

# Assessment of Environmental, Economic, Social, and Sustainable Governance Practices of Medium Enterprises in Northern Samar

John Fred A. Madulid

Business Economics Department, College of Business Administration  
University of Eastern Philippines, University Town, Northern Samar, Philippines

Author Email: [johnfredmadulid@gmail.com](mailto:johnfredmadulid@gmail.com)

Date received: May 13, 2025

Date revised: June 4, 2025

Date accepted: July 1, 2025

Originality: 97%

Grammarly Score: 99%

Similarity: 3%

## Recommended citation:

Madulid, J.F. (2025). Assessment of environmental, economic, social, and sustainable governance practices of medium enterprises in Northern Samar. *Journal of Interdisciplinary Perspectives*, 3(8), 28-36.

<https://doi.org/10.69569/jip.2025.400>

**Abstract.** Sustainability has emerged as a crucial focus for enterprises navigating environmental, social, economic, and governance challenges. This study investigated the sustainable practices of medium enterprises in Northern Samar, Philippines—an under-researched, rural province where such businesses play a pivotal role in local development. Using a descriptive design and a modified questionnaire, the study assessed sustainability practices across environmental, social, economic, and governance dimensions from 80 medium enterprises (323 owners and employees) in Laoang, Allen, and Catarman. Among the sustainability dimensions, environmental practices ranked with the highest weighted mean (4.21), with safe hazardous waste disposal being the most widely practiced. Social practices (3.82) were moderately observed, particularly support for employee leave policies, while economic practices (3.89), such as fair pricing, were commonly implemented. Governance practices (3.86) showed commitment but needed further institutionalization. Outcomes highlighted strong environmental protection, compliance with regulations, and efficiency, though community reputation scored slightly lower. The study concluded that medium enterprises in Northern Samar demonstrate a foundational commitment to sustainability, particularly in environmental practices. However, gaps remain in areas such as training, organizational engagement, and support mechanisms, which hinder the broader implementation of sustainable practices. To address these challenges, targeted policies, capacity-building initiatives, and financial support are recommended. These actions can empower medium enterprises to become catalysts for inclusive, resilient, and sustainable local development.

**Keywords:** Enterprises; Medium; Practices; Sustainable; Northern Samar.

## 1.0 Introduction

Sustainability has emerged as a critical priority for businesses amid growing concerns over environmental degradation, social inequality, economic instability, and governance challenges. Sustainable practices now go beyond environmental preservation, incorporating social responsibility, financial resilience, and adherence to ethical governance (Sudjono, 2024; Elsayy & Youssef, 2023). Research highlights how businesses, tiny and medium-sized enterprises (SMEs), struggle to integrate these multifaceted practices due to resource limitations and structural barriers (Kluza et al., 2021).

In the province of Northern Samar, where agriculture, trade, and manufacturing drive local economic activity,

medium enterprises are vital contributors to employment, innovation, and regional development (Miranda & Fiel-Miranda, 2024). There is limited research on how medium-sized enterprises in rural provinces, such as Northern Samar, adopt sustainability practices, despite their significant contributions to local economic development and employment generation. This gap is particularly evident in rural provinces, such as Northern Samar, where most studies have focused on industrialized urban areas (Mendoza, 2022).

This study aimed to investigate the sustainable practices of medium enterprises in Northern Samar, identifying the challenges they face and the opportunities for improvement. Given that the province is one of the poorest in the Philippines, a focused exploration of ESG-oriented business practices can inform strategies that foster inclusive growth, policy alignment, and long-term sustainability (Botezatu et al., 2020). These studies will support the design of policies that empower local enterprises, promote community well-being, and advance holistic development in rural settings.

## **2.0 Methodology**

### **2.1 Research Design**

The study employed a descriptive research design to document the sustainable practices and outcomes of medium-sized enterprises systematically. This approach aimed to present an accurate overview of existing conditions by observing and recording phenomena as they naturally occur. Data were gathered through survey questionnaires, observation, and content analysis to identify sustainable practices employed. Rather than examining causality or testing hypotheses, the design focused on describing patterns and behaviors. This method provides a foundational understanding of the phenomenon, supporting future replication and further research.

