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Agri-Entrepreneurial Competencies and Ethical Business Practices of SME Managers

Rosemarie N. Busa*, Cherry Ann P. Roxas
Institute of Graduate and Professional Education, Davao del Sur State College,
Digos City, Davao del Sur, Philippines

*Corresponding Author Email: busamarie98@gmail.com

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Abstract. This study aimed to assess the agri-entrepreneurial competencies and ethical business practices of small and medium-sized enterprise (SME) managers in Davao del Sur, as well as their relationship to organizational performance. It employed a descriptive-correlational research design, collecting data from 90 respondents through structured surveys. Statistical tools used included frequency, percentage, mean, standard deviation, and correlational analysis. Findings revealed that the majority of SME managers in Davao del Sur are middle-aged, male, and married, with high educational attainment. Their businesses are primarily small enterprises operating within various municipalities, typically in operation for 5 to 15 years, with modest profitability and limited formal managerial training. In terms of competencies, SME managers exhibited very high levels of organizing and leading, learning, opportunity recognition, commitment, strategic, and financial management competencies. Additionally, ethical business practices, including ethical decision-making, ethical leadership, and ethical awareness and training, were also highly rated. Organizational performance, assessed through both financial performance and employee satisfaction, was found to be very high, although some variability was noted. Correlational analysis indicated a significant relationship between agri-entrepreneurial competencies and ethical business practices, suggesting that managers with stronger competencies tend to uphold higher ethical standards. However, no significant relationships were found between ethical business practices and organizational performance or between agri-entrepreneurial competencies and organizational performance, suggesting that these factors alone may not directly determine business success.

Keywords: Agri-entrepreneurial competencies; Ethical business practices.

1.0 Introduction

Previous studies have documented the issues associated with the inadequate performance of numerous small and medium-sized enterprises (SMEs) in the region. This could be due to the various challenges that SMEs encounter. As a result, the researcher is interested in determining how effectively SME leaders anticipate organizational success by evaluating their degree of agri-entrepreneurial skills and ethical business conduct. Suianska and Nadanyioya (2023) further highlighted that consumers are now more aware of the reputation of the companies with which they engage. This suggests that small and medium-sized enterprises (SMEs) have been most adversely affected due to a lack of resources, strategic insight, and relevant partnerships to implement ethical practices. Additionally, Trevino and Nelson (2021) pointed out that businesses can no longer afford to overlook economic ethics. Ongoing business failures stem from unethical conduct, particularly involving employees and top executives (Carroll, 2021). This implies that companies that emphasize their commitment to ethical behavior can differentiate themselves from competitors and attract clients who prioritize moral values.

The segment of small and medium-sized enterprises (SMEs) plays a vital role in emerging economies, as it contributes to economic growth, poverty alleviation, and employment generation (Abisuga-Oyekunle et al., 2020). They are considered the backbone of the economy. In the Philippines, SMEs represent 99.56 percent of all businesses, with 90 percent classified as micro, 90.6 percent as small, and 0.4 percent as medium-sized (DTI, 2017). Despite their substantial impact on the Philippine economy, SMEs remain significantly less productive than larger companies due to various challenges. These challenges include limited access to finance, technology, and markets, as well as disruptive regulations and a lack of human resources (Zarroul El Ghak & Bakhouche, 2021). This indicates that having limited financial resources can hinder their ability to compete and grow.

Furthermore, Al Aina and Atan (2020) also emphasized how organizational performance can be affected by issues related to hiring, retaining, and developing employee skills. This could create difficulties for SMEs in finding and retaining skilled workers, which in turn would affect productivity. Chienwattanasook and Jermsittiparsert (2019) assert that entrepreneurship is broadly acknowledged as a critical factor influencing an organization's performance. Researchers have sought to understand the internal link between entrepreneurial competencies and firm performance, considering entrepreneurship as a key determinant of SME performance (Ziyae & Sadeghi, 2020). Given the complexity of the roles that SME managers handle, it is crucial to investigate the types of competencies that could enhance the success of SMEs (Moeuf et al., 2020). This implies that by boosting SME managers' skills, the organization's performance would improve. In this context, Ibidunni Ogundana and Okonkwo (2021) found that entrepreneurial competencies have a positive influence on a firm's performance in Spain.

