DETERMINANTS OF ENTREPRENEURIAL SUCCESS AMONG MICRO, SMALL, AND MEDIUM ENTERPRISES IN AN EMERGING PHILIPPINE ECONOMY: EVIDENCE FROM A MIXED-METHODS STUDY

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ABSTRACT: *Micro, small, and medium enterprises (MSMEs) play a pivotal role in employment generation and regional economic development; however, the determinants of entrepreneurial success in emerging provincial economies remain insufficiently understood. Existing studies have largely examined either organizational or environmental factors independently and have seldom integrated quantitative and qualitative evidence from developing regional contexts. This study investigated the internal and external determinants of entrepreneurial success among MSMEs in Tandag City and Bislig City, Surigao del Sur, Philippines. A convergent parallel mixed-methods design was employed involving 74 successful entrepreneurs in the quantitative phase, complemented by qualitative interviews to enrich the interpretation of entrepreneurial experiences. Quantitative data were analyzed using descriptive statistics and correlation analysis, while qualitative data were examined through thematic analysis. The findings indicate that internal organizational capabilities exert a stronger influence on entrepreneurial success than external environmental conditions. Financial management, customer service, leadership, operational systems, and employee competence emerged as the most influential internal success factors, whereas legal compliance, technological adoption, and political stability were the strongest external contributors. Business success was reflected not only in financial growth, customer loyalty, and business expansion but also in improved psychological well-being, entrepreneurial confidence, resilience, and community contribution. Correlation analyses further demonstrated that effective internal management practices were significantly associated with both organizational performance and positive entrepreneurial outcomes. This study extends the Resource-Based View and Entrepreneurial Ecosystem perspectives by demonstrating that sustainable entrepreneurial success results from the interaction between strong organizational capabilities and supportive institutional environments. The findings provide evidence-based recommendations for policymakers, higher education institutions, entrepreneurship development organizations, and MSME support agencies to strengthen entrepreneurial competencies, improve institutional support mechanisms, and promote resilient and sustainable enterprise development in emerging regional economies.*

Keywords: entrepreneurial success; micro, small, and medium enterprises; mixed-methods research; entrepreneurial ecosystem; resource-based view; organizational capabilities; Philippines

I. INTRODUCTION

1. Background of the Study

Micro, small, and medium enterprises (MSMEs) constitute the backbone of national economies, accounting for the majority of business establishments worldwide and serving as critical drivers of employment generation, innovation, poverty reduction, and inclusive economic growth. Across both developed and developing countries, MSMEs contribute substantially to gross domestic product, stimulate local entrepreneurship, and enhance economic resilience, particularly during periods of economic uncertainty. In the post-pandemic era, governments and international development organizations have increasingly recognized MSMEs as essential catalysts for sustainable recovery, digital transformation, and the achievement of the United Nations Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure). Despite their significant economic contributions, MSMEs continue to experience high business mortality rates due to financial constraints, managerial limitations, technological disruption, market volatility, and increasingly competitive business environments.

Entrepreneurial success has consequently become a central concern in entrepreneurship and small business research. While successful entrepreneurship is commonly associated with financial growth and business expansion, contemporary scholarship recognizes that entrepreneurial success is multidimensional, encompassing organizational sustainability, innovation capability, customer satisfaction, resilience, leadership effectiveness, employee development, and the entrepreneur's psychological well-being. Understanding the determinants of entrepreneurial success is therefore essential not only for improving business performance but also for promoting long-term regional economic development and strengthening entrepreneurial ecosystems.

Although entrepreneurship has been extensively investigated across various national and international contexts, existing research presents several important limitations. Most empirical studies examine either internal organizational capabilities or external environmental conditions independently, providing only a partial understanding of entrepreneurial success. Furthermore, much of the existing evidence is derived from urban, metropolitan, or highly industrialized economies, while relatively little empirical attention has been devoted to entrepreneurs operating in emerging provincial economies where resource limitations, institutional constraints, and localized market conditions substantially influence business performance. Consequently, the applicability of existing findings to regional MSMEs remains uncertain.

Beyond these empirical limitations, a significant knowledge gap persists regarding the combined influence of internal organizational capabilities and external entrepreneurial ecosystem conditions on entrepreneurial success. Previous studies have frequently employed either quantitative or qualitative approaches in isolation, thereby limiting comprehensive understanding of the complex interactions among managerial competencies, organizational resources, institutional support, market conditions, and entrepreneurial outcomes. Mixed-methods investigations capable of integrating statistical relationships with entrepreneurs' lived experiences remain comparatively limited, particularly within the Philippine context.

A corresponding theoretical gap also exists. The Resource-Based View (RBV) explains organizational success through the possession and effective utilization of valuable, rare, inimitable, and non-substitutable internal resources, whereas the Entrepreneurial Ecosystem Theory emphasizes the importance of external institutional support, networks, markets, policy environments, culture, and infrastructure in fostering entrepreneurial development. Despite the complementary nature of these theoretical perspectives, they have rarely been integrated within a single empirical framework to explain entrepreneurial success among MSMEs operating in resource-constrained regional economies. Consequently, limited theoretical understanding exists regarding how internal organizational capabilities interact with external ecosystem conditions to influence sustainable entrepreneurial performance.

From a practical perspective, entrepreneurs continue to encounter considerable uncertainty regarding which organizational capabilities contribute most significantly to sustained business success. While numerous entrepreneurship studies provide managerial recommendations, many are derived from large firms or metropolitan business environments that differ substantially from the realities faced by MSMEs in provincial economies. Business owners, entrepreneurship educators, financial institutions, and business development organizations therefore possess limited context-specific evidence to guide strategic decision-making, capability development, and enterprise support initiatives tailored to regional entrepreneurial environments.

Similarly, a significant policy gap remains evident. Government programs designed to support MSME development frequently prioritize financial assistance, access to credit, regulatory compliance, and business registration reforms. Although these interventions are important, comparatively less emphasis has been placed on strengthening entrepreneurial competencies, leadership development, innovation capability, digital transformation, organizational management, and collaborative entrepreneurial ecosystems. Policymakers consequently require stronger empirical evidence identifying which internal and external factors most effectively contribute to sustainable entrepreneurial success in regional economies to support evidence-based policy formulation and resource allocation.

Addressing these knowledge, theoretical, practical, and policy gaps is particularly important in the Philippine setting, where MSMEs represent the overwhelming majority of business establishments and constitute a primary source of employment and local economic activity. In Surigao del Sur, entrepreneurs operate within distinctive socio-economic conditions characterized by evolving markets, geographical constraints, limited institutional resources, and expanding opportunities for regional enterprise development. Investigating entrepreneurial success within this context contributes valuable evidence from an underrepresented provincial economy while extending international entrepreneurship literature beyond metropolitan settings.

Accordingly, this study contributes to entrepreneurship scholarship in several ways. Theoretically**,** it integrates the Resource-Based View and Entrepreneurial Ecosystem Theory to provide a more comprehensive explanation of entrepreneurial success. Empirically, it contributes mixed-method evidence from a provincial Philippine context that remains largely underrepresented in international literature. Practically**,** the findings offer evidence-based guidance for entrepreneurs, business support organizations, higher education institutions, and entrepreneurship educators seeking to strengthen organizational capabilities and business sustainability. From a policy perspective**,** the study provides actionable insights for government agencies and MSME development institutions in designing more comprehensive entrepreneurship support programs that extend beyond financial assistance to include capability development, innovation promotion, and ecosystem strengthening.

Therefore, this study aimed to investigate the determinants of entrepreneurial success among micro, small, and medium enterprises in Tandag City and Bislig City, Surigao del Sur, Philippines. Specifically, it sought to: (1) describe the demographic and business characteristics of successful entrepreneurs; (2) examine the influence of internal organizational capabilities and external entrepreneurial ecosystem factors on entrepreneurial success; (3) determine the organizational and personal outcomes associated with entrepreneurial success; and (4) explore entrepreneurs' lived experiences, strategies, challenges, and recommendations for sustaining long-term entrepreneurial success.

2. Review of Related Literature

Demographic Profile

Entrepreneurial success is influenced by various factors, including age, gender, education, business structure, industry trends, and longevity of business**.** Understanding these elements is crucial for navigating the complexities of business management and sustainability. According to [1] age plays a significant role in entrepreneurship. Younger entrepreneurs are typically more risk-taking, innovative, and adaptable**,** but they often lack experience, connections, and financial resources**,** which can hinder business growth. In contrast, older entrepreneurs possess extensive industry knowledge, experience, and financial stability but tend to be more risk-averse and less adaptable to technological changes**.** Moreover, gender differences in leadership styles influence managerial approaches. [2] found that female managers are perceived as more transformational**,** emphasizing collaboration, inclusivity, and long-term vision**.** On the other hand**,** male leaders tend to adopt a more authoritative and task-focused approach**,** favoring direct decision-making with less consultation**.** These differing leadership styles can impact organizational culture, employee engagement, and overall business performance**.**

In addition, higher education plays a crucial role in entrepreneurial success. Entrepreneurship education enhances key competencies such as financial literacy, marketing strategies, operational efficiency, and risk management**.** Additionally, it equips entrepreneurs with the ability to develop structured business plans, which are essential for securing funding, mitigating risks, and ensuring long-term sustainability.

Furthermore, the choice of business structure significantly impacts a company's risk exposure, financial management, decision-making processes, adaptability, and regulatory compliance**.** [3] highlights that Sole proprietorships and general partnerships expose owners to greater financial risk because of unlimited personal liability, whereas corporations generally provide limited liability protection by separating the legal identity of the business from that of its owners. In contrast, corporations provide limited liability protection by establishing a legal entity separate from their owners, thereby protecting shareholders' personal assets. Financial resources also vary where sole proprietors rely on personal funds, corporations raise capital through stock issuance, and cooperatives depend on member contributions**.** Decision-making structures differ as well; sole proprietors make quick decisions, partnerships emphasize collaboration, corporations follow structured processes, and cooperatives operate democratically**.** While smaller businesses are more agile**,** corporations and cooperatives often face bureaucratic challenges**.** Thus, selecting the appropriate business structure based on financial capacity, industry trends, and strategic goals is key to long-term success.

Additionally, different industries impact business success or failure based on market demand, economic conditions, and consumer trends**.** [4] observed that wholesale and retail businesses increasingly benefit from expanding e-commerce markets and changing consumer demand, while traditional retail formats operating in declining markets face greater competitive pressure and must adapt their business models to remain sustainable. The financial industry fosters economic growth but remains vulnerable to downturns**.** The food industry is shaped by consumer preferences and economic shifts, with fast food businesses often outperforming fine dining establishments. Other sectors, such as manufacturing, healthcare, and technology, drive innovation, employment, and economic development**.** Businesses must continuously adapt to industry trends to remain competitive.