### **2.2 Research Locale**

The study was conducted in Northern Samar, composed of three key areas – Balicuatro, Central, and the Pacific – with Catarman as its capital. The province's economy is anchored in agriculture, fisheries, and trade, with increasing support for MSMEs. It received national recognition in 2024 with the Presidential Award for Outstanding MSME Support. The municipalities of Allen, Catarman, and Laoang were selected to represent the strategic zones due to their economic significance: Allen as a trade gateway, Catarman as the administrative and economic hub, and Laoang for its resource-based enterprises, offering valuable insights into sustainable practices among medium-sized enterprises.

### **2.3 Research Participants**

The respondents of the study were 323 owners and employees of medium-sized enterprises in the province of Northern Samar, registered at the Business Permit and Licensing Offices. The sample size strikes an optimal balance between achieving statistical reliability and representativeness while remaining within resource constraints, thereby enabling a meaningful analysis of the diverse clusters within medium enterprises in Northern Samar. The owners and employees involved in the operations of enterprises were identified as respondents of the study, based on data provided by the BPLO. The enterprises are also selected within the premises of Northern Samar that have been operational for at least 3 Years. In this study, stratified random sampling was employed to ensure that all diverse clusters within medium-sized enterprises in Northern Samar were adequately represented, thereby reducing potential bias and enhancing the accuracy and reliability of insights regarding sustainable practices.

### **2.4 Research Instrument**

This study employed a modified questionnaire, inspired by Ortiz's work on the National Survey of SMEs' Situation in the Philippines, tailored to assess sustainable practices and their outcomes among medium-sized enterprises in Northern Samar. The first part evaluated sustainability efforts across four areas: economic (financial health, pricing, and resource efficiency), environmental (waste, pollution, and energy use), social (labor practices and inclusivity), and governance (compliance, partnerships, and policies), using a 5-point Likert scale. The second part assessed outcomes in terms of community reputation, environmental protection, operational efficiency, and regulatory compliance. Experts validated the questionnaire to ensure relevance, clarity, and reliability. This dual focus enabled a comprehensive analysis of the impact of sustainability on enterprise performance.

### **2.5 Data Gathering Procedure**

During the data gathering process, the researcher visited the Business Permit and Licensing Office in Catarman,

Allen, and Laoang, Northern Samar, to collect pertinent information and documents related to the history of medium-sized enterprises, including lists and other relevant data. The visit allowed access to primary sources, which were essential for the research on the sustainable practices of medium enterprises in Northern Samar. During the data collection process, the researcher obtained consent from the respondents before conducting the study. This involved informing the participants about the purpose of the research, the type of data to be collected, and how their responses would be used. The researcher ensured that the participants understood their right to participate voluntarily and that they could withdraw at any time without consequences. This process was done with the utmost respect for ethical standards and the privacy of the participants. Questionnaires were distributed to the respondents. Each respondent was asked to answer the questionnaire honestly. After completing the questionnaire, research instrument, and data gathering, the researcher calculated and analyzed the findings.

## 2.6 Data analysis

A 5-point Likert Scale was used to assess sustainable practices and outcomes, and the weighted mean was applied to quantify variables related to the sustainable practices of medium-sized enterprises. The weighted mean provided a more accurate representation of survey responses, ensuring that the most commonly implemented practices carried greater influence in the analysis. It also accounted for differences in respondent groups – such as business owners, employees, and policymakers – preventing any single group from dominating the findings. This method provided precise insights into which sustainability practices are most and least adopted, enabling policymakers and stakeholders to develop targeted strategies for enhancing sustainable business operations in the region.

## 2.7 Ethical Considerations

This study adhered to the highest standards of ethical research practices to ensure the rights, dignity, and welfare of all participants are respected and protected. The participants were informed about the nature, purpose, and procedures of the study before their participation. A letter of consent was provided, clearly stating that participation is voluntary and that participants have the right to withdraw at any time without any consequence. Confidentiality and anonymity were strictly maintained to ensure that all participants' personal information remained secure and their identities were protected throughout the study.

## 3.0 Results and Discussion

### 3.1 Assessment of Sustainable Practices

#### *Economically Sustainable Practices*

The results in Table 1 indicate that fair pricing is the most highly practiced among the enterprise's strategies, with a weighted mean (WM) of 4.42. This reflects a strong commitment to pricing transparency and fairness, which fosters consumer trust and loyalty, key elements of ethical and sustainable business conduct. Financial health management also received a high rating (WM = 4.30), underscoring its role in ensuring operational stability and supporting long-term planning and resilience.

