadband internet access; and using policy tools and regulation to ensure inclusive access to digital capabilities and protect consumers from privacy violations.

Product and Profit- To recoup from present revenue losses, consider renewing the product differentiation approach to a cost-leadership plan. Make a list of revenue prospects and rank them in order of importance. The company may attempt to restructure its business model/concept and plan (especially cash flow and budgeting). Try investing in new business and client preferences as well. For example, the shift to automation may necessitate frequent updates to the client database. Managers might devise ways for improving client experiences that are centered on improved health and safety.

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