Finally, business longevity significantly influences its likelihood of success or failure**.** According to the [5], business establishment survival rates decline steadily over time, indicating that a substantial proportion of newly established firms exit the market within their first several years of operation. This pattern underscores the importance of organizational capabilities, strategic management, and supportive entrepreneurial ecosystems in sustaining long-term business performance. For instance, of the private-sector establishments born in March 2013, only 34.7% remained operational a decade later in 2023**.** This data underscores the challenges businesses face as they grow and evolve**,** highlighting the importance of strategic planning, financial stability, and adaptability in ensuring long-term sustainability**.**

Employees and human resources also play a decisive role in determining business success or failure. Poor leadership can compromise the overall direction and strategy of an organization, resulting in operational inefficiencies and strategic misalignments. Similarly, the role of machinery and equipment cannot be underestimated. Proper upkeep and maintenance are essential for sustaining productivity and preventing costly downtimes. In terms of materials and operational concerns, rising operational costs pose a major threat to profitability and long-term viability.

Internal processes and systems also exert a substantial influence on business performance. Structured systems are necessary to ensure operational consistency and efficiency. [6] found that unclear or missing standard operating procedures (SOPs), coupled with poor coordination among leaders, create task ambiguity that diminishes performance quality, reduces employee motivation, and ultimately degrades work output. Finally, the market and customer aspect remain a pivotal area influencing business outcomes

Indicators of Business Success

Business success is driven by multiple interrelated factors that collectively contribute to financial stability, market strength, customer satisfaction, operational efficiency, internal management, and risk mitigation. Among these, financial performance indicators such as revenue growth, profitability, and positive cash flow are fundamental to sustaining and scaling business operations. Revenue growth, in particular, reflects strong market demand, effective sales strategies, and consistent income streams. It serves as a vital signal of a company's ability to meet market needs, attract and retain customers, and maintain competitiveness. A steady increase in revenue indicates successful marketing, pricing, and sales efforts, which ultimately drive higher profitability and financial resilience. This financial robustness enables businesses to reinvest, expand, and navigate economic fluctuations, reinforcing their long-term viability.

Equally important are market and customer-related indicators**,** which offer valuable insights into a company’s competitive positioning and sustainability. High levels of customer satisfaction and retention are critical drivers of repeat business, increased profitability, and enhanced brand reputation. According to [7], organizations that cultivate customer loyalty and maximize customer lifetime value are more likely to achieve stable revenue streams, stronger customer retention, and sustainable competitive advantage through the delivery of superior customer value and relationship management.

In addition, operational indicators gauge the efficiency and effectiveness of a company’s internal processes. These metrics enable businesses to identify operational bottlenecks, optimize resource allocation, and maintain consistent quality in products and services. [8] emphasize that delivering superior customer value through consistently high-quality products, services, and customer experiences strengthens customer satisfaction, trust, and loyalty, thereby enhancing brand equity and creating sustainable competitive advantage.

A healthy workforce and positive organizational culture are also critical success factors. Motivating and retaining employees through supportive workplace practices fosters engagement, enhances morale, and reduces turnover. [9] emphasize that strategically designed compensation systems, including incentive programs and employee benefits, enhance employee motivation, job satisfaction, retention, and organizational performance.

Finally, the ability to become a resilient and future-ready organization is increasingly vital in today's fast-evolving business landscape. Embracing digital transformation equips companies with dynamic capabilities to swiftly respond to changing market demands and intensifying competitive pressures. [10] emphasize that digital transformation enhances organizational adaptability, innovation capability, and resilience, enabling firms to respond effectively to rapidly changing business environments.

Contributing Factors of Business Success: Internal Factors

The internal factors contributing to business success encompass several critical domains, including financial management, human resources, machinery and equipment, materials and operations, processes and systems, and customer market management.

The financial aspect underscores the vital role of organized financial management in maintaining business stability, making prudent investment decisions, and fostering sustainable growth. [11] emphasize that effective financial planning and budgeting enhance organizational financial performance by improving cost discipline, supporting strategic resource allocation, strengthening financial monitoring, and increasing organizational adaptability in dynamic business environments. These practices improve resource allocation and strengthen financial control within the organization, enabling long-term viability.

In the realm of employees and human resources, the possession of adequate knowledge, skills, positive attitudes, competence, and experience among staff, owners, and management is fundamental to business success. [12] emphasize that employee competence, encompassing knowledge, skills, behaviors, and attitudes, is a critical determinant of individual performance and organizational effectiveness. Continuous workforce development enables organizations to improve productivity, adaptability, and long-term competitiveness.

Investment in advanced manufacturing technologies and modern production equipment enhances operational efficiency, product quality, production flexibility, and overall business performance, particularly when supported by effective management and workforce capability development [13]. [14] explain that effective cost management strategies—including waste minimization, efficient resource utilization, and continuous cost monitoring—improve organizational profitability by strengthening operational efficiency and supporting long-term business sustainability.

Finally, the customer market aspect emphasizes the importance of delivering excellent customer service and maintaining prompt responsiveness. [15] emphasize that superior service quality and prompt responsiveness enhance customer satisfaction, strengthen customer loyalty, encourage repeat patronage, and contribute to sustainable business growth by fostering long-term customer relationships.

Despite extensive evidence regarding leadership, innovation, and financial capability, relatively few studies have examined how these organizational capabilities interact simultaneously within resource-constrained provincial MSMEs.

Contributing Factors of Business Success: External Factors

External factors play a crucial role in shaping business success by influencing the broader environment in which organizations operate. These include political, economic, social, technological, environmental, and legal dimensions.

Political factors are fundamental in fostering a conducive business environment. A stable government and predictable political climate enhance investor confidence and ensure uninterrupted business operations. [16] highlights that stable political and regulatory environments encourage foreign direct investment by reducing uncertainty and improving the investment climate, thereby creating greater growth opportunities for businesses.

The economic factor emphasizes the impact of sustained economic growth and macroeconomic stability on business success. **The** [17] emphasizes that stable macroeconomic conditions promote income growth, strengthen consumer purchasing power, and expand market opportunities, thereby creating a favorable environment for business expansion and long-term profitability.

Social factors pertain to the importance of building and maintaining high brand trust and positive public perception. These elements strengthen customer loyalty and confer a competitive advantage by fostering long-term relationships and a strong reputation. Chaudhuri et al. (2001) explain that brand trust directly influences brand loyalty, which subsequently enhances brand performance and market competitiveness.

Technological factors focus on the effective adoption and integration of new technologies. Leveraging modern technological advancements not only optimizes internal operations but also improves customer satisfaction and market responsiveness. The authors found that digital transformation significantly enhances innovation by improving innovation efficiency, accelerating knowledge conversion, and strengthening firms' competitive capabilities [18].

In terms of environmental factors, commitment to sustainable and eco-friendly practices increasingly influences consumer preferences. Sustainability strategies, consumer engagement mechanisms, and environmentally responsible business practices are increasingly important for attracting and retaining environmentally conscious customers in competitive markets [19]

Finally, legal factors highlight the importance of strict compliance with laws and regulations. Adhering to legal standards reduces risk exposure and fosters ethical business conduct. Robust compliance programs mitigate legal and regulatory risks, safeguard organizational assets, enhance corporate reputation, and strengthen operational resilience by allowing businesses to maintain strategic focus with minimal disruption [20].

Although institutional support and market conditions are widely acknowledged as important determinants of entrepreneurial success, existing studies rarely explain how entrepreneurs leverage external opportunities together with internal organizational strengths to sustain long-term business performance.

Effects of Business Success on Business

Business success yields numerous positive effects that reinforce growth, stability, and competitive positioning across multiple dimensions.

Financial Growth and Stability is a primary effect of business success. Higher business valuation not only reflects a company's financial strength and future growth potential but also attracts investors and potential buyers seeking valuable investment opportunities.

Market and Customer Expansion is another significant effect. A strong positive reputation drives improved customer acquisition and retention by attracting new customers while maintaining the loyalty of existing ones. Companies that establish a strong brand reputation and consistently deliver customer satisfaction are more likely to attract new customers, foster customer loyalty, and improve customer retention, thereby supporting sustained organizational growth [21].

Operational Excellence emerges as a crucial outcome of business success. Improved efficiency and productivity result from optimized processes and effective resource management, which reduce waste and maximize output. Scalable and sustainable operational practices enable businesses to accommodate organizational growth while maintaining operational efficiency, long-term performance, and resilience in dynamic business environments [22]

Within the realm of Workforce and Organizational Strength**,** competitive incentive programs serve to increase employee retention, loyalty, and engagement. Well-designed incentive and reward systems significantly enhance employee motivation and work engagement, which strengthen organizational commitment and contribute to sustained employee and organizational performance [23]

Finally, External and Strategic Opportunities expand as a direct effect of business success. An enhanced industry reputation builds credibility and solidifies a company's position as a leader within its sector. It explain that a strong and positive corporate reputation increases stakeholder confidence, reinforcing leadership status and opening doors to strategic partnerships, market opportunities, and influence within the industry.

Effects of Business Success on the Individual Entrepreneur

Business success profoundly impacts entrepreneurs across multiple domains—physical, psychological, emotional, social, and behavioral—shaping their overall well-being and future decision-making.

In the Physical Effect domain, business success often contributes to improved physical health by alleviating stress and increasing access to wellness resources. It explains that achieving success reduces financial and job-related stress, which in turn has a positive effect on physical well-being, supporting healthier lifestyles and better stress management.

Within the Psychological and Mental Effects**,** success enhances confidence and self-efficacy, empowering entrepreneurs to make bolder decisions and take calculated risks. It highlights that higher entrepreneurial self-efficacy significantly boosts confidence, enabling entrepreneurs to make more decisive, informed, and risk-aware choices. This empowerment is critical for fostering innovation and driving growth in entrepreneurial ventures.

Regarding Emotional Effects**,** entrepreneurs often experience heightened happiness and satisfaction when their efforts yield positive outcomes. It notes that entrepreneurial success contributes to enhanced psychological well-being, including increased happiness and a sense of fulfillment. Recognizing the tangible results of their hard work reinforces motivation and personal gratification.

In the Social Effects domain, business success enhances an entrepreneur's reputation and credibility, attracting valuable partnerships, investments, and community respect. It argues that organizations with strong corporate reputations are better positioned to gain the confidence of investors, customers, employees, and other stakeholders. This reputational capital enhances organizational credibility, facilitates access to financial resources, and strengthens trust and support from the broader community, thereby contributing to sustainable competitive advantage.

Finally, Behavioral Effects manifest as increased willingness to take calculated risks following success. Prior entrepreneurial successes enhance self-efficacy, strengthen confidence, and increase entrepreneurs' willingness to engage in calculated risk-taking and pursue new business opportunities. This increased risk propensity enables entrepreneurs to leverage heuristics and learned insights from past ventures, making more strategic, informed decisions that propel future business growth.

Previous research has predominantly measured entrepreneurial success using financial indicators, whereas comparatively limited attention has been devoted to psychological well-being, entrepreneurial resilience, life satisfaction, and community contribution.

3. Theoretical and Conceptual Framework

This study is grounded in several foundational theories that explain the dynamics of business success and failure among micro and small enterprise (MSME) entrepreneurs.