Therefore, SME managers with a high level of entrepreneurial competencies tend to seek new opportunities and enhance their competitive positions by monitoring and managing their operational environment (Mokbel Al Koliby et al., 2024). There is increasing pressure on businesses to behave ethically while also operating as cost-effectively and efficiently as possible to enhance their performance (Gupta et al., 2021). Research has previously been conducted regarding the issues arising from the poor performance of various small and medium-sized enterprises (SMEs) in this context. This may arise from multiple challenges faced by these SMEs. Therefore, a comprehensive approach that combines industry initiatives, government support, and internal improvements within SMEs is necessary to address these issues. Tailoring strategies to meet the specific needs and characteristics of Philippine SMEs could enhance organizational performance.

The impact of specific competencies, including information technology, entrepreneurial, and SC competencies, on firm performance was mentioned. Other studies examine how managerial skills impact the performance of small and medium-sized enterprises (SMEs), while overlooking the performance of SMEs in the agro-processing sector, including SC, information quality, and information sharing (Shika et al., 2021). Furthermore, while it is commonly acknowledged that social networks are essential to small business success, there are few in-depth studies on the precise role that owner-managers social competence plays in learning and performance. The capacity to engage with strategic social partners and a social learning orientation were the two social competence domains most commonly mentioned and used in entrepreneurial workplace learning practices.

On the other hand, the capacity of an agri-entrepreneur to efficiently oversee financial assets and make well-informed choices that strike a balance between ethical and financial considerations. The value of financial accountability, integrity, and transparency in boosting agricultural businesses' moral standing and bottom line. Agri-entrepreneurs can attract investment, reduce risks, and sustainably expand their companies by implementing effective financial management techniques and upholding moral principles (Khan et al., 2021). A SME manager must possess strong leadership competencies, a broad enough knowledge and skill set, and the attitudes and attributes necessary to lead not just the team and the entire organization, but also themselves, in order to carry out their duties effectively. This accomplishes the ultimate goal, which is to uphold and strengthen the company's standing in the marketplace and produce fair revenue for the manager and other stakeholders. In addition to operating their businesses as cheaply, effectively, and efficiently as possible to boost performance, business organizations are coming under increasing pressure to act morally. Additionally, consumers are now more conscious of the standing of the companies they do business with. Due to their limited resources, strategic knowledge, and lack of pertinent partnerships, small and medium-sized businesses (SMEs) are now the most severely impacted. Businesses cannot afford to ignore business ethics any longer. Businesses continue to fail due to unethical practices, particularly those involving top executives and employees (Turyakira, 2018).

According to a 2017 study by Mayanja, many small and medium-sized enterprises (SMEs) have not fully incorporated ethics into their business plans, despite their substantial economic contributions on a global scale. It further stated that their business practices have a significant influence on the ethical business conduct of SMEs. Managers and owners of SMEs should be aware of their management procedures and ensure that all staff members understand what ethical business conduct entails and how to apply it in the workplace. In SMEs, business ethics are considered very important. Therefore, no company, regardless of its size, can hope to survive without ethical practices. Businesses can create wealth within legal and value-driven bounds without endangering the sustainability of future generations by implementing ethical practices, led by leaders driven by ethics, and utilizing creativity and careful environmental strategies (Nicolaides, 2017).

The environmental sustainability of companies relies on their efforts to safeguard the environment, rather than solely on financial success (Mousiolis et al., 2015; Klačmer Čalopa, 2017; Gurol & Lagasio, 2021). Ethical choices are frequently context-dependent or related to specific problems, and this aspect is interpreted differently based on the classification. Variations of every aspect were found to be vital elements of the ethical decision-making framework in small and medium-sized enterprises. Empirical findings suggest that larger companies tend to attract more attention, while small to medium-sized enterprises receive comparatively less attention (Levitt et al., 2015; Carvalho et al., 2018). Importantly, the ethical choices mentioned here reflect the ongoing presence of unethical behavior. However, the previously cited literature, albeit possibly in a positive light, illustrates the extensive importance of ethical decision-making and the function of individuals in corporate ethics.

