



Business Sustainability in a Telecollection Agency: A Sequential Exploratory Analysis

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Abstract

This study examines the factors contributing to the sustainability of a family-owned telecollection agency in a highly urbanized city in the Philippines. Using a Sequential Exploratory Design, the study combines qualitative narratives from the couple owners of the agency and quantitative data from 315 employees. Four key themes were identified: strategic vision, employee engagement, technological integration, and customer-centric culture. Structural Equation Modeling (SEM) was used to analyze the quantitative data, revealing significant relationships between these factors and business sustainability. The study provides insights into how family-owned businesses, particularly telecollection agencies, can sustain operations in dynamic market conditions.

Keywords: Telecollection agency, Business sustainability, Employee engagement, Technological integration, Customer-centric culture, Sequential Exploratory Analysis

Introduction

The telecollection industry in the Philippines has experienced significant growth, largely driven by increasing demand for effective debt recovery solutions and an expanding credit market. Family-owned telecollection agencies have played a crucial role in this sector by leveraging personalized services and deep local knowledge. However, maintaining business sustainability in this competitive and ever-evolving market presents numerous challenges.

Palacios et al. (2022) and Gagnon et al. (2022) emphasize the importance of strategic vision and technological adoption in sustaining service-oriented businesses. Fernandez and Pitts (2023) argue that employee engagement is crucial for organizational resilience. Additionally, Santos et al. (2023) and Crisostomo (2021) highlight the role of adaptable leadership and supportive work environments in achieving long-term success.

Despite substantial research on family-owned businesses and service industries (e.g., Rauch & Frese, 2023; Jiménez et al., 2021), there is a notable lack of research focusing on telecollection agencies, particularly within the Philippine context. Existing studies often narrow their focus to aspects such as technology adoption or client relationships (e.g., Villanueva, 2021). This study addresses this gap by providing a comprehensive analysis of leadership, employee engagement, technology, and customer relationships in the context of telecollection agencies.

Objective of the Study

This study explores the experiences and perspectives of the owners of a telecollection agency that has been operational for over three decades in a highly urbanized city in the Philippines. By examining both qualitative and quantitative data, the study aims to identify the factors contributing to business sustainability in this specific context.

Methodology

This study employs a Sequential Exploratory Design to assess the sustainability of a family-owned telecollection agency through both qualitative and quantitative approaches. The research is conducted in two phases: qualitative interviews with the agency's owners and a quantitative survey of 315 randomly selected employees to ensure diverse representation.

In the first phase, semi-structured interviews were conducted with the couple who own and manage the agency. Their extensive experience provided valuable insights into key sustainability practices, focusing on themes such as leadership strategies, employee management, technological adoption, and customer service. Thematic analysis, following Lichtman's 3 C's, was applied to systematically identify and interpret these key themes, with quotes from the owners illustrating the findings. Iterative coding and member checking were employed to ensure the accuracy and validity of the qualitative data, enhancing the study's credibility.

In the second phase, a survey was designed based on the themes identified in the qualitative phase and was administered to 315 employees. The survey measured employee perceptions of business sustainability, employee engagement, technology integration, and customer-centric strategies using a 5-point Likert scale. To assess the relationships between these factors and business sustainability, Structural Equation Modeling (SEM) was employed. Model fit was evaluated using Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Root Mean Square Error of Approximation (RMSEA), ensuring robust and reliable quantitative results.

Rigor in the qualitative component of the study was ensured through meticulous data collection and analysis. In-depth, semi-structured interviews allowed for both guided and emergent discussions, capturing comprehensive insights into the agency's sustainability practices. Purposive sampling ensured that participants had relevant and extensive experience, while thematic analysis provided a structured approach to data interpretation. The study's rigor was further supported by thorough documentation of the research process and application of methodological standards, ensuring the trustworthiness of the findings.

Ethical considerations were paramount throughout the research process. Informed consent was obtained from all participants, including the couple owners and employees, ensuring they were fully aware of the study's objectives, their rights, and the confidentiality of their responses. The anonymity of survey respondents was strictly maintained, and all personal identifiers were removed to protect individual privacy. The study also received ethical approval from the relevant institutional review board, ensuring adherence to ethical research guidelines. All findings are presented without bias, accurately reflecting participants' perspectives while maintaining their confidentiality.

Results and Discussions

Qualitative Findings

Theme 1: Strategic Vision and Adaptability

Owner 1: Owner 1 emphasized the importance of strategic vision and adaptability in their business approach. He stated, *"It's about seeing the trends and responding before they impact us. We anticipated the shift towards digital collections and adapted quickly."* This perspective aligns with Santos et al. (2023), who underscore the significance of strategic foresight in overcoming economic challenges.

Owner 2: Owner 2 shared, *"Our ability to pivot and adopt new strategies has been crucial. We faced economic downturns by re-evaluating our business model and focusing on what works best."* This reflects the view of Van der Voet and Van Thiel (2021), who emphasize the need for adaptive leadership in navigating complex market conditions.

Theme 2: Employee Engagement and Retention

Owner 1: Owner 1 discussed the role of employee engagement in business sustainability: *"We invest in our employees because they are the heart of our operations. Their loyalty and performance are key to our success."* This view supports Fernandez and Pitts (2023), who highlight that engaged employees are fundamental to organizational success.

Owner 2: Owner 2 added, *"Creating a positive work environment and recognizing employees' efforts have led to high retention rates. We believe in treating our staff like family."* This aligns with Crisostomo (2021), who emphasizes the impact of supportive work environments on employee satisfaction in the Philippines.

Theme 3: Technological Integration and Innovation

Owner 1: Owner 1 noted the importance of technological integration: *"Modernizing our systems has been essential. Embracing new technologies has improved our efficiency and service delivery."* This perspective is supported by Gagnon et al. (2022), who find that technology integration enhances operational efficiency in service industries.

Owner 2: Owner 2 remarked, *"The initial resistance to new technology was challenging, but once implemented, it transformed our operations and gave us a competitive edge."* This view is