Complementing this internal process, 3.1 Resource-Based View. Jay Barney's Resource-Based View (RBV) posits that firm-specific resources and capabilities—including effective financial management, skilled human capital, and efficient operational systems—constitute strategic assets that enable organizations to achieve sustained competitive advantage and long-term business success [24] However, the possession of valuable internal resources alone is insufficient in rapidly changing markets; organizations must also continuously adapt these capabilities to evolving external conditions to sustain competitive performance [25].

Here, 3.2 Entrepreneurial Ecosystem Theory. Daniel Isenberg's Entrepreneurial Ecosystem Theory emphasizes that entrepreneurial success depends on a supportive ecosystem comprising government policies, accessible finance, favorable market conditions, human capital, supportive institutions, infrastructure, and collaborative networks, all of which interact to create an enabling environment for entrepreneurial growth and innovation [28] [27] [28].

Furthermore, the enhancement of entrepreneurial capacity through education and training is informed by 3.3 Human Capital Theory. Gary Becker's Human Capital Theory posits that investments in education, training, knowledge, and skills enhance individual productivity and contribute to improved organizational performance and long-term business success [29]. This perspective is complemented by Kolb's Experiential Learning Theory, which argues that knowledge is created through the transformation of experience, enabling entrepreneurs to continuously refine their skills, adapt to changing environments, and improve decision-making through cycles of experience, reflection, conceptualization, and experimentation [30].

Conceptually, the framework posits that business success among MSME entrepreneurs' results from the interplay of internal factors such as financial management, leadership, operational processes, and customer service and external factors, including political stability, regulatory environments, market access, and technological infrastructure. Entrepreneurial learning and resilience serve as dynamic mechanisms that enable entrepreneurs to adapt, innovate, and grow despite challenges. These factors collectively influence key business outcomes, which in turn affect the entrepreneur's psychological well-being, social reputation, and future behavior. Successful businesses tend to enhance entrepreneurs' confidence, motivation, and community standing. The framework underscores the need for integrated interventions that simultaneously strengthen internal capabilities and external support systems to cultivate a sustainable and inclusive entrepreneurial ecosystem.

Collectively, the reviewed literature demonstrates that entrepreneurial success is influenced by a complex interaction of internal organizational capabilities and external entrepreneurial ecosystem conditions. Nevertheless, several important gaps remain. Empirically, previous studies have generally examined these dimensions independently rather than simultaneously. Methodologically, entrepreneurship research continues to rely predominantly on single-method approaches, limiting comprehensive understanding of entrepreneurs' lived experiences alongside measurable organizational outcomes. Theoretically, limited studies integrate the Resource-Based View with Entrepreneurial Ecosystem Theory within a unified explanatory framework. Contextually, empirical evidence from provincial economies in developing countries remains comparatively scarce, reducing the generalizability of existing findings to resource-constrained MSMEs. From a practical perspective, entrepreneurs continue to lack context-specific guidance regarding the organizational capabilities that most strongly contribute to sustainable success. Similarly, policymakers possess limited empirical evidence for designing entrepreneurship support programs that integrate capability development with ecosystem strengthening. Addressing these empirical, methodological, theoretical, contextual, practical, and policy gaps provides the rationale for the present mixed-method investigation of entrepreneurial success among MSMEs in Surigao del Sur, Philippines.

II. MATERIALS AND METHODS

This study employs a convergent parallel mixed-methods approach to analyze entrepreneurial successes and failures in Tandag City and Bislig City, Surigao del Sur. The quantitative component uses a descriptive survey method to gather numerical data from entrepreneurs, assessing financial management, marketing, leadership, and external factors through structured questionnaires. Descriptive and inferential statistics were used to identify patterns. The qualitative component followed a phenomenological design, utilizing interviews and surveys to explore challenges, decision-making, and coping strategies through thematic analysis. Participants from key commercial hubs were selected via purposive and snowball sampling. Data collection includes validated semi-structured questionnaires, and findings were integrated for a comprehensive understanding of entrepreneurial experiences.

Research Design

This study adopted a pragmatic research paradigm and employed a convergent parallel mixed-methods design to comprehensively investigate the determinants of entrepreneurial success among micro, small, and medium enterprises (MSMEs) in Tandag City and Bislig City, Surigao del Sur, Philippines. The pragmatic paradigm was selected because it recognizes that complex social phenomena such as entrepreneurial success cannot be adequately understood through a single methodological approach. Instead, it advocates the integration of quantitative and qualitative evidence to generate a more comprehensive and contextually grounded understanding of the research problem.

A convergent parallel mixed-methods design, as described by Creswell and Plano Clark, was deemed most appropriate because it enabled the simultaneous collection of quantitative and qualitative data during the same phase of the study. The quantitative component examined patterns and relationships among factors associated with entrepreneurial success, while the qualitative component explored entrepreneurs' lived experiences, business strategies, perceived challenges, and contextual factors influencing long-term business sustainability. Conducting both strands concurrently allowed each dataset to provide complementary perspectives on the same phenomenon while minimizing the influence of temporal changes in the business environment.

The quantitative and qualitative datasets were analyzed independently using methods appropriate to each approach. Quantitative data were analyzed using descriptive and inferential statistical techniques to identify patterns, relationships, and significant factors associated with entrepreneurial success. Qualitative interview data were analyzed through reflexive thematic analysis to identify recurring themes, meanings, and experiential insights. Maintaining separate analyses preserved the methodological integrity of each strand while allowing each to address different dimensions of the research objectives.

Integration of the two datasets occurred during the interpretation phase through methodological triangulation**.** Quantitative findings identified the relative importance and statistical relationships among entrepreneurial success factors, whereas qualitative findings provided contextual explanations, practical illustrations, and deeper insights into these relationships. Areas of convergence enhanced confidence in the findings by demonstrating consistency across methods, while areas of divergence were critically examined to identify contextual, organizational, or experiential factors that could explain observed differences. This integrative approach strengthened the credibility, completeness, and explanatory power of the study beyond what either quantitative or qualitative methods could achieve independently.

The convergent parallel mixed-methods design was particularly appropriate because entrepreneurial success is inherently multidimensional, encompassing measurable organizational outcomes as well as subjective entrepreneurial experiences, perceptions, and adaptive strategies. By integrating numerical evidence with rich qualitative narratives, the study captured both the measurable determinants and the contextual realities of entrepreneurial success within an emerging provincial economy. This methodological approach therefore provided a more holistic understanding of how internal organizational capabilities and external environmental conditions collectively influence sustainable entrepreneurial success among MSMEs.

The overall research design aligns with the study's objectives of examining the determinants of entrepreneurial success while generating evidence that is statistically robust, contextually meaningful, and practically relevant for entrepreneurs, policymakers, higher education institutions, and MSME development agencies. Through the integration of complementary quantitative and qualitative evidence, the study enhances methodological rigor, supports triangulation of findings, and contributes a comprehensive understanding of entrepreneurial success within the Philippine regional context.

Research Locale

The study was conducted in Tandag City and Bislig City**,** the two component cities of the Province of Surigao del Sur, located in the Caraga Region of northeastern Mindanao, Philippines. These cities were purposively selected because they serve as the province's principal economic and commercial centers, where micro, small, and medium enterprises (MSMEs) significantly contribute to local employment generation, income creation, and regional economic development. Their dynamic entrepreneurial environments provide an appropriate setting for investigating the organizational and environmental factors associated with entrepreneurial success.

Tandag City, the provincial capital, functions as the administrative, educational, and commercial hub of Surigao del Sur. It hosts a diverse range of MSMEs engaged in retail trade, hospitality, food services, transportation, professional services, manufacturing, and other service-oriented industries. As the center of government operations and public services, Tandag offers relatively greater access to business support institutions, financial services, educational establishments, and entrepreneurial development programs. These characteristics make it an important setting for examining how organizational capabilities and institutional support contribute to entrepreneurial success.

Bislig City, the province's largest city in terms of land area and one of its major industrial and commercial centers, exhibits a distinct entrepreneurial landscape shaped by its historical industrial base, expanding service sector, tourism activities, and growing local enterprises. MSMEs in Bislig operate within diverse market conditions that differ from those of the provincial capital, thereby providing complementary insights into how entrepreneurs respond to varying economic opportunities, competitive pressures, and institutional environments. Including Bislig City broadens the contextual scope of the study and enhances the transferability of its findings across different provincial business settings.

The inclusion of both cities enabled the study to capture variations in entrepreneurial experiences across two economically significant urban centers while remaining within a common provincial context. Although both cities operate under the same regional and national policy framework governing MSME development, they differ in market size, business concentration, accessibility to support services, and local economic activities. Examining these complementary contexts facilitated a more comprehensive understanding of how internal organizational capabilities and external entrepreneurial ecosystem conditions interact to influence entrepreneurial success.

The selection of Tandag City and Bislig City was further justified by the concentration of established MSMEs and the availability of entrepreneurs who satisfied the study's inclusion criteria. Their active business communities provided an adequate pool of participants representing diverse industries, years of operation, and entrepreneurial experiences, thereby enriching both the quantitative and qualitative components of the investigation.

By situating the research within these two provincial cities, the study contributes empirical evidence from an underrepresented regional setting in the Philippines. Much of the existing entrepreneurship literature has focused on metropolitan or highly urbanized areas, whereas comparatively limited research has examined entrepreneurial success within emerging provincial economies characterized by different institutional conditions, market structures, and resource environments. Consequently, the chosen research locale strengthens the contextual relevance of the study and contributes to a more geographically diverse understanding of entrepreneurial success among MSMEs.

Respondents of the Study

The respondents of this study comprised successful micro, small, and medium enterprise (MSME) entrepreneurs operating in Tandag City and Bislig City**,** Surigao del Sur, Philippines. These entrepreneurs served as the primary source of both quantitative and qualitative data because they possess direct knowledge and practical experience regarding the organizational, environmental, and personal factors contributing to sustainable entrepreneurial success. Their experiences provided valuable empirical evidence for understanding the complex interplay between internal organizational capabilities, external entrepreneurial ecosystem conditions, and business performance.

For the quantitative component**,** the study included 74 successful MSME entrepreneurs selected through purposive sampling based on predetermined inclusion criteria. Participants were required to: (1) own or manage a legally operating MSME within Tandag City or Bislig City; (2) have maintained continuous business operations for a sufficient period to demonstrate business stability and sustainability; (3) exhibit recognized indicators of entrepreneurial success, such as business continuity, growth, profitability, customer retention, or market expansion; and (4) voluntarily agree to participate in the study. Purposive sampling was considered appropriate because the study sought respondents with substantial entrepreneurial experience and firsthand knowledge of the factors influencing business success rather than a representative sample of all business owners.

The sample size was considered adequate to address the quantitative objectives of the study by providing sufficient observations for descriptive and inferential statistical analyses. Selecting entrepreneurs from diverse industry sectors—including retail, services, hospitality, food, manufacturing, and other local enterprises—enhanced the breadth of perspectives represented in the dataset and increased the applicability of the findings across various MSME contexts within the province.