The recent rise in the prominence of business ethics has not yet clarified the impact of business ethics on organizational success (Sambala et al., 2020; Johnson et al., 2021). Fundamentally, whether organizational ethics embodies a consistent pattern or represents an erratic choice remains unclear. In ethical decision-making, a moral ambiguity exists between fairness and the decision-makers' autonomy to affect others. It highlights the significance of ethics and morality in the decision-making process (Fok et al., 2016). Deontology (i.e., the study of duty and ethics) and Teleology (i.e., purpose interpretation) were covered in multiple discussions during the decision-making process (Schwartz, 2016; Ferreira et al., 2018; Polas et al., 2020).

A perceived competitive pressure exhibits significant positive correlations with ethical decision-making and confidence levels. In comparison, the degree of risk acceptance and confidence level show significant positive correlations with ethical decision-making. Findings also indicate that the level of risk acceptance acts as a mediator in the connection between previous technology usage and ethical decision-making. Additionally, there is a noteworthy and positive correlation between perceived competitive pressure and ethical decision-making, with a mediating effect from the confidence level.

The concept of organizational performance is based on the idea that an organization involves the voluntary collaboration of productive resources, including human, physical, and capital assets, aimed at creating maximum value for the users and contributors of these assets (Alchian & Demsetz, 1972; Carton, 2004). Therefore, value creation, as defined by the resource provider, represents the essential overall criterion of organizational performance for any entity. This value creation relies on how an organization is managed, as well as on the correct and active participation of employees in achieving the company's strategic goals (Doval, 2020). Theoretically, organizational performance serves as the foundation of strategic management, and empirically, most strategy research findings utilize the concept of organizational performance in their efforts to explore various strategy content and process issues (Al-Matari et al., 2014). Across global strategic management research, organizational performance is a vital construct that is often employed as a dependent variable, with numerous suggestions made for its improvement. Despite its significance, a lack of consensus exists regarding its definition or dimensionality (Marxiaoli et al., 2016), resulting in a poor conceptualization and the use of indicators purely for convenience.

SMEs constitute the foundation of numerous developed and developing economies. Nonetheless, many of these enterprises, particularly the smaller ones, encounter various challenges that could impact their everyday productivity (Meyer et al., 2018). In recent times, agricultural businesses have been compelled to adapt to new challenges, including market fluctuations, shifts in consumer behavior, food safety concerns, sustainability issues, and the impact of biotechnology (Lans et al., 2017). According to Ramachandran et al. (2019), the main challenges that SME managers face include a lack of fundamental business knowledge, insufficient market knowledge and information, inadequate financing, complex procedures and delays in loan disbursement, restricted networks, experience and expertise, and hesitance to utilize modern technology.

Additionally, Meyer et al. (2018) conducted a study examining the perceptions of a group of SME business owners and managers regarding the managerial challenges they encountered in a developing region. It was discovered that most of the identified issues (lack of networks, operational experience, market knowledge, skills, labor, and training) are pervasive in their surroundings. Furthermore, it highlighted the importance of providing and facilitating access to quality practical entrepreneurship training. Aside from that, occupational health and safety (OHS) risk management has become a crucial aspect of management, particularly in small and medium-sized enterprises (SMEs) within the agricultural sector, where there are evident disparities in work-related injury and death risks. Today, a range of standards has been established to facilitate OHS risk management. Nonetheless, implementing OHS is challenging due to minor contradictions in the content and discrepancies between legal and economic conditions, as well as the resources available to enterprises (Tucu et al., 2019).

In response to the changing global markets, characterized by a dynamic environment and fierce competition, organizations are pursuing and adopting new and innovative tools that provide them a competitive edge and enhance organizational performance. Customer experience management, which represents a comprehensive and integrated strategy for addressing customer interactions at various touchpoints by delivering valuable experiences throughout the customer journey, has received considerable attention from business managers in contemporary times and has been recognized as one of the most effective management approaches for enhancing organizational performance. Organizations should focus strategically on managing customer experiences across the organization for both internal and external customers throughout the customer journey to encourage repeat purchases, customer retention, and customer loyalty (Hardyman et al., 2015).

On the other hand, various kinds of risks can arise in SMEs. The analysis of publications reveals the significance of a risk management framework in SMEs and indicates that the traits of SME owners critically affect their business strategies (Falkner & Hiebl, 2015). Currently, we are observing an upward trend in the risks associated with agri-food supply chains, primarily due to ongoing changes affecting the agricultural market and the nature of agricultural products (Sharma et al., 2020). There is a substantial need for risk assessment techniques applicable to agri-food supply chains, as the risks in this realm are notably complex and varied (Yan et al., 2017).