**Table 1.** *Descriptive Results on Economically Sustainable Practices*

| No. | Indicators                                                           | Mean        | Interpretation              |
|-----|----------------------------------------------------------------------|-------------|-----------------------------|
| 1   | The enterprise practices fair pricing to Consumer.                   | 4.42        | Highly practiced            |
| 2   | The enterprise practices financial health management.                | 4.30        | Highly practiced            |
| 3   | The enterprise practices continuous increase in income.              | 4.24        | Highly practiced            |
| 4   | The enterprise practices continuous increase in capitalization.      | 4.19        | Frequently practiced        |
| 5   | The enterprise never practices fair pricing                          | 3.98        | Frequently practiced        |
| 6   | The enterprise practices maximum productivity of raw materials.      | 3.92        | Frequently practiced        |
| 7   | The enterprise never practices reduction of expenses                 | 3.87        | Occasionally practiced      |
| 8   | The enterprise practices reduction of expenses.                      | 3.81        | Frequently practiced        |
| 9   | The enterprise never practices financial health management expenses. | 3.49        | Frequently practiced        |
| 10  | The Enterprise never practices continuous increase in income.        | 2.73        | occasionally practiced      |
|     | <b>Sub-Mean</b>                                                      | <b>3.89</b> | <b>Frequently practiced</b> |

The enterprise's effort to continuously increase income (WM = 4.24) further highlights its proactive stance on growth and financial performance. This aligns with McKinsey & Company's (2023) findings that businesses integrating Environmental, Social, and Governance (ESG) strategies often achieve better long-term financial outcomes. Taken together, these practices—fair pricing, sound financial management, and growth-focused initiatives—form a strategic foundation for sustainable enterprise development and contribute to broader economic stability.

### Environmental Sustainable Practices

The data indicate that enterprises in the study are highly committed to environmental sustainability, particularly in waste management practices. The statement regarding the safe disposal of hazardous waste (WM=4.54) reflects that businesses are effectively managing their waste to protect the environment, employees, and the community. This commitment is further demonstrated by the implementation of waste segregation and recycling programs (WM=4.48), suggesting that businesses are actively sorting waste to minimize their environmental footprint. Tereshchenko et al. (2023) support this by emphasizing innovative waste management practices, where businesses focus on reducing waste generation, reusing materials, and recycling. This approach not only benefits the environment but also reduces operational costs related to raw materials and disposal.

**Table 2.** Descriptive Results on Environmentally Sustainable Practices

| No. | Indicators                                                                                                     | Mean        | Interpretation          |
|-----|----------------------------------------------------------------------------------------------------------------|-------------|-------------------------|
| 1   | The enterprise disposes of hazardous waste safely.                                                             | 4.54        | Highly practiced        |
| 2   | The enterprise implement waste segregation and recycling programs.                                             | 4.48        | Highly practiced        |
| 3   | The enterprise conducts public awareness in promoting enterprise's commitment to environmental sustainability. | 4.27        | Highly practiced        |
| 4   | The enterprise minimize water usage.                                                                           | 4.23        | Highly practiced        |
| 5   | The enterprise promote environmental awareness using the media.                                                | 4.19        | Frequently practiced    |
| 6   | The enterprise obeys the policies on water and air pollutions.                                                 | 4.17        | Frequently practiced    |
| 7   | The enterprise prioritize renewable & eco-friendly materials                                                   | 4.17        | Frequently practiced    |
| 8   | The enterprise observes reduction of energy consumption.                                                       | 4.08        | Frequently practiced    |
| 9   | The enterprise practices no use of plastics in operations.                                                     | 4.04        | Frequently practiced    |
| 10  | The enterprise promotes the re-use or re-purposing of product.                                                 | 3.97        | Frequently practiced    |
|     | <b>Sub Mean</b>                                                                                                | <b>4.21</b> | <b>Highly practiced</b> |

The sub-mean for environmentally sustainable practices (4.21) indicates that sustainability initiatives are well-integrated within these enterprises, highlighting their consistent efforts in promoting environmental responsibility. This finding is consistent with the study by Davies et al. (2018), which examines the UK manufacturing sector and underscores the importance of minimizing environmental impact while maintaining operational efficiency. In these enterprises, the use of machinery symbolizes not only progress but also a commitment to sustainability, reaffirming the broader shift towards environmentally conscious business practices.