For the qualitative component, participants were also selected using purposive sampling**,** with emphasis on identifying information-rich cases capable of providing detailed insights into entrepreneurial experiences, business strategies, leadership practices, organizational challenges, and adaptive responses to changing business environments. Participants represented varying business sizes, years of entrepreneurial experience, and industry sectors to capture diverse perspectives on entrepreneurial success. Data collection continued until thematic saturation was achieved, indicating that subsequent interviews generated no substantially new themes or conceptual insights. The use of saturation enhanced the credibility and completeness of the qualitative findings by ensuring adequate exploration of the phenomenon under investigation.

The integration of quantitative and qualitative participants enabled the study to capture both measurable patterns and in-depth experiential accounts of entrepreneurial success. While the quantitative respondents provided evidence regarding the prevalence and relationships of key entrepreneurial success factors, the qualitative participants offered contextual explanations that enriched the interpretation of statistical findings. This complementary participant selection strategy is consistent with the principles of convergent parallel mixed-methods research**,** in which both datasets contribute equally to a comprehensive understanding of the research problem.

Overall, the respondent selection process was guided by the principle of obtaining participants who possessed the experience, knowledge, and contextual understanding necessary to address the study's objectives. By focusing on established and successful entrepreneurs from two major economic centers in Surigao del Sur, the study generated contextually relevant evidence capable of informing entrepreneurship research, MSME development initiatives, and policy interventions aimed at promoting sustainable entrepreneurial success in emerging regional economies.

Scope and Limitation

This study investigated the determinants of entrepreneurial success among micro, small, and medium enterprises (MSMEs) operating in Tandag City and Bislig City, Surigao del Sur, Philippines. Specifically, it examined how internal organizational capabilities and external entrepreneurial ecosystem factors influence entrepreneurial success and explored the organizational and personal outcomes associated with sustained business performance. Adopting a convergent parallel mixed-methods design**,** the study integrated quantitative and qualitative evidence to provide a comprehensive understanding of entrepreneurial success within a provincial business context.

The quantitative component focused on measuring the relationships among key organizational and environmental factors associated with entrepreneurial success, while the qualitative component explored entrepreneurs' lived experiences, strategic practices, perceived challenges, and recommendations for sustaining long-term business success. By integrating numerical data with narrative accounts, the study sought to generate a holistic understanding of entrepreneurial success that extends beyond traditional financial performance indicators to include organizational resilience, leadership, innovation, and entrepreneurial well-being.

The study was confined to successful MSME entrepreneurs who met the established inclusion criteria and were operating businesses within the selected research locales during the period of data collection. Participants represented diverse industry sectors, including retail, services, hospitality, food, manufacturing, and other locally established enterprises, thereby providing a broad perspective on entrepreneurial success within the provincial economy. However, the findings are interpreted within the context of these selected participants and are not intended to represent all entrepreneurs or business sectors in the Philippines.

Several limitations should be considered when interpreting the findings. First, the study was geographically limited to Tandag City and Bislig City**;** consequently, the results may not fully reflect entrepreneurial conditions in other provinces, highly urbanized cities, or international settings with different economic, institutional, and cultural environments. Second, the use of purposive sampling prioritized information-rich participants with demonstrated entrepreneurial success rather than statistical representativeness. While this approach was appropriate for addressing the study objectives, it limits the generalizability of the quantitative findings beyond similar entrepreneurial contexts.

Third, the quantitative findings relied primarily on self-reported data**,** which may be influenced by recall bias, social desirability bias, or respondents' subjective perceptions despite efforts to encourage honest and accurate responses. Fourth, the qualitative findings reflect participants' individual experiences and interpretations, which are inherently context-specific and may not capture every dimension of entrepreneurial success. To enhance credibility, the study employed methodological triangulation, systematic data analysis, and established procedures to ensure the trustworthiness of qualitative findings.

Finally, the study adopted a cross-sectional design**,** capturing entrepreneurial experiences and organizational conditions at a single point in time. Consequently, the findings identify associations among the variables investigated but do not establish causal relationships or account for changes in entrepreneurial success over time. Future research employing longitudinal**,** comparative, or multi-regional designs could provide deeper insights into the dynamic nature of entrepreneurial success and further validate the applicability of the present findings across broader geographical and institutional contexts.

Despite these limitations, the study provides robust empirical evidence on the determinants of entrepreneurial success within an underrepresented provincial setting in the Philippines. The integration of quantitative and qualitative evidence enhances the credibility, depth, and contextual relevance of the findings, contributing valuable theoretical, empirical, practical, and policy insights for entrepreneurship research, MSME development, and regional economic planning.

Research Instrument

The study utilized researcher-developed quantitative and qualitative instruments designed to collect comprehensive data on the determinants of entrepreneurial success among micro, small, and medium enterprises (MSMEs). The instruments were developed through an extensive review of contemporary literature on entrepreneurship, organizational capability, entrepreneurial ecosystems, and business performance, ensuring alignment with the study's conceptual framework, research objectives, and theoretical foundations, particularly the Resource-Based View (RBV) and Entrepreneurial Ecosystem Theory**.**

Quantitative Research Instrument

The quantitative component employed a structured survey questionnaire consisting of two major sections. The first section gathered respondents' demographic and business profile information, including age, sex, educational attainment, years of business operation, business sector, business size, and other organizational characteristics relevant to the study. These variables provided contextual information necessary for describing the respondents and interpreting the quantitative findings.

The second section measured the principal constructs related to entrepreneurial success, including internal organizational capabilities**,** external entrepreneurial ecosystem factors, and entrepreneurial success outcomes**.** The questionnaire contained multiple indicators for each construct derived from established entrepreneurship and management literature. Responses were measured using a five-point Likert scale**,** ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)**,** enabling respondents to indicate the extent to which each statement reflected their entrepreneurial experiences and business practices. The use of a standardized response format facilitated consistent measurement and subsequent statistical analysis.

The questionnaire was designed to generate reliable quantitative evidence regarding the relationships among organizational capabilities, external environmental conditions, and entrepreneurial success while maintaining clarity, relevance, and ease of administration.

Qualitative Research Instrument

The qualitative component utilized a semi-structured interview guide designed to obtain in-depth insights into entrepreneurs' experiences, business strategies, leadership practices, decision-making processes, challenges encountered, and perceptions of entrepreneurial success. Semi-structured interviews were selected because they provide sufficient flexibility to explore participants' perspectives while ensuring consistency across interviews through a common set of guiding questions.

The interview guide was organized around the major themes reflected in the quantitative instrument to facilitate meaningful integration of findings during data interpretation. Open-ended questions encouraged participants to elaborate on their entrepreneurial journeys, organizational practices, adaptive strategies, external support mechanisms, and recommendations for achieving long-term business sustainability. Follow-up and probing questions were used when necessary to clarify responses and obtain richer contextual information.

The combination of structured questionnaires and semi-structured interviews enabled the study to capture both measurable organizational patterns and the contextual experiences underlying entrepreneurial success, thereby enhancing the comprehensiveness of the mixed-methods investigation.

Instrument Development and Validation

Both research instruments underwent a systematic development and validation process to ensure their content relevance, clarity, and methodological rigor. Initial questionnaire and interview items were generated from an extensive review of peer-reviewed literature and established theoretical frameworks related to entrepreneurship and MSME development. The preliminary instruments were subsequently evaluated by a panel of experts with expertise in entrepreneurship, business management, research methodology, and instrument development to assess content validity, conceptual alignment, clarity of language, and appropriateness of the items.

Recommendations provided by the expert validators were incorporated through revisions that improved item wording, eliminated ambiguous statements, refined question sequencing, and strengthened alignment with the study objectives. Following expert review, the quantitative questionnaire was pilot tested among entrepreneurs who possessed characteristics similar to those of the target respondents but were not included in the final study. The pilot test assessed item clarity, questionnaire administration procedures, and internal consistency.

Reliability analysis was conducted using Cronbach's alpha coefficient to evaluate the internal consistency of the instrument. The resulting reliability coefficients met or exceeded the generally accepted standards for social science research, indicating satisfactory internal consistency and supporting the instrument's suitability for the main data collection. Necessary refinements identified during the pilot phase were incorporated before administering the final questionnaire.

Similarly, the semi-structured interview guide underwent expert review and refinement to ensure that the interview questions effectively elicited detailed, relevant, and contextually meaningful responses. Minor revisions improved the sequencing of questions, enhanced clarity, and ensured consistency with the study objectives and theoretical framework.

III. RESULTS AND DISCUSSION

Based on the profile of the 74 respondents, most business owners fall within the age range of 36–45 years old (39%), followed by those aged 46–55 (34%), indicating that middle-aged individuals dominate micro and small enterprise (MSME) ownership. Only a small percentage (5%) are aged 18–25, suggesting that business engagement is less common among the younger population. In terms of sex, a significant majority are female (78%), showing strong female participation in small-scale business ownership. Regarding educational attainment, over half (54%) are college graduates, while only a few (3%) finished elementary school, implying that most entrepreneurs in this group have relatively high educational backgrounds.

Almost all businesses are operated as sole proprietorships (99%), a typical setup for microenterprises, with minimal representation from partnerships (1%). In terms of business size, the majority (86%) are microenterprises, with only 14% classified as small enterprises. The industry sector is heavily concentrated in wholesale and retail (98%), while accommodation, food services, and leasing each account for only 1%, showing low diversification in business types. Most respondents have been in business for 4–7 years (54%), and 36% have operated for 1–3 years, reflecting some level of stability and experience. In their current business, 62% have been operating for 1–3 years, 23% for 4–7 years, and 11% for less than a year. However, this portion of the data appears to have a misreported total (288), which may require correction.

Most (99%) have managed 1–3 businesses since they started, showing limited experience with multiple ventures. A large portion (88%) had also been engaged in the wholesale and retail sector before their current business, reinforcing the trend toward retail-oriented enterprises. Other prior industries include rental services (5%), agriculture (5%), and accommodation and food services (3%). Despite these setbacks, 66% of the respondents reported having experienced business success, while 34% had not, indicating that many entrepreneurs continue to persevere and rebuild after failure. This profile reflects a resilient and experienced group of entrepreneurs, predominantly women, engaged mostly in micro-level retail businesses with varying degrees of past business success and failure.

A. Quantitative Findings

Demographic Profile of Respondents who experienced Business Success

Despite the high failure rate, 66% of the respondents have also experienced business success**,** while 34% have not**,** showing that many entrepreneurs were able to recover and continue doing business successfully after a failure.

Overall, the data presents a picture of experienced, educated, female-dominated, retail-focused microentrepreneurs**,** many of whom have undergone both failure and success. The concentration in micro-scale retail operations and the trend of early-stage business closure are key themes that emerge from the analysis.

Indicators of Business Success

Based on the analysis of each indicator, the statements with the highest weighted means provide valuable insights into the primary drivers of business success.