Currently, the dynamism and unpredictability of the agricultural environment significantly complicate the decision-making process regarding economic survival. Alongside labor market issues, horticultural production, which plays a crucial role in fresh food supply chains, is facing severe challenges. Farm businesses are increasingly facing obstacles in light of policy reforms that envision multifunctional rural economies with goals spanning environmental, social, and food production objectives. This results in uncertainties and ambiguities regarding how farms respond to incentives and pressures aimed at becoming entrepreneurial, diversifying, enhancing food production efficiency, and adopting new technologies (Morris et al., 2017). Additionally, Meyer et al. (2018) suggest that both private and public sector support should be prioritized towards the growth of SME sectors due to their significance.

In this context, the study aims to assess the level of ethical business practices and entrepreneurial competencies among SME managers as indicators of organizational performance. The investigation contributes to the knowledge and understanding in this field while providing additional empirical support. The findings can assist top management, government entities, non-governmental organizations, financial institutions, and other SME stakeholders in improving SME performance. By examining these factors within the context of regional SMEs, this study fills a gap and offers empirical data and insights that can guide strategies for enhancing organizational performance. The results will be disseminated through academic channels, such as journal articles and conference presentations, as well as through practical means, including workshops, policy briefs, and collaborations with regional business associations. Through reaching SME managers, lawmakers, scholars, and the general public, this comprehensive dissemination plan aims to ensure that the research fosters the sustained growth and development of regional SMEs.

2.0 Methodology

2.1 Research Design

This study employed a descriptive-correlational approach to determine the agri-entrepreneurial competencies and ethical business practices of SME managers as predictors of organizational performance in Davao del Sur. Descriptive research was used to assess and categorize socio-demographic characteristics, business profiles, competencies, ethical business practices, and organizational performance among SME managers. As stated by Siedlecki (2020), descriptive research is appropriate for identifying traits, frequencies, trends, and classifications without manipulating variables. The correlational aspect of this study examined the relationships between agri-entrepreneurial competencies, ethical business practices, and organizational performance. According to Bhandari (2021), correlational research examines the associations between variables without the researcher's intervention. This design was appropriate since the study aimed to analyze whether agri-entrepreneurial competencies and ethical business practices significantly predict organizational performance among SMEs in Davao del Sur.

Data were collected using a structured questionnaire consisting of closed-ended questions that measured respondents' competencies, ethical business practices, and performance. The numerical data gathered were analyzed using appropriate statistical methods to determine trends, levels, and correlations among the study variables (Bloomfield & Fisher, 2019).

2.2 Participants and Sampling Technique

The study's respondents were the managers of any agri-based small and medium business in Davao del Sur. The inclusion criteria for small and medium-sized businesses include those with 10 to 99 employees and an asset size of Php 3,000,001–15,000,000 (UNDP, 2020). Furthermore, participants must be from the agri-based industry. This means that the products and services offered to the public are aligned with the concept of agriculture.

Table 1. *Distribution of Sample Respondents in the Province of Davao del Sur*

Municipalities	Population
Digos City	8
Sta. Cruz	24
Sulop	2
Kiblawan	25
Magsaysay	10
Matanao	8
Bansalan	13
Total	**90**

Furthermore, the participants were selected using the complete enumeration method. The complete enumeration method is a research strategy that involves collecting data from every individual in the population being studied. Complete enumeration guarantees that the results accurately and impartially represent the entire population, making it especially valuable for small populations or where resources allow for researching every individual unit (Li et al., 2000). The list of respondents was secured from the Municipal Business Permits and Licensing Office (MBPLO).

2.3 Research Instrument

The study utilized an adapted survey questionnaire to measure the study's independent variable. The research instrument was taken from the study of Migdadi (2018), "*Organizational learning capability, innovation and organizational performance*" and from the study of Udoh et al. (2017), "*Dimensions of Entrepreneurial Competencies of Agribusiness Managers in Niger Delta Region of Nigeria*" and was subjected to validation by experts. The questionnaire contained closed-ended questions and one open-ended question. It is composed of indicators that describe and evaluate the SME managers' agri-entrepreneurial competencies and ethical business practices as predictors of organizational performance in Davao del Sur. To measure the dependent variable, a sensibly designed survey questionnaire will be crafted. The research experts reviewed the research instrument to ensure that the questions were suitable for achieving the study's objectives.