### Social Sustainable Practices

The data highlights that the enterprise places a high emphasis on supporting employees' well-being, particularly through family and personal leave policies. With a weighted mean (WM) of 4.30, this practice is classified as "Highly practiced," indicating that the enterprise actively facilitates work-life balance by offering various forms of leave, including maternity and paternity leave, sick leave, and family emergency leave. These policies play a crucial role in fostering a supportive and empathetic workplace culture, which can lead to increased employee loyalty, reduced absenteeism, and a healthier organizational climate.

**Table 3.** Descriptive Results on Social Sustainable Practices

| No. | Indicators                                                                                                | Mean        | Interpretation              |
|-----|-----------------------------------------------------------------------------------------------------------|-------------|-----------------------------|
| 1   | The enterprise supports employees' leave policies for family and other assistance.                        | 4.30        | Highly practiced            |
| 2   | The Enterprise foster trust among employees.                                                              | 4.18        | Frequently practiced        |
| 3   | The enterprise adheres to anti-discrimination and anti-harassment policy.                                 | 4.11        | Frequently practiced        |
| 4   | The enterprise collect employees' feedback and act on it.                                                 | 4.08        | Frequently practiced        |
| 5   | The enterprise supports healthy work- life balance.                                                       | 4.02        | Frequently practiced        |
| 6   | The enterprise advocates empowerment.                                                                     | 3.70        | Frequently practiced        |
| 7   | The enterprise never provides continuous learning and professional growth opportunities to its employees. | 3.53        | Frequently practiced        |
| 8   | The enterprise never practices healthy and safety protocols.                                              | 3.51        | Frequently practiced        |
| 9   | The enterprise never recognizes rewards system to employees.                                              | 3.47        | Frequently practiced        |
| 10  | The enterprise continuously hire contract worker.                                                         | 3.30        | Occasionally practiced      |
|     | <b>Sub Mean</b>                                                                                           | <b>3.82</b> | <b>Frequently practiced</b> |

In contrast, employee recognition and rewards are not consistently prioritized, as reflected by a lower WM of 3.47, which is interpreted as "Frequently practiced." This suggests that while some recognition mechanisms are present, they may lack regularity, structure, or alignment with employee expectations. The absence of a comprehensive

and consistent recognition framework may stem from several factors, such as limited managerial training, budget constraints, or a lack of strategic focus on human resource development. The implications of this gap are significant: employees who do not feel acknowledged for their contributions are more likely to experience diminished motivation, lower engagement levels, and a reduced sense of organizational commitment. Over time, this can negatively affect productivity and increase turnover rates, particularly among high-performing staff.

This stands in contrast to global best practices demonstrated by companies like Starbucks, whose Global Impact Report (2023) emphasizes strategic employee recognition programs such as the Starbucks College Achievement Plan (SCAP). With over 12,000 graduates, SCAP illustrates how structured, long-term recognition initiatives can serve as powerful retention tools and sources of employee pride. Thus, the enterprise under study may benefit from reevaluating its recognition systems to enhance employee morale and performance outcomes.

### ***Sustainable Governance Practices***

The data revealed that the statement “the enterprise helps the government in implementing and promoting fair labor practices” received the highest weighted mean (WM = 4.15), interpreted as “frequently practiced,” signifying a strong commitment to labor rights and social responsibility. This indicates that the enterprise actively complies with labor laws and regulations, ensuring fair wages, benefits, and safe working conditions. It also engages in government programs related to fair labor—possibly through partnerships, advocacy, or corporate social responsibility (CSR)—and promotes ethical employment practices by preventing discrimination and upholding workers’ initiatives. Furthermore, the enterprise provides training and awareness programs for employees on labor rights, workplace policies, and fair treatment, demonstrating a proactive approach to fostering a fair and just work environment.