In the area of Strong Financial Health**,** the highest-rated factor was *revenue growth* (mean = 3.878), indicating that respondents strongly associate increasing income with robust market demand and effective sales strategies. This finding suggests that sustained revenue growth reflects successful marketing, competitive pricing, and efficient sales efforts, all of which lead to higher profitability and greater financial stability. A sustained increase in revenue strengthens firms' financial capacity to expand operations, reinvest in innovation, and enhance resilience against economic disruptions, thereby supporting long-term organizational viability [31]

For Competitive Market Position**,** *high customer satisfaction and retention rate* emerged as the top-rated factor (mean = 3.892), underscoring that loyal and satisfied customers are essential for sustaining long-term success and maintaining a competitive edge. By fostering customer loyalty and enhancing lifetime value, businesses can secure a stable revenue base and reduce vulnerability to market fluctuations. This finding is consistent with [32] that higher customer satisfaction leads to stronger customer loyalty, improved market share, and enhanced business performance.

In terms of Efficient and Reliable Processes**,** *consistent product and service quality* received the highest rating (mean = 3.811), emphasizing that maintaining high standards is critical to building customer trust and reinforcing brand reputation. [33] argue that consistently delivering high-quality products and superior customer value enhances customer satisfaction, encourages repeat purchases, strengthens customer loyalty, and contributes to a firm's sustained competitive advantage.

Within the category of Healthy Workforce and Culture, *employee incentives and benefits* were rated highest (mean = 3.838), reflecting the crucial role of motivating and retaining a skilled workforce through supportive workplace practices. It note that well-designed incentive programs and comprehensive benefits packages foster employee engagement, improve morale, and reduce turnover—outcomes that directly contribute to enhanced organizational performance.

Finally, in the Resilient and Future-Ready Organization category, *adoption of digital transformation* achieved the highest score overall (mean = 3.973), signaling strong recognition of technology's role in enabling adaptability, operational efficiency, and long-term sustainability. It emphasizes that digital transformation equips organizations with dynamic capabilities, allowing them to respond swiftly to evolving market demands and competitive pressures, thereby increasing resilience and strategic agility.

Overall, these findings underscore the importance of integrating strategic, operational, and people-centered approaches to achieve business success. A focus on financial growth, customer loyalty, quality standards, workforce well-being, and technological readiness provides a comprehensive foundation for long-term viability and competitive advantage.

Causes/ Contributing Factors to Business Success – Internal Factors

The analysis of the internal factors contributing to business success reveals that all indicators received a "Strongly Agree" interpretation, underscoring their critical importance to the growth and sustainability of micro and small enterprises (MSEs).

In the financial aspect, the highest-rated statement was that *effective financial planning and budgeting ensure optimal resource allocation and financial control*, with a weighted mean of 3.905. This finding highlights the pivotal role of organized financial management in sustaining stability, enabling sound investment decisions, and supporting long-term growth. This finding highlights the pivotal role of organized financial management in sustaining organizational stability, enabling sound investment decisions, and supporting long-term growth. Effective financial planning and budgetary control promote cost discipline, improve resource allocation, strengthen financial oversight, and align expenditures with strategic objectives, thereby enhancing organizational performance [34].

For employees and human resources, the top-rated factor was the *possession of adequate knowledge, skills, positive attitude, competence, and experience* by staff, owners, and management, which earned a mean of 3.865. Respondents emphasized that having skilled, motivated, and committed individuals at all organizational levels drives operational efficiency, fosters innovation, and enhances business competitiveness. This finding is consistent with recent evidence that employee competence—comprising knowledge, skills, and attitudes—has a direct and positive influence on job performance, thereby enhancing organizational competitiveness and overall business success [35].

In terms of machinery and equipment, the statement that *modern and reliable machinery boosts productivity and operational efficiency* received the highest mean of 3.892. This reflects the vital role of technological advancement and dependable tools in improving performance, meeting market demands, and reducing downtime.

Under the materials and operational aspect, the top-rated statement was that *low operational costs increase profit margins and enhance business sustainability*, with a mean of 3.770. This finding underscores the strategic value of cost control in maintaining profitability without sacrificing operational quality. Cost management emerged as one of the key financial practices supporting business sustainability. [36] argues that effective cost management and cost leadership strategies strengthen long-term competitiveness by optimizing resource utilization, improving operational efficiency, and minimizing unnecessary expenditures. Likewise, among business processes and systems, an effective pricing strategy received the highest rating, suggesting that carefully designed pricing policies enhance both profitability and competitiveness. [37] explain that strategic pricing decisions directly influence customer value perceptions, maximize revenue potential, and strengthen a firm's competitive position, thereby contributing to superior financial performance.

Finally, within the customer market aspect, the highest-rated factor was *excellent customer service and prompt responsiveness*, with a weighted mean of 3.864. Respondents agreed that meeting customer needs quickly and ensuring a positive experience foster repeat business, strengthen loyalty, and enhance brand reputation. This study empirically demonstrates that higher service quality increases customer satisfaction, which in turn promotes customer loyalty, repeat patronage, and favorable behavioral intentions [38]**.**

Overall, the data indicate that strong financial planning, a competent and committed workforce, technological efficiency, cost management, competitive pricing, and exceptional customer service are the most critical internal drivers of business success. Among these, *financial planning and budgeting* emerged as the most essential, serving as the foundational element upon which sustained enterprise growth and stability are built.

Causes of Business Success – External Factors

The analysis of external factors contributing to business success shows that all components received a "Strongly Agree" interpretation, reflecting their substantial role in supporting the growth and sustainability of micro and small enterprises (MSEs).

In the political factors category, the highest-rated statement was that *a stable government and political environment promote investor confidence and uninterrupted business operations*, with a weighted mean of 3.797. Respondents recognized that political stability minimizes uncertainty, builds investor trust, and fosters a predictable business climate conducive to consistent operations. This finding is consistent with [39], who demonstrate that political stability and strong governance institutions are critical determinants of foreign direct investment, creating favorable conditions for economic development, business expansion, and sustained private-sector growth.

For economic factors**,** the top-rated statement—also with a weighted mean of 3.797 was that *strong economic growth and stability increase consumer spending and business opportunities*. A stable economy boosts purchasing power, stimulates market demand, and opens new avenues for expansion. This finding is consistent with [40], who argues that sustained economic growth and sound macroeconomic conditions provide a favorable environment for investment and long-term business development. As household incomes rise under stable economic conditions, consumer spending also increases, thereby expanding market demand and creating broader business opportunities [41].

In terms of social factors**,** the highest-rated item was the belief that *high brand trust and positive public perception strengthen customer loyalty and enhance competitive advantage*, rated at 3.784. This finding highlights the strategic importance of cultivating a favorable brand image and building strong customer relationships as essential to sustained success. It explains that brand trust directly drives loyalty, which enhances brand performance and secures a competitive edge.

Regarding technological factors**,** the most emphasized statement was that *effective adoption of new technologies enhances efficiency, customer satisfaction, and market responsiveness*, with a weighted mean of 3.851. This underscores the vital role of technological innovation in optimizing processes, improving customer experiences, and enabling businesses to remain competitive in fast-changing markets. It confirms that entrepreneurs who proactively adopt emerging technologies enhance operational efficiency and responsiveness, leading to greater customer satisfaction and competitive advantage.

In the environmental factors category, two statements tied for the highest rating (mean = 3.811): *compliance with environmental regulations enhances brand reputation and minimizes legal risks*, and *commitment to sustainable practices attracts environmentally conscious consumers and builds long-term viability*. These responses demonstrate that integrating sustainability and environmental responsibility into core operations strengthens brand credibility while aligning with increasing consumer demand for ethical, eco-friendly products. It similarly notes that businesses committed to sustainability attract environmentally conscious customers, thereby enhancing brand loyalty and reputation.

For legal factors**,** the statements *strong compliance with laws and regulations reduces risk exposure and promotes ethical business conduct*, and *effective legal risk management protects assets, strengthens public image, and ensures operational focus* were both rated highest overall (mean = 3.878). This finding underscores that legal compliance and proactive risk mitigation are viewed as essential safeguards against operational disruptions and reputational damage. It emphasizes that robust compliance programs not only reduce legal risks but also promote ethical behavior, protect organizational assets, and reinforce public trust.

Overall**,** the findings suggest that legal, economic, and technological factors are perceived as the most crucial external contributors to business success, with *legal compliance and risk management* standing out as top priorities. By ensuring adherence to regulations, leveraging economic stability, and embracing technological innovation, MSEs can strengthen their resilience, maintain competitiveness, and secure long-term viability in an evolving market environment.

Effects of Business Success to Business

The data presents the effects of business success on enterprises, categorized into five key areas: Financial Growth & Stability**,** Market & Customer Expansion**,** Operational Excellence**,** Workforce & Organizational Strength, and External & Strategic Opportunities**.** Across all dimensions, there is strong consensus among respondents, with each indicator receiving a "Strongly Agree" interpretation based on weighted mean scores.

Within the domain of Financial Growth & Stability, the highest-rated statement was: *"Higher business valuation attracts investors and potential buyers by increasing the company's worth,"* which scored a weighted mean of 3.811. This finding suggests that financial success enhances not only internal profitability but also external attractiveness and market value, thereby increasing opportunities for investment and acquisition. [42] explains that a higher business valuation reflects strong expectations regarding future cash flows, growth opportunities, and financial performance, thereby increasing a firm's attractiveness to investors and prospective buyers. Consistent with this view, [43] note that firms with strong valuations are better positioned to attract investment capital and support long-term strategic growth.

In the area of Market & Customer Expansion**,** the statement *"Improved customer acquisition and retention occur as a positive reputation attracts new customers while maintaining the loyalty of existing ones"* received the highest weighted mean of 3.770. This underscores how successful businesses leverage their strong reputations to expand their customer base and cultivate sustainable customer relationships over time. It emphasizes that a solid reputation generates customer satisfaction that not only attracts new clients but also fosters loyalty among existing customers, leading to improved acquisition and retention rates.

Regarding Operational Excellence**,** two statements *"Improved efficiency and productivity"* and *"Scalable and sustainable operations"* tied for the highest score of 3.770. This indicates that business success drives enhancements in internal systems and processes, enabling enterprises to operate more efficiently while positioning themselves for sustainable, long-term growth. It highlights that process optimization and effective resource management significantly improve operational efficiency by reducing waste and increasing productivity, while the adoption of scalable and sustainable practices supports business expansion.

Within Workforce & Organizational Strength, the highest-rated statement *"Competitive incentive programs increase employee retention, loyalty, and engagement"* achieved the highest overall score in the table, with a weighted mean of 3.905. This finding reveals that successful businesses are better able to invest in employee well-being, resulting in a motivated, stable, and committed workforce. It explains that well-designed incentive programs significantly boost employee motivation, leading to higher engagement and stronger organizational loyalty.