The research instrument is divided into five (5) parts. Part I focused on the socio-demographic profile of the respondents. Part II. Focused on Business Profile, while Part III focused on the agri-entrepreneurial competencies possessed by SME agribusiness managers. On the other hand, Part IV examines the level of ethical business practices possessed by SME managers, and Part V assesses the extent of organizational performance in terms of adoption. Finally, Part VI gathered information about the challenges encountered by SME managers and will be determined in the study.

Table 2. *Level of Agri-entrepreneurial Competencies Possessed by SME Managers*

Scale	Level	Rating	Description
5	4.20 - 5.00	Very High	This means that agri-entrepreneurial competencies among managers are consistently demonstrated.
4	3.40 – 4.19	High	This means that the agri-entrepreneurial competencies possessed by the managers described in the items are often manifested.
3	2.60 – 3.39	Moderate	This means that the agri-entrepreneurial competencies among managers are sometimes manifested.
2	1.80 – 2.59	Low	This means that the agri-entrepreneurial competencies among managers are rarely manifested
1	1.00- 1.79	Very Low	This means that the agri-entrepreneurial competencies among managers are not manifested.

Table 3. *Level of Ethical Business Practices Possessed by SME Managers*

Scale	Level	Rating	Description
5	4.20 - 5.00	Very High	This indicates that the agribusiness manager's commitment and performance are always manifested.
4	3.40 – 4.19	High	This indicates that the agribusiness manager's commitment and performance are often manifested.
3	2.60 – 3.39	Moderate	This indicates that the agribusiness manager's commitment and performance are sometimes manifested.
2	1.80 – 2.59	Low	This indicates that the agribusiness manager's commitment and performance are seldom manifested.
1	1.00- 1.79	Very Low	This indicates that the agribusiness manager's commitment and performance are always manifested.

Table 4. *Extent of Organizational Performance*

Scale	Level	Rating	Description
5	4.20 - 5.00	Very High	Organizational Performance is highly evident
4	3.40 – 4.19	High	Organizational Performance is relatively evident
3	2.60 – 3.39	Moderate	Organizational Performance is evident
2	1.80 – 2.59	Low	Organizational Performance is rarely evident
1	1.00 – 1.79	Very Low	Organizational Performance is seldom evident

2.4 Data Gathering Procedure

To gather and solicit relevant data for this study, the researcher sought appropriate permission from the Research, Development, and Innovation (RDI) Office to conduct the survey. Thereafter, the researcher sent a letter to the Municipal Business Permits and Licensing Office (MBPLO) to request a list of business owners categorized as small and medium enterprises. After determining the respondent, the researcher sent an informed consent form to the participant, requesting their participation in the study's data collection. Prior to data gathering, participants were informed about the nature and objectives of the study, so they would be guided on the type of questions they would be asked to answer.

In terms of research instrument validation, the researcher sought the assistance of research experts to validate the survey questionnaire. Prior to this, a letter was sent to their respective offices to request permission to use them as the validator of the study's instrument. The research experts thoroughly examined the instrument and offered suggestions and ideas to improve consistency. Their insightful recommendations guided the implementation of any necessary changes and updates. After the permit to conduct research had been approved by the Office of the College President through the RDI Office and the research instrument had been validated, the researcher proceeded according to the set schedule for data collection. The mode of data collection was conducted face-to-face, allowing the researcher to obtain more valid, reliable, and accurate responses from the participants.

2.5 Data Analysis Procedure

The following statistical tools were used to treat the data.

Frequency and Frequency Distribution

These tools were used to describe the demographic and socio-economic profiles, economic effects, and business environments of SMEs.

Mean and Standard Deviation
These tools were used to determine the level of marketing strategies employed by SMEs and their economic impact.

Correlation
This tool was used to determine the significant relationship between the level of marketing strategies and the economic effects of small- to medium-sized enterprises, as well as the relationship between business environment and marketing strategies, and between business environment and economic effects.