**Table 4.** *Descriptive Results on Sustainable Governance Practices*

| No. | Indicators                                                                                         | Mean        | Interpretation              |
|-----|----------------------------------------------------------------------------------------------------|-------------|-----------------------------|
| 1   | The enterprise helps the government in implementing and promoting fair labor practices.            | 4.15        | Frequently practiced        |
| 2   | The enterprise has an internal policy to guide sustainable practices.                              | 4.11        | Frequently practiced        |
| 3   | The enterprise sets and tracks clear sustainability goals and shares progress regularly.           | 4.07        | Frequently practiced        |
| 4   | The enterprise works with the mayor and council member to create and enforce policy                | 4.03        | Frequently practiced        |
| 5   | The enterprise includes diverse voices in decision- making to reflect community needs.             | 4.03        | Frequently practiced        |
| 6   | The enterprise conforms with government standards policy for waste governance.                     | 3.97        | Frequently practiced        |
| 7   | The enterprise creates policies to encourage energy efficiency and reduce carbon footprints.       | 3.92        | Frequently practiced        |
| 8   | The enterprise collaborate with other business organizations to promote sustainability.            | 3.70        | Frequently practiced        |
| 9   | The enterprise never give official receipt related to sales transaction to the customer.           | 3.48        | Frequently practiced        |
| 10  | The enterprise never creates policies to encourage energy efficiency and reduce carbon footprints. | 3.14        | Occasionally practiced      |
|     | <b>Sub Mean</b>                                                                                    | <b>3.86</b> | <b>Frequently practiced</b> |

Similarly, the statement “the enterprise has internal policy to guide sustainable practices” (WM = 4.11) and “the enterprise sets and tracks clear sustainability goals and shares progress regularly” (WM = 4.07) were also interpreted as “frequently practiced.” These findings suggest that the enterprise has a well-established internal policy framework for sustainability, which is consistently implemented and adhered to across all operations. The regular monitoring and reporting of sustainability goals highlight transparency and accountability, which are key indicators of a strong commitment to sustainable development. This aligns with the study by Achim et al. (2022), which found a positive correlation between high-quality corporate governance and improved sustainability performance. Moreover, it is supported by Wuaku et al. (2024), who concluded that effective corporate governance—through independent and diverse boards, engaged leadership, and contextual expertise—enhances sustainability in Ghana’s banking sector. This principle similarly applies to medium enterprises.

### 3.2 Outcomes of Medium Enterprises' Sustainable Practices

#### *Community Reputation*

Table 5 shows that the statement “Enhanced public perception” (WM = 4.21), interpreted as “Highly recognized,” signifies that the community is notably aware of and responsive to the sustainable practices adopted by medium enterprises. This high level of recognition implies that these enterprises have cultivated a strong public image, marked by credibility and trustworthiness. This finding closely aligns with the study by Tshikovhi et al. (2023), which emphasized that sustainable practices in medium enterprises substantially enhance community reputation, resilience, and economic stability. Both studies underscore the reputational benefits sustainability brings, though the current study adds empirical support by quantifying the community’s perception through a weighted mean, thereby reinforcing the earlier qualitative insights.

**Table 5.** *Community Reputation*

| No. | Indicators                           | Mean        | Interpretation               |
|-----|--------------------------------------|-------------|------------------------------|
| 1   | Enhanced Public Perception           | 4.21        | Highly recognized            |
| 2   | Improved Customer Advocacy           | 4.16        | Frequently recognized        |
| 3   | Strengthened the Brand Identity      | 4.13        | Frequently recognized        |
| 4   | Has Differentiation from Competitors | 4.10        | Frequently recognized        |
| 5   | Increased Consumer Trust.            | 4.09        | Frequently recognized        |
| 6   | Improved Stakeholder Relationships   | 4.07        | Frequently recognized        |
| 7   | Has Positive Media Coverage          | 4.06        | Frequently recognized        |
| 8   | Increased Employee Pride             | 4.06        | Frequently recognized        |
| 9   | Greater Community Support            | 3.95        | Frequently recognized        |
| 10  | Recognized as an Industry Leader     | 3.89        | Frequently recognized        |
|     | <b>Sub Mean</b>                      | <b>4.07</b> | <b>Frequently recognized</b> |

Similarly, the statement “Improved customer advocacy” (WM = 4.16), interpreted as “Frequently recognized,” indicates a steady and meaningful presence of customer support through loyalty and positive word-of-mouth. This finding supports the assertion made by Kumar and Singh (2022), who argue that enterprises embracing sustainability tend to benefit from stronger customer relationships and advocacy. However, while Kumar and Singh emphasized customer loyalty as a strategic advantage, the present study quantifies this customer response and ranks it slightly lower than public perception. This suggests that while customers do advocate for sustainable brands, the broader community recognition may be even more prominent.