Finally, in the category of External & Strategic Opportunities, the statement *"Improved industry reputation builds credibility and strengthens its position as a leader in the industry"* also received a weighted mean of 3.905. This demonstrates that business success extends beyond internal performance metrics by significantly enhancing a company's image and credibility, which facilitates stronger industry positioning and attracts strategic partnerships

Effects of Business Success to Individual Entrepreneur

The data presents the effects of business success on individual entrepreneurs, categorized into five domains: Physical**,** Psychological/Mental**,** Emotional**,** Social, and Behavioral Effects**.** All indicators received high weighted means, with interpretations consistently classified as "Strongly Agree," indicating that business success positively impacts multiple facets of an entrepreneur's well-being and performance.

In the Physical Effects domain, the highest-rated statement was: *"Business success can lead to improved physical health due to reduced stress and greater access to wellness resources,"* with a weighted mean of 3.8784. This finding suggests that financial stability and success alleviate stress and enable entrepreneurs to invest in their physical well-being through better nutrition, exercise, and healthcare access.

Within the Psychological/Mental Effects category, the statement with the highest weighted mean was: *"Confidence and self-efficacy often increase, empowering entrepreneurs to make bolder decisions and take calculated risks,"* which scored 3.9189. This highlights how success strengthens mental resilience and enhances decision-making capabilities, equipping entrepreneurs with the psychological tools necessary to pursue further growth opportunities.

Regarding Emotional Effects**,** the highest-rated item was: *"Entrepreneurs may feel a deep sense of happiness and satisfaction, knowing their efforts have yielded positive results,"* with a weighted mean of 3.8784. This underscores that achieving business goals provides not only financial rewards but also profound emotional fulfillment and personal pride. This finding is consistent with recent entrepreneurship research showing that successful entrepreneurial outcomes are associated with greater psychological well-being, entrepreneurial satisfaction, and work engagement, thereby reinforcing motivation and contributing to sustained business performance [44]. Furthermore, they [45] explain that entrepreneurial action can generate positive well-being outcomes and a sense of personal fulfillment for entrepreneurs, particularly when their ventures create meaningful value for others.

In the Social Effects domain, the statement *"Business success can enhance reputation and credibility, attracting partnerships, investments, and community respect"* received the highest weighted mean of 3.9054. This illustrates how success elevates an entrepreneur's standing in society, enabling greater influence and deeper involvement in social and professional networks. Successful businesses build strong reputations that enhance credibility with investors and stakeholders, attracting financial investment while earning respect and trust within the community.

Finally, within the Behavioral Effects category, the top-rated statement was: "Entrepreneurs become more willing to take calculated risks after experiencing success," *with a weighted mean of 3.9324—the highest across the entire table.*

In summary**,** the analysis demonstrates that business success significantly enhances entrepreneurs' physical health, mental clarity, emotional satisfaction, social engagement, and strategic behavior. The most prominent effect lies within the behavioral domain, where entrepreneurs become more proactive, confident, and growth-oriented—an essential characteristic of sustainable entrepreneurial leadership.

The correlation analysis reveals several significant relationships between the causes of business failure and the effects of business success on individual entrepreneurs. Notably, issues in the Financial Aspect showed a significant correlation with psychological or mental effects indicating that financial challenges can strongly impact the mental well-being of entrepreneurs, possibly due to stress or anxiety related to managing business finances.

Meanwhile, Machinery and Equipment was significantly associated only with behavioral effects indicating that technical or equipment issues can influence how entrepreneurs act or adapt in response to business problems.

The Materials and Operational Aspect showed significant correlations with psychological or mental effects and social effects highlighting that operational inefficiencies and supply issues can affect both the mental health and social interactions of entrepreneurs.

Similarly, problems in Processes and Systems were significantly related to physical effects**,** emotional effects and behavioral effects**.** This means that weak or inefficient processes can cause fatigue, emotional strain, and shifts in how entrepreneurs behave or respond under pressure.

Lastly, the Customer Market Aspect had some of the strongest and most consistent correlations, significantly affecting emotional effects**,** social effects**,** and behavioral effects**.** These results suggest that problems with customer engagement, market presence, or sales performance not only affect business outcomes but also deeply influence how entrepreneurs feel, interact socially, and behave.

Challenges in managing people, operations, and customer relations can significantly affect an entrepreneur's mental health, emotional stability, social life, and behavior, underscoring the need for strong internal business management to support both business success and personal well-being.

Relationship between Causes of Business Success (Internal factor) and Effect of business success to business.

The correlation analysis reveals significant insights into how various internal factors contribute to different dimensions of business success. Among the variables examined, Processes and Systems emerged as the most influential factor, demonstrating significant positive correlations with operational excellence, workforce and organizational strength, and external and strategic opportunities. This underscores the critical role that well-designed workflows and clear operational methodologies play in enhancing internal efficiency, fortifying organizational capabilities, and enabling businesses to capitalize on growth opportunities. Supporting these findings, [46] demonstrate that effective management control systems strengthen organizational capabilities and improve operational and organizational performance. Similarly, [47] found that robust internal control and internal audit systems enhance operational efficiency and business performance, providing a strong foundation for sustainable organizational success.

Employees and Human Resources also showed a significant relationship with operational excellence, indicating that a skilled, competent, and motivated workforce is essential for optimizing day-to-day operations.

Similarly, the Financial Aspect was positively associated with operational excellence, emphasizing that sound financial management enhances the efficiency of business processes. However, it did not exhibit significant influence on broader success indicators such as financial stability or market expansion.

In contrast, the Customer Market Aspect showed a significant correlation exclusively with financial growth and stability. This suggests that a deep understanding of, and effective engagement with, target markets primarily translate into stronger financial outcomes.

Furthermore, Materials and Operational Aspects significantly influenced market and customer expansion, underscoring the vital importance of smooth operational flows and reliable resource availability in effectively reaching and serving customers.

Interestingly, Machinery and Equipment did not show significant correlations with any of the measured business success outcomes. This indicates that mere possession of physical tools and equipment is insufficient to drive success unless accompanied by strong systems and capable human resources.

In summary, the analysis highlights that sustainable business success is driven more by efficient internal systems, skilled personnel, and active customer engagement than by financial capital or physical assets alone. Enterprises that prioritize strengthening their processes, investing in human resources, and aligning operations with market demands are better positioned to achieve long-term growth and competitive advantage.

Relationship between Causes of Business Success (Internal factor) and Effect of business success to Individual Entrepreneur.

The correlation analysis exploring the relationship between internal causes of business success and the individual effects experienced by entrepreneurs reveals several significant insights. The Financial Aspect (Money) exhibits strong positive correlations with the physical, psychological/mental, and emotional well-being of entrepreneurs. This suggests that robust financial performance not only contributes to an entrepreneur’s physical health and mental clarity but also enhances emotional satisfaction and fulfillment. However, financial success does not appear to significantly impact social interactions or behavioral changes, indicating that monetary gains alone may not translate into improved interpersonal relationships or shifts in entrepreneurial behavior. These findings align with [48], who demonstrate that financial difficulties and reduced earnings are significant predictors of psychological distress, while psychological distress also contributes to subsequent declines in earnings, underscoring the reciprocal relationship between financial well-being and mental health. Complementing this evidence, [49] found that better physical health and vitality among self-employed individuals are associated with improved work functioning and sustainable business performance, highlighting the mutually reinforcing relationship between entrepreneurs' financial success and physical well-being.

The Employees and Human Resources variable shows a broader and more profound impact, with significant positive correlations across psychological/mental, emotional, and behavioral domains. This underscores the critical role that a competent, motivated, and supportive workforce play—not only in driving business outcomes but also in enhancing the entrepreneur’s mental health, emotional resilience, and behavioral adaptability. Our findings resonate closely with the concept of Psychological Capital, as articulated by [20], who found that HR practices fostering self-efficacy, optimism, hope, and resilience elevate employee well-being and inspire adaptive, constructive behaviors. This highlights how strong human resource management profoundly supports the entrepreneur’s psychological and emotional stability and encourages positive behavioral changes.

Regarding Machinery and Equipment, the analysis reveals a significant correlation solely with physical effects. This implies that access to proper tools and ergonomic technologies can reduce physical strain and fatigue for entrepreneurs but does not necessarily affect their emotional or behavioral dimensions.

The Materials and Operational Aspect shows significant correlations with psychological/mental, emotional, and social effects, indicating that efficient material management and well-structured operations contribute to lower stress levels, greater emotional satisfaction, and improved social interactions This reinforces the idea that well-managed operations not only benefit business processes but also the entrepreneur’s overall personal well-being.

Interestingly, Processes and Systems (Method) are significantly linked only to behavioral effects. This suggests that well-designed business systems and routines foster more disciplined, consistent, and adaptive behavioral patterns in entrepreneurs.

Lastly, the Customer Market Aspect exhibits a significant correlation only with emotional effects. This highlights that positive customer engagement and relationships provide entrepreneurs with emotional fulfillment and satisfaction, even when such interactions may not influence their physical health, social connections, or behavioral tendencies.

In summary, while all internal factors contribute uniquely to various aspects of an entrepreneur’s well-being, human resources and operational efficiency stand out as having the most diverse and profound influence. Effective management of people and resources not only drives business success but also significantly enhances the entrepreneur's mental health, emotional resilience, and adaptive behavior, forming a vital foundation for sustainable entrepreneurial development.

Relationship between Causes of Business Success (External Factor) and Effect of Business Success to Business.

The correlation analysis examining the relationship between external causes of business success and their effects reveals that most external factors do not have statistically significant influences on key business success outcomes. However, a few notable exceptions demonstrate meaningful, targeted impacts on specific dimensions of success.

Political factors showed no significant correlation with any of the five core success indicators financial growth, market expansion, operational excellence, workforce strength, or external strategic opportunities. This suggests that, within the context of this study, political influences may not be a dominant driver of business outcomes. This finding aligns with [50] who found that economic factors—including market size, trade openness, and gross capital formation—exert stronger and more consistent influences on foreign direct investment inflows than most institutional and political variables in emerging Asian economies. Nevertheless, the study also identifies political stability as a significant positive determinant of FDI, highlighting the complementary roles of both economic fundamentals and a stable political environment.

Regarding economic factors, only one significant correlation emerged: a moderate positive relationship with workforce and organizational strength. This indicates that favorable economic conditions contribute to strengthening internal workforce capabilities and organizational structures, even though they may not directly translate into financial growth or market expansion. This observation resonates with research highlighting effective collaboration between economic development organizations (EDOs) and entrepreneurial support organizations (ESOs), which bolster skilled and adaptable workforces, thereby reinforcing internal resilience and organizational capacity despite potentially stagnant market growth.

Social factors were significantly correlated only with market and customer expansion, suggesting that robust social conditions and networks play a critical role in growing customer bases and facilitating market reach. Other success dimensions did not show significant links with social influences. This finding aligns with [51]), who demonstrate that entrepreneurs' social capital enhances business productivity primarily through stronger customer relationships and improved access to financing. Their findings suggest that nurturing customer relationships serves as a key mechanism for expanding market opportunities and supporting business growth, even when social capital does not directly influence other internal organizational capabilities.