2.6 Ethical Considerations
The research adheres to ethical guidelines, which include obtaining participants' informed and voluntary consent, protecting their right to privacy and confidentiality, reducing potential risks, building credibility, demonstrating social and cultural responsibility, and maintaining the adequacy of the research (Whitney & Evered, 2022).

3.0 Results and Discussion
3.1 Competencies Possessed by SME Managers

Table 5. *Competencies Possessed by SME Managers*

Indicators	Mean	SD	Descriptive Level
Organizing and leading competency	4.73	.21	Very High
Learning competency	4.69	.21	Very High
Opportunity competency	4.62	.20	Very High
Strategic competency	4.67	.22	Very High
Commitment competency	4.62	.23	Very High
Financial management competency	4.65	.19	Very High
Overall	**4.67**	**.08**	**Very High**

Organizing and Leading Competency
Table 5 indicates that SME managers in Davao del Sur demonstrated a Very High level of organizing and leading competency, achieving an overall mean score of 4.73. This implies that the respondents possess high skills in coordinating resources, managing teams, and fostering effective communication within their businesses. In the agribusiness sector, these skills are vital for optimizing labor distribution, managing production timelines, and ensuring seamless operational processes. Leadership is crucial in agricultural businesses, where effectively coordinating labor-intensive tasks and supply chains has a significant impact on business sustainability and efficiency.

To ensure the validity of the findings, the study includes both in-depth interviews and survey responses. The information collected from SME managers offered more profound insights into how leadership and organizational capabilities are reflected in their daily activities, validating the quantitative findings. Respondents recounted specific instances where their ability to delegate responsibilities, effectively manage time, and motivate employees enhanced productivity and overall business success.

Learning Competency
The findings show that SME managers in Davao del Sur display a Very High level of learning competency, achieving an overall mean score of 4.69. This implies that the respondents possess a robust capability to acquire, process, and utilize new information to improve their business operations. Learning competency holds particular significance in agribusiness, where ongoing adaptation to technological innovations and changing market needs is vital for sustainability. As stated by Kolb and Kolb (2018), learning agility enables managers to innovate and effectively address emerging challenges. Brown and Keeping (2021) highlight that nurturing a learning culture within SMEs enhances the resilience and long-term viability of businesses.

These conclusions were thoroughly validated through a structured survey questionnaire, ensuring that competency levels were assessed objectively rather than relying on subjective assertions. The survey approach utilized statistical analysis to measure learning competencies, thereby strengthening the dependability of the outcomes. The uniformity of high mean scores across all indicators suggests a strong commitment among SME managers to ongoing learning, training, and adaptation to new technologies—essential factors for business expansion and sustainability. Additionally, the findings align with established research that links learning-centric leadership to business success. Kolb's experiential learning theory posits that reflection and adaptation are crucial elements of managerial effectiveness.

Opportunity Competency

Opportunity competency scored a mean of 4.62, reflecting a "Very High" ability among SME managers to identify, evaluate, and capitalize on market opportunities. This indicates their strong ability to identify, evaluate, and capitalize on market opportunities—an essential skill in agribusiness, where fluctuating market conditions and resource constraints require proactive decision-making. This competency is critical in agribusiness, where managers must navigate volatile markets and resource constraints. According to Drucker and Maciariello (2017), opportunity recognition is crucial to entrepreneurial success, as it enables managers to capitalize on market gaps and achieve a competitive advantage. Moreover, recent studies by Jones et al. (2023) highlight that proactive opportunity-seeking behaviors among agribusiness managers can lead to improved profitability and business expansion. This finding reinforces the importance of cultivating entrepreneurial skills to ensure business sustainability in highly competitive markets.

Strategic Competency

Strategic competency achieved a mean score of 4.67, indicating that respondents possess a "Very High" capability for planning and prioritizing business objectives. This suggests that respondents possess a strong ability to plan and prioritize business objectives, a crucial factor in ensuring long-term sustainability in the agribusiness sector. Strategic competency enables managers to align resources, processes, and market positioning, ultimately fostering competitiveness in a dynamic business environment (Johnson et al., 2020). Furthermore, Porter and Heppelmann (2021) emphasize that strategic planning facilitates the integration of new technologies, process optimization, and risk mitigation, all of which are vital for maintaining business stability. This high level of strategic competency highlights the respondents' preparedness to navigate evolving market conditions and achieve organizational success.