Furthermore, the statement “Strengthened brand identity” (WM = 4.13), also interpreted as “Frequently recognized,” highlights that the brand’s sustainability initiatives contribute to a more distinct and consistent market presence. This aligns with the conclusions of Kumar and Singh (2022), who found that integrating sustainability enhances brand differentiation and recognition. The current study adds depth to this insight by demonstrating that brand identity, although positively affected, trails slightly behind public perception and customer advocacy in terms of recognition. This nuanced difference suggests that while sustainability is instrumental in shaping brand identity, its most immediate impact may be felt in broader societal recognition and consumer behavior.

In summary, the findings of the present study not only reinforce the conclusions of Tshikovhi et al. (2023) and Kumar and Singh (2022) but also provide a ranked perspective on how sustainability affects various dimensions of enterprise reputation—from public perception to brand identity—offering a more granular understanding of these relationships.

#### *Environmental Protection*

The data reveals that enterprises in the study exhibit a high level of commitment to environmental sustainability, as reflected in their responses to key statements. For instance, the statement “Compliance with environmental regulations” garnered a weighted mean (WM) of 4.33, interpreted as “Highly committed.” This indicates that these enterprises not only adhere to environmental laws but go beyond basic compliance, embedding these regulations into their core business practices. This commitment is further supported by Block et al. (2024), who noted that countries with robust protected area policies and active community involvement in conservation witness notable improvements in biodiversity outcomes. The enterprises’ adherence to these regulations suggests a comprehensive and integrated approach to environmental responsibility.

**Table 6. Environmental Protection**

| No. | Indicators                                | Mean        | Interpretation              |
|-----|-------------------------------------------|-------------|-----------------------------|
| 1   | Compliance with Environmental Regulations | 4.33        | Highly committed            |
| 2   | Fostering Environmental Awareness         | 4.30        | Highly committed            |
| 3   | Enhanced Ecosystem Health                 | 4.29        | Highly committed            |
| 4   | Reduction in Pollution Levels             | 4.29        | Highly committed            |
| 5   | Reduces carbon emissions                  | 4.26        | Highly committed            |
| 6   | Improved waste Management                 | 4.19        | Frequently committed        |
| 7   | Promotion of Sustainable Agriculture      | 4.16        | Frequently committed        |
| 8   | Increased Renewable Energy Use            | 4.06        | Frequently committed        |
| 9   | Preservation of Natural Resources         | 4.03        | Frequently committed        |
| 10  | Water Conservation                        | 3.98        | Frequently committed        |
|     | <b>Sub Mean</b>                           | <b>4.19</b> | <b>Frequently committed</b> |

Additionally, the statement “Fostering environmental awareness” received a WM of 4.30, also interpreted as “Highly committed.” This demonstrates the enterprises' active engagement in promoting environmental consciousness among stakeholders. They invest in educating and raising awareness within their operations, ensuring that environmental issues are central to their corporate culture. Similarly, the statement “Reduction in pollution levels” scored a WM of 4.29, implying a strong dedication to reducing environmental impact by actively minimizing emissions, waste, and pollution. Zhao and Wang (2023) support this, finding that the adoption of green technologies plays a pivotal role in reducing carbon emissions and minimizing resource consumption, reinforcing the enterprises' commitment to environmental sustainability.

### *Efficiency*

The data revealed that sustainable practices significantly boosted customer satisfaction (WM = 4.25, “Highly Efficient”), indicating that optimized and modernized operations enhanced service quality and customer experience. This aligns with Adama et al. (2024), who found that sustainable practices improve service perceptions and satisfaction. However, “Cost reduction in supply chain” had the lowest mean (WM = 3.96), suggesting that while sustainability improved front-end efficiency, its impact on back-end cost savings remains limited, highlighting the need for better integration of sustainability in supply chain management.

**Table 7. Efficiency**

| No. | Indicators                     | Mean        | Interpretation   |
|-----|--------------------------------|-------------|------------------|
| 1   | Boosted Customer Satisfaction. | 4.25        | Highly efficient |
| 2   | Better supply chain management | 4.22        | Highly efficient |
| 3   | Cost savings                   | 4.13        | Efficient        |
| 4   | Optimal resource use           | 4.11        | Efficient        |
| 5   | Increased sales                | 4.11        | Efficient        |
| 6   | Lower costs                    | 4.09        | Efficient        |
| 7   | Resilience to Market Changes   | 4.10        | Efficient        |
| 8   | Streamlined production         | 4.09        | Efficient        |
| 9   | Improved Process Automation    | 4.07        | Efficient        |
| 10  | Cost Reduction in Supply Chain | 3.96        | Efficient        |
|     | <b>Sub Mean</b>                | <b>4.11</b> | <b>Efficient</b> |