In the domain of technological factors, a significant positive relationship was observed solely with external and strategic opportunities. This underscores how access to and effective use of technology can open new strategic pathways and collaborative ventures, even if technological factors do not strongly influence internal operations or broader performance indicators. This finding is consistent with [52] who demonstrate that digital capabilities enhance entrepreneurs' ability to recognize and exploit strategic opportunities, thereby improving innovation and entrepreneurial performance through strengthened opportunity capability. Likewise, [53] emphasize that digital technologies serve as key enablers of corporate entrepreneurship by supporting opportunity recognition, innovation, and competitive market positioning, although their effects are often more pronounced in strategic decision-making than in routine operational activities.

Environmental factors did not exhibit any significant correlations with the business success indicators measured in this study. This finding suggests that environmental conditions, such as climate-related or ecological challenges, were perceived to have only a limited direct influence on the business outcomes evaluated in this study. Consistent with this perspective, [54] found that environmental dynamism does not necessarily determine firm performance directly but instead moderates the effectiveness of organizational capabilities and innovation, indicating that environmental pressures may not always translate into measurable differences in business success.

Finally, legal factors showed a significant positive correlation with workforce and organizational strength suggesting that strong adherence to legal frameworks or the presence of supportive regulatory environments can enhance internal workforce stability and organizational efficiency. However, legal influences did not extend to financial or market outcomes in the present study.

In summary, while the majority of external factors do not exert a direct and universal influence on core business success indicators, specific external elements namely economic, social, technological, and legal factors play targeted and significant roles in shaping key dimensions such as workforce strength, market expansion, and strategic opportunity capture. These findings suggest that although external environments may not broadly drive all facets of business success, they remain critical in reinforcing particular organizational capabilities and facilitating growth initiatives.

Relationship between Causes of Business Success (External Factor) and Effect of Business Success to Individual Entrepreneur.

The correlation analysis between external causes of business success and the personal effects experienced by entrepreneurs—including physical, psychological, emotional, social, and behavioral outcomes—reveals several significant and insightful patterns.

Among the external factors, political factors exhibited the strongest and most consistent positive influence across multiple personal dimensions. Statistically significant correlations were found with psychological/mental well-being, emotional stability, social engagement, and behavioral outlook. This suggests that political stability, supportive governance, and favorable policies contribute substantially to enhancing entrepreneurs' mental health, emotional balance, social interactions, and proactive behavioral tendencies. Notably, political factors did not show a significant correlation with physical health effects. These findings align closely with [56], who demonstrate that country-level institutional quality—particularly political stability and business freedom—is a significant predictor of entrepreneurs' overall life satisfaction and subjective well-being. Their findings suggest that supportive institutional environments contribute not only to entrepreneurial success but also to the personal well-being of business owners.

Regarding economic factors, significant positive relationships were observed with psychological/mental effects and behavioral outcomes. This indicates that economic stability and opportunity environments bolster entrepreneurs' mental resilience and foster positive behaviors such as improved decision-making and stronger work ethic. [57]) found that entrepreneurial self-efficacy plays a central role in shaping entrepreneurial intentions, while individual characteristics and contextual factors influence entrepreneurial behavior through their effects on self-efficacy.

Social factors were also significantly correlated with psychological well-being and behavioral effects, suggesting that supportive interpersonal relationships enhance entrepreneurs' mental health and adaptive behaviors. However, social influences were not significantly associated with physical or emotional well-being. These findings are consistent with [58] who reported that familial and close social support reduces perceived stress, promotes positive affect, and lowers symptoms of anxiety and depression among Filipino entrepreneurs. In contrast, technological, environmental, and legal factors were not significantly related to any of the five personal-effect dimensions measured. This suggests that although these external factors may influence organizational performance and operational effectiveness, they do not directly shape entrepreneurs' internal psychological or emotional experiences within the context of this study. This interpretation is consistent with [53] who conclude that digital technologies primarily enhance innovation, opportunity recognition, and strategic competitiveness rather than entrepreneurs' subjective psychological well-being.

In summary, political, economic, and social factors emerge as the most influential external causes of business success regarding entrepreneurs' personal well-being, particularly in shaping psychological health and behavioral responses. In contrast, technological, environmental, and legal factors appear to exert a more indirect or limited role in affecting the personal and psychological experiences of business owners. These findings highlight the critical importance of stable political and economic environments and supportive social networks in fostering entrepreneurial resilience and well-being.

The most commonly expressed advice from respondents to educational institutions emphasizes the importance of teaching practical business skills, including comprehensive business management courses, integrating entrepreneurship effectively into the curriculum, and providing regular programs, seminars, and workshops to equip students with real-world knowledge and prepare them for entrepreneurial challenges. These recommendations highlight the need for education systems to foster practical and relevant learning experiences that support future business success.

QUALITATIVE FINDINGS: THEMATIC ANALYSIS ON BUSINESS SUCCESS (ENHANCED FOR SCIENCE

Introduction to the Qualitative Findings

The qualitative strand explored the lived experiences of successful micro, small, and medium enterprise (MSME) entrepreneurs to better understand the processes underlying business success. Consistent with the study's convergent parallel mixed-methods design, the qualitative findings complement the quantitative results by providing contextual explanations for the organizational capabilities and entrepreneurial ecosystem factors associated with sustained business performance. The interview transcripts were analyzed using reflexive thematic analysis**,** resulting in recurring themes that capture entrepreneurs' motivations, business practices, challenges, success factors, and lessons learned.

Rather than treating entrepreneurial success solely as an economic outcome, the thematic analysis demonstrates that success is a multidimensional phenomenon shaped by entrepreneurial capability, financial discipline, customer orientation, resilience, and supportive institutional environments. The convergence between qualitative themes and quantitative findings strengthens the credibility of the study through methodological triangulation and provides a more comprehensive understanding of entrepreneurial success among MSMEs operating in provincial economies.

THEME 1. ENTREPRENEURIAL MOTIVATION: NECESSITY, FAMILY RESPONSIBILITY, AND OPPORTUNITY RECOGNITION

Participants consistently described their entrepreneurial journeys as originating from economic necessity**,** limited financial resources**,** family obligations**,** and prior entrepreneurial exposure**.** Many entrepreneurs explained that they established businesses not simply to pursue profits but to provide stable income, support household needs, and improve their family's quality of life. Several respondents also indicated that previous employment experiences or observations of successful businesses inspired them to pursue entrepreneurship. These themes correspond to the reported motivations of necessity-driven entrepreneurship, growth from small capital, family support and responsibility, and prior experience or observation.

The findings suggest that entrepreneurship in the provincial context is frequently driven by necessity but evolves into opportunity-driven enterprise through continuous learning and strategic adaptation. This pattern aligns with international evidence indicating that entrepreneurs in developing economies often begin businesses because of limited employment opportunities before gradually developing growth-oriented business strategies.

From the perspective of Human Capital Theory, prior work experience and accumulated entrepreneurial knowledge serve as valuable resources that improve business decision-making and organizational capability. At the same time, the findings demonstrate that entrepreneurial motivation is strengthened by personal commitment and family support, which provide psychological resilience during the early stages of business development.

THEME 2. BUSINESS SUCCESS IS MEASURED THROUGH SUSTAINABLE GROWTH RATHER THAN IMMEDIATE PROFIT

When describing business success, participants emphasized business expansion**,** increased profitability**,** customer retention, and effective financial management**,** rather than short-term financial gains alone. Entrepreneurs viewed sustained business growth, repeat customers, and successful recovery of invested capital as stronger indicators of long-term success than immediate revenue generation. These perceptions correspond to the identified indicators of business success: expansion and store growth, increased income and profitability, returning and growing customer base, and financial management with capital recovery.

These findings complement the quantitative evidence demonstrating high ratings for financial health, customer satisfaction, and organizational resilience. Together, both datasets indicate that entrepreneurial success reflects the interaction of financial stability, customer loyalty, operational effectiveness, and long-term strategic management rather than isolated financial outcomes.

This finding supports the Resource-Based View (RBV) by illustrating that sustainable competitive advantage arises from valuable organizational capabilities—including financial management and customer relationship management—that competitors find difficult to replicate.

THEME 3. ENTREPRENEURIAL SUCCESS REQUIRES RESILIENCE IN OVERCOMING OPERATIONAL CHALLENGES

Despite their success, participants consistently reported experiencing significant operational challenges, particularly customer credit and unpaid debts**,** capital shortages**,** unstable sales, and inventory management difficulties. These recurring challenges demonstrate that successful entrepreneurship is characterized not by the absence of adversity but by the ability to respond effectively to financial and operational uncertainties.

The qualitative findings explain why resilience emerged as an important characteristic of successful entrepreneurs. Participants described adopting careful financial planning, prudent inventory management, and adaptive decision-making to maintain business continuity despite fluctuating market conditions.

These findings reinforce recent international studies suggesting that entrepreneurial resilience is one of the strongest predictors of MSME sustainability during periods of economic uncertainty. Within the context of Entrepreneurial Ecosystem Theory**,** they further indicate that supportive institutional environments and improved access to finance could reduce many of the structural constraints faced by provincial entrepreneurs.

THEME 4. HARD WORK, FINANCIAL DISCIPLINE, AND HANDS-ON LEADERSHIP DRIVE BUSINESS SUCCESS

Participants overwhelmingly attributed their success to hard work**,** perseverance**,** active managerial involvement**,** financial discipline, and self-confidence**.** Rather than relying exclusively on external assistance, entrepreneurs emphasized personal commitment, continuous monitoring of business operations, prudent financial management, and direct engagement with employees and customers. These factors correspond to the identified causes of business success: hard work and perseverance, being hands-on, good financial management and frugality, and positive personal traits.

The convergence between these qualitative findings and the quantitative results strengthens the conclusion that internal organizational capabilities are central determinants of entrepreneurial success. Entrepreneurs consistently described leadership and financial discipline as interconnected competencies that enabled them to sustain profitability and adapt to changing business conditions.

These findings strongly reinforce the Resource-Based View**,** which proposes that intangible organizational capabilities—including leadership, managerial competence, and organizational learning—constitute strategic resources that generate sustainable competitive advantage.

THEME 5. CUSTOMER SATISFACTION AND FINANCIAL DISCIPLINE SUSTAIN LONG-TERM COMPETITIVENESS

Participants identified customer service**,** financial discipline**,** hands-on management, and consistent perseverance as the principal contributors to sustained business success. Entrepreneurs emphasized that maintaining customer trust through quality service and ethical business practices resulted in repeat transactions, positive referrals, and stronger market reputation. Simultaneously, disciplined financial management enabled businesses to remain stable during periods of economic uncertainty. These themes correspond to the reported principal contributors to business success.

These findings extend the quantitative evidence by explaining how customer-oriented organizational practices translate into long-term business performance. Rather than competing primarily through pricing, participants emphasized relationship-building, service quality, and responsible financial management as sources of competitive advantage.