Commitment Competency

Commitment competency, with a mean score of 4.62, reflects the managers' dedication and perseverance in achieving business objectives despite the challenges they face. Commitment competency is essential for ensuring resilience and maintaining focus during periods of uncertainty, such as fluctuations in crop yields or market prices. As noted by Duckworth and Gross (2018), grit and perseverance are key predictors of long-term success in entrepreneurial ventures. Furthermore, recent studies by Carmeli et al. (2022) suggest that managers with a strong sense of commitment are more likely to create a supportive work environment, resulting in higher employee retention and improved organizational performance. The findings underscore the importance of commitment in driving sustainable business practices.

The analysis of the level of agri-entrepreneurial competencies possessed by SME managers provides key insights into their ability to effectively manage and grow their businesses. The results, as summarized in the table, indicate a consistently "Very High" level across all competency indicators.

3.2 Summary of the Level of Ethical Business Practices Possessed by SME Managers

Table 6. *Summary of the Level of Ethical Business Practices Possessed by SME Managers*

Statement	Mean	SD	Descriptive Level
Ethical Decision Making	4.64	.21	Very High
Ethical Leadership	4.69	.18	Very High
Ethical Awareness and Training	4.78	.18	Very High
Overall	**4.70**	**.13**	**Very High**

Ethical Decision-Making

Ethical decision-making refers to the ability of SME managers to assess and resolve ethical dilemmas in a fair, transparent, and principled manner. The findings indicate that SME managers in Davao del Sur exhibit a very high level of ethical decision-making, with an overall mean score of 4.64. This result suggests that managers consistently uphold high ethical standards in their decision-making processes, ensuring fairness and accountability in their business operations. Several factors contribute to this high rating. First, there is an increasing awareness of corporate social responsibility (CSR) and ethical business conduct, which has been reinforced by training programs and policy interventions (Treviño et al., 2018). Second, many SME managers recognize that ethical decision-making is crucial for building trust with stakeholders, minimizing legal risks, and enhancing long-term business sustainability (Weiss, 2020). Furthermore, ethical decision-making has been linked to improved business performance, as customers and employees are more likely to support organizations that uphold strong ethical values (Ferrell & Fraedrich, 2021). Given these factors, the high level of ethical decision-making among SME managers serves as a critical foundation for ethical business operations in Davao del Sur.

The findings reveal a very high level across all indicators, suggesting that SME managers demonstrate strong ethical conduct in their business operations.

Ethical Leadership

Ethical leadership is the ability of SME managers to lead their organizations with fairness, integrity, and accountability. The findings reveal a very high level of ethical leadership, with an overall mean score of 4. This result suggests that SME managers in Davao del Sur are committed to leading by example and fostering an ethical culture within their organizations. Ethical leadership has been widely recognized as a key factor in enhancing employee satisfaction, motivation, and organizational commitment (Brown & Treviño, 2019). One possible reason for the high ratings is the influence of government policies and business associations that promote ethical governance and leadership development programs (Resick et al., 2021). Additionally, SME managers are likely aware of the benefits of ethical leadership, including improved employee performance, reduced workplace misconduct, and enhanced business reputation (Yukl, 2022). Ethical leaders are also more effective in navigating business challenges, as they prioritize fairness and ethical considerations in their decision-making processes (Weiss, 2020). Given these insights, the very high level of ethical leadership among SME managers in Davao del Sur highlights the crucial role of ethical governance in sustaining business success.

Ethical Awareness and Training

Ethical awareness and training refer to the extent to which SME managers are knowledgeable about ethical business practices and participate in ethics-related training programs. The study findings indicate a very high level of ethical awareness and training, with an overall mean score of 4.78. This result suggests that SME managers are well-informed about ethical principles and actively engage in ethics training programs to enhance their knowledge and skills. One possible explanation for this high rating is the increasing availability of ethics training initiatives provided by government agencies, business associations, and academic institutions (Ferrell et al., 2023). Research has shown that structured ethics training programs significantly improve managers' ability to make ethical decisions and promote ethical behavior within their organizations (Paine, 2019). Additionally, ethical awareness is crucial for ensuring compliance with business regulations, preventing ethical misconduct, and promoting a culture of transparency and accountability (Kaptein, 2020). The high level of ethical awareness and training among SME managers in Davao del Sur indicates a strong commitment to continuous learning and ethical excellence, which is essential for the long-term sustainability of their businesses.