### *Compliance*

The data revealed that the outcome “Drives Innovation” received a weighted mean (WM) of 4.28, interpreted as “Highly Compliant,” implying that enterprises adhering to sustainable practices actively foster innovation. This suggests that sustainability compliance encourages the adoption of new ideas, technologies, and processes that enhance efficiency and competitiveness while promoting environmental responsibility. It reflects a proactive strategy where sustainability drives continuous improvement and creative problem-solving. This aligns with BDO Belgium & Mercuri Urval (2024), who emphasize the value of moving beyond compliance toward strategic, value-driven sustainability. Conversely, “Inclusive Leadership” had the lowest mean (WM = 3.94), indicating a relative gap in integrating diverse leadership practices, which may limit broader employee engagement and innovation potential.

Table 8. *Compliance*

| No. | Indicators                             | Mean        | Interpretation              |
|-----|----------------------------------------|-------------|-----------------------------|
| 1   | Drives Innovation.                     | 4.28        | Highly compliant            |
| 2   | Employee Satisfaction                  | 4.26        | Highly compliant            |
| 3   | Improved Transparency                  | 4.25        | Highly compliant            |
| 4   | Strengthened Customer Loyalty          | 4.22        | Highly compliant            |
| 5   | Increased Access to Funding/Incentives | 4.17        | Frequently compliant        |
| 6   | Has Reduced Regulatory Costs           | 4.10        | Frequently compliant        |
| 7   | Easier Adaptation to Changing Policies | 4.09        | Frequently compliant        |
| 8   | Reduced Risks                          | 4.05        | Frequently compliant        |
| 9   | Inclusive Leadership                   | 3.94        | Frequently compliant        |
|     | <b>Sub Mean</b>                        | <b>4.15</b> | <b>Frequently compliant</b> |

## 4.0 Conclusion

This study offers a distinctive contribution to the discourse on enterprise sustainability by focusing on medium enterprises in rural settings, specifically in Northern Samar—a context often underrepresented in mainstream research. By examining local practices in waste management, energy efficiency, and pollution control, the study reveals a growing environmental consciousness among rural entrepreneurs. These emerging green practices not only signal progress toward sustainable business operations but also underscore the untapped potential of rural enterprises as key drivers of sustainable development.

What sets this investigation apart is its contextual specificity: rather than generalizing from urban-centric models, it situates sustainability within the realities of a rural economy. In doing so, the study provides policymakers—particularly the Department of Trade and Industry, local government units, and environmental agencies—with actionable insights, highlighting opportunities to design targeted interventions such as green financing, eco-innovation support, and sustainability recognition programs. By bridging rural development and environmental stewardship, this study enriches the academic literature and offers practical pathways for inclusive, sustainability-oriented rural transformation.

At the same time, the study reveals moderate performance in governance and economic sustainability, highlighting the need for stronger institutional frameworks and enhanced capacity-building efforts. Enhancing ethical governance, improving resource efficiency, and encouraging transparent reporting could be prioritized through training programs and policy mandates developed by local authorities and trade organizations. Educational institutions and extension services also play a crucial role in equipping business owners with the knowledge and skills necessary to integrate sustainability principles into their everyday management, particularly for micro, small, and medium-sized enterprises operating in rural economies.

A particularly critical finding is the relatively limited focus on social sustainability, which exposes gaps in inclusivity, gender equity, worker welfare, and community participation. Addressing these dimensions will require further research to understand the socio-cultural and organizational barriers that constrain social engagement and equitable practices within these enterprises. Exploring these factors will help develop comprehensive strategies that integrate social considerations alongside environmental and economic goals.

Looking forward, future studies can expand this work by conducting comparative analyses across different regions or industries to identify context-specific best practices and challenges in sustainable enterprise development. Longitudinal impact assessments could also provide valuable evidence on how current sustainability initiatives affect business resilience, community well-being, and inclusive economic growth over time. Such research will be instrumental in shaping policies and programs that promote balanced and sustainable development in rural enterprise ecosystems.

## 5.0 Contribution of Authors

None declared.

## 6.0 Funding

None declared.