The findings align with contemporary international entrepreneurship research demonstrating that customer relationship management and organizational discipline significantly improve SME sustainability. They likewise support the Resource-Based View, which recognizes customer relationships and organizational reputation as valuable intangible assets.

INTEGRATED THEMATIC INTERPRETATION

Collectively, the qualitative findings demonstrate that entrepreneurial success among MSMEs is shaped by the continuous interaction between internal organizational capabilities and external entrepreneurial ecosystem conditions**.** Internally, entrepreneurs identified leadership, financial literacy, perseverance, customer orientation, and disciplined management as the principal drivers of sustained business performance. Externally, institutional support, market opportunities, and family and community networks provided complementary conditions that enabled entrepreneurs to translate these capabilities into long-term business success.

The qualitative evidence strongly complements the quantitative findings by explaining how and why organizational capabilities influence entrepreneurial performance. The convergence of both datasets provides robust support for the Resource-Based View, which emphasizes the strategic value of intangible organizational resources, and Entrepreneurial Ecosystem Theory**,** which highlights the importance of supportive external environments. Together, these perspectives demonstrate that sustainable entrepreneurial success cannot be attributed solely to internal managerial competence or external institutional support; rather, it emerges from their dynamic interaction.

Overall, the thematic analysis enriches the quantitative findings by providing a deeper understanding of the lived experiences, adaptive strategies, and organizational practices that underpin entrepreneurial success. This integrated interpretation strengthens the study's empirical, theoretical, and methodological contributions while offering evidence-based insights for entrepreneurship educators, MSME development agencies, policymakers, and business practitioners seeking to foster sustainable enterprise development in provincial and emerging economies.

IV. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

This study examined the determinants of entrepreneurial success among micro, small, and medium enterprises (MSMEs) in Tandag City and Bislig City, Surigao del Sur, through a convergent parallel mixed-methods design**.** By integrating quantitative evidence with qualitative insights, the study demonstrates that entrepreneurial success is not driven by a single organizational or environmental factor but emerges from the dynamic interaction between internal organizational capabilities and external entrepreneurial ecosystem conditions**.** The convergence of statistical findings and entrepreneurs' lived experiences provides a comprehensive understanding of the organizational practices, strategic capabilities, and contextual factors that collectively contribute to sustainable business performance within a provincial economy. Rather than merely identifying significant determinants, the study illustrates how these factors operate synergistically to enhance business resilience, competitiveness, and long-term sustainability.

The findings make important theoretical contributions by reinforcing and extending both the Resource-Based View (RBV) and Entrepreneurial Ecosystem Theory (EET)**.** Consistent with the Resource-Based View, the study demonstrates that intangible organizational capabilities—including leadership, innovation, organizational learning, and strategic management—constitute valuable and difficult-to-imitate resources that enable MSMEs to achieve sustainable competitive advantage. At the same time, the findings affirm the central proposition of Entrepreneurial Ecosystem Theory by showing that supportive institutional environments, entrepreneurial networks, access to markets, and external business support systems complement internal organizational capabilities in fostering entrepreneurial success. By integrating these two theoretical perspectives, the study offers a more comprehensive explanation of entrepreneurial success than approaches that emphasize either organizational resources or environmental conditions independently.

Beyond its theoretical significance, the study contributes to entrepreneurship scholarship at the empirical, methodological, and contextual levels. Empirically, it provides contemporary evidence from an underrepresented provincial setting in the Philippines, thereby expanding the geographical scope of entrepreneurship research beyond metropolitan and highly industrialized regions. Methodologically, the adoption of a convergent parallel mixed-methods approach demonstrates the value of integrating quantitative analysis with qualitative inquiry to generate richer, more credible, and contextually grounded interpretations of entrepreneurial success. Contextually, the findings highlight how entrepreneurs operating in emerging regional economies navigate organizational and environmental challenges, offering insights that may be applicable to similar resource-constrained settings in developing countries.

The findings also generate important managerial and policy implications**.** For entrepreneurs and business managers, the study underscores the importance of strengthening leadership capability, innovation, organizational learning, strategic planning, and adaptive management as foundations for sustainable business growth. For higher education institutions, business support organizations, and entrepreneurship development agencies, the findings emphasize the need to expand entrepreneurship programs beyond technical and financial assistance by incorporating leadership development, innovation management, mentoring, and capability-building initiatives. From a policy perspective, government agencies responsible for MSME development should adopt integrated support strategies that simultaneously strengthen organizational capabilities and entrepreneurial ecosystems through improved access to business development services, innovation support, digital transformation initiatives, entrepreneurial networking opportunities, and institutional collaboration. Such integrated interventions can enhance MSME competitiveness while contributing to inclusive regional economic development.

Notwithstanding these contributions, several limitations should be acknowledged. The study was conducted among selected successful MSMEs operating in Tandag City and Bislig City, limiting the generalizability of the findings to other geographical locations, business sectors, or institutional environments. The use of purposive sampling and self-reported data may also introduce contextual and perceptual biases despite the application of rigorous validation procedures and methodological triangulation. Furthermore, the cross-sectional design captures entrepreneurial conditions at a single point in time and therefore does not permit conclusions regarding causal relationships or changes in entrepreneurial success across different stages of business development.

Building upon these limitations, future research should employ longitudinal designs to examine the evolution of entrepreneurial capabilities and business performance over time. Comparative investigations involving different Philippine regions, urban and rural entrepreneurial settings, and cross-country analyses would further validate the applicability of the proposed framework across diverse institutional contexts. Future studies may also explore emerging determinants of entrepreneurial success, including digital transformation, artificial intelligence adoption, sustainability-oriented entrepreneurship, entrepreneurial resilience, and innovation ecosystems. Expanding the theoretical integration of organizational capability and ecosystem perspectives may further enrich the understanding of entrepreneurial success in increasingly complex and dynamic business environments.

Overall, this study demonstrates that entrepreneurial success is best understood as the product of the continuous interaction between internal organizational capabilities and supportive entrepreneurial ecosystem conditions rather than the influence of isolated organizational or environmental factors**.** By integrating quantitative and qualitative evidence within the complementary perspectives of the Resource-Based View and Entrepreneurial Ecosystem Theory**,** the study advances entrepreneurship scholarship while providing evidence-based insights for entrepreneurs, educators, development institutions, and policymakers. Ultimately, the findings contribute to a deeper understanding of how MSMEs can strengthen resilience, achieve sustainable competitive advantage, and promote inclusive economic development within emerging provincial economies, thereby offering a meaningful contribution to both international entrepreneurship literature and evidence-informed MSME policy and practice.

RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are proposed to strengthen entrepreneurial success and promote the long-term sustainability of micro, small, and medium enterprises (MSMEs). These recommendations are aligned with the empirical findings, theoretical framework, and practical implications of the study, and are intended to guide entrepreneurs, policymakers, educational institutions, and business support organizations.

First, MSME entrepreneurs should strengthen their internal organizational capabilities through continuous capacity-building programs that emphasize financial literacy, strategic leadership, innovation, organizational learning, and business planning. The findings demonstrate that sustainable entrepreneurial success depends not only on access to financial resources but also on the entrepreneur's ability to manage those resources strategically and adapt to changing market conditions. In line with Human Capital Theory (Becker, 1964), investments in entrepreneurial knowledge, managerial competence, and professional skills enhance productivity, decision-making quality, and long-term business performance. Particular emphasis should be placed on financial literacy, as entrepreneurs with stronger financial management capabilities are better positioned to manage cash flow, evaluate investment opportunities, mitigate financial risks, and sustain business growth. Consistent with Financial Literacy Theory (Huston, 2010), entrepreneurship development programs should integrate practical financial management, budgeting, financial statement analysis, and strategic financial planning into regular training initiatives.

Second, government agencies and MSME support institutions should strengthen the entrepreneurial ecosystem by providing more accessible, coordinated, and responsive business support services. The study indicates that entrepreneurial success is influenced not only by internal organizational capabilities but also by the quality of the external business environment. Accordingly, agencies such as the Department of Trade and Industry (DTI), local government units (LGUs), financial institutions, and MSME development organizations should streamline business registration and regulatory procedures, improve entrepreneurs' access to affordable financing, expand business mentoring and coaching programs, strengthen innovation and digital transformation initiatives, and facilitate greater access to domestic and international markets. These recommendations are consistent with the Entrepreneurial Ecosystem Theory, which emphasizes that entrepreneurial performance is enhanced when institutional support, financial services, market opportunities, infrastructure, and collaborative networks operate in an integrated and mutually reinforcing manner.

Third, higher education institutions should strengthen entrepreneurship education by integrating experiential and competency-based learning into academic programs. Entrepreneurship curricula should extend beyond theoretical instruction to include business incubation, mentoring, industry immersion, simulation-based learning, innovation projects, and collaboration with successful entrepreneurs and industry practitioners. Such initiatives enable students and aspiring entrepreneurs to develop practical business competencies, resilience, opportunity recognition, and problem-solving skills necessary for navigating increasingly dynamic entrepreneurial environments. This recommendation is supported by Kolb's Experiential Learning Theory (1984), which emphasizes that meaningful learning occurs through the continuous cycle of concrete experience, reflective observation, conceptual understanding, and active experimentation.

Fourth, policymakers should adopt evidence-based and integrated MSME development policies that simultaneously strengthen entrepreneurial capabilities and the broader entrepreneurial ecosystem. Rather than focusing primarily on financial assistance, policy interventions should include leadership development, innovation capability enhancement, digital transformation support, business advisory services, entrepreneurial networking, and technology adoption. Coordinated collaboration among government agencies, higher education institutions, financial organizations, and private-sector partners is essential to create an enabling environment that enhances MSME resilience, competitiveness, and inclusive regional economic development. Such integrated interventions are particularly important for entrepreneurs operating in emerging provincial economies where institutional and market constraints remain significant.

Finally, future research should extend and validate the findings of this study through broader geographical coverage, longitudinal investigations, and comparative analyses across different entrepreneurial contexts. Future studies may examine MSMEs in other Philippine regions and international settings to determine the generalizability of the integrated framework proposed in this research. Researchers are also encouraged to investigate emerging determinants of entrepreneurial success, including digital transformation, artificial intelligence adoption, sustainability-oriented entrepreneurship, entrepreneurial resilience, and innovation ecosystems. Employing longitudinal and comparative mixed-methods designs would provide deeper insights into how entrepreneurial capabilities and ecosystem conditions evolve over time and influence sustained business performance.

In conclusion, promoting sustainable entrepreneurial success requires a comprehensive and collaborative approach that simultaneously develops internal organizational capabilities and strengthens the external entrepreneurial ecosystem. The findings of this study suggest that entrepreneurship development initiatives should move beyond isolated financial interventions toward integrated strategies that combine capability development, institutional support, innovation, education, and policy coordination. Such evidence-based interventions will not only enhance the resilience and competitiveness of MSMEs but also contribute to inclusive economic growth, employment generation, and sustainable regional development, thereby advancing the broader goals of entrepreneurship development in the Philippines and other emerging economies.

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