3.3 Extent of Organizational Performance

The study evaluates the extent of organizational performance among SMEs in Davao del Sur by assessing two key indicators: financial performance and employee satisfaction. The results indicate a very high level of overall organizational performance, with financial performance scoring a mean of 4.51 and employee satisfaction scoring 4.41. These findings suggest that SME managers effectively manage financial resources and foster positive work environments that contribute to overall business success.

Table 7. *Extent of Organizational Performance*

Statement	Mean	SD	Descriptive Level
Financial Performance	4.51	.20	Very High
Employee Satisfaction	4.41	.16	Very High
Overall	**4.46**	**.14**	**Very High**

3.4 Relationship between Agri-Entrepreneurial Competencies and Organizational Performance

Table 8. *Relationship between Agri-Entrepreneurial Competencies and Organization Performance of SME Managers*

	Organizational Performance			
	$r - Value$	$p - Value$	Decision on Ho	Interpretation
Agri-Entrepreneurial Competencies				

.044	.677	Failed to Reject	Not Significant

The analysis also found no significant relationship between agri-entrepreneurial competencies and organizational performance. This finding contradicts some previous research suggesting that entrepreneurial competencies contribute to business growth, profitability, and market competitiveness (Lans et al., 2020). However, other studies support the notion that while entrepreneurial competencies are essential, they may not directly impact financial performance unless complemented by factors such as access to capital, market conditions, and business strategies (Urban, 2019).

One possible reason for this result is that entrepreneurial competencies alone may not be sufficient to drive business success. While competencies such as strategic planning, innovation, and financial management are crucial, their impact on performance may be moderated by external factors, including market demand, government policies, and economic conditions (Kuckertz et al., 2020). Additionally, SMEs may face operational challenges, such as limited resources or infrastructure constraints, which hinder the direct translation of entrepreneurial competencies into measurable business success. These findings suggest that SME managers in Davao del Sur may benefit from a more integrated approach that combines entrepreneurial skills with market-driven strategies, digital transformation, and access to financial support. Further research could examine the specific conditions under which entrepreneurial competencies contribute to higher organizational performance.

The correlational analysis provides valuable insights into the relationships between agri-entrepreneurial competencies, ethical business practices, and organizational performance. The results indicate that agri-entrepreneurial competencies have a significant influence on ethical business practices, suggesting that enhancing managerial competencies can lead to stronger ethical decision-making. However, no significant relationships were found between ethical business practices and organizational performance, or between agri-entrepreneurial competencies and organizational performance, indicating that these factors alone may not have a direct impact on business success. These findings underscore the importance of a comprehensive approach to SME development, where entrepreneurship education, ethical leadership, and strategic business planning are integrated to foster sustainable growth.

4.0 Conclusion

In conclusion, the study revealed a very high level of competencies across all areas, including organizing and leading, learning, opportunity recognition, strategic planning, commitment, and financial management. This indicates that despite the lack of formal training, SME managers possess strong intrinsic skills necessary for effective management. Meanwhile, SME managers demonstrated very high ratings in ethical decision-making, ethical leadership, and ethical awareness and training. This reinforces their ability to uphold integrity and fairness in business operations. Additionally, the study reports very high levels of both financial performance and employee satisfaction, indicating effective operational management. However, certain aspects, such as consistent financial stability and opportunities for employee growth, still require further attention. Moreover, the relationship analysis reveals a significant link between agri-entrepreneurial competencies and ethical business practices, suggesting that stronger managerial skills are associated with more ethical conduct. However, the lack of a direct significant relationship between these factors and organizational performance implies that additional external or moderating factors (e.g., market conditions, resource constraints) likely influence overall business outcomes.

5.0 Contributions of Authors

This research is an output of a collaborative effort between the authors. Ms. Busa, as the main author, was responsible for data gathering, writing, data encoding, and interpretation. At the same time, Dr. Roxas served as the research adviser, supervising the study's conduct, as well as proofreading and editing the results.

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7.0 Conflict of Interests

None declared.

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