## 7.0 Conflict of Interest

None declared.

## 8.0 Acknowledgment

With profound gratitude and humility, the researcher acknowledges the guidance, support, and encouragement received throughout the completion of this academic endeavor. First and foremost, deepest thanks to Almighty God for the wisdom, strength, and perseverance that made this accomplishment possible. Sincere appreciation is extended to: Dr. Cherry I. Ultra, University President, for her inspiring leadership; Tito M. Cabili, Dean of the Graduate School, for his continued support; Dr. Tia Mare L. Ebdane, my adviser, for her invaluable guidance and patience throughout the research process; Dr. Korina P. Legazpi, Dr. Analyn M. Banagbanag, and Dr. Jinky C. Tafalla, my thesis panel, for their constructive insights and recommendations; The Dean and faculty of the College of Business Administration and the Accounting Office, for their academic and administrative support. A heartfelt thank you goes to my mother and brother, whose unwavering love, prayers, and encouragement were a constant source of strength and support. This work would not have been possible without all of you.

## 9.0 References

- Achim, M. V., Văidean, V. L., Sabău (Popa), A. I., & Safta, I. L. (2022). The impact of the quality of corporate governance on sustainable development: An analysis based on development level. *Economic Research-Ekonomska Istraživanja*, 36(1), 930–959. <https://doi.org/10.1080/1331677X.2022.2080745>
- BDO Belgium, & Mercuri Urval. (2024). Corporate sustainability: From compliance to value creation. BDO Belgium. <https://www.bdo.be/en-gb/insights/articles/2024/corporate-sustainability-from-compliance-to-value-creation>
- Davies, C. L. L., et al. (2018). Sustainable business practices in small and medium enterprises: A study of the UK manufacturing sector. *Journal of Business Ethics*, 147(3), 619–637.
- Gherghina, Ș. C., Botezatu, M. A., Hosszu, A., & Simionescu, L. N. (2020). Small and Medium-Sized Enterprises (SMEs): The Engine of Economic Growth through Investments and Innovation. *Sustainability*, 12(1), 347. <https://doi.org/10.3390/su12010347>
- Kluza, K., Ziolo, M., & Spoz, A. (2021). Innovation and environmental, social, and governance factors influencing sustainable business models: A meta-analysis. *Journal of Cleaner Production*, 303, 127015. <https://doi.org/10.1016/j.jclepro.2021.127015>
- Kumar, R., & Singh, A. (2022). Sustainable business practices and their impact on environmental conservation: A study of medium-sized enterprises. *Environmental Management and Sustainability Journal*, 25(1), 80–94.
- McKinsey & Company. (2023). Linking ESG initiatives to financial performance. <https://tinyurl.com/7rsu5z2c>
- Mendoza, H. A. (2022). Sustainable practices and challenges of farm destinations. *International Journal of Academe and Industry Research*, 3(2), 1–22. <https://doi.org/10.53378/352889>
- Miranda, A. T., & Fiel-Miranda, J. L. (2024). Degree of influence of rural communities in the emergence and growth of small and medium enterprises in Samar Island, Philippines. *Religación Revista de Ciencias Sociales y Humanidades*, 9(40), e2401208. <https://doi.org/10.46652/rgn.v9i40.1208>
- Starbucks. (2023). Starbucks' fiscal 2023 global impact report. Starbucks. Retrieved from <https://about.starbucks.com>
- Sudjono, S. (2024). Sustainable business models: balancing profitability and environmental responsibility. *Global International Journal of Innovative Research*, 2(9), 2104–2123. <https://doi.org/10.59613/global.v2i9.299>
- Tereshchenko, E., Happonen, A., Porras, J., & Vaithilingam, C. A. (2023). Green growth, waste management, and environmental impact reduction success cases from small and medium enterprises context: A systematic mapping study. *IEEE Access*, 11, 56900–56920. <https://ieeexplore.ieee.org/document/10113213>
- Wuaku, D., et al. (2024). Enhancing the sustainability of banks through informed corporate governance practices. *Journal of Global Responsibility*. 16(2). <https://doi.org/10.1108/JGR-10-2023-0164>
- Zhao, L., & Wang, J. (2023). The impact of sustainable practices on environmental performance in medium-sized enterprises. *Journal of Sustainable Business Practices*, 18(2), 45–61. <https://doi.org/10.1002/bse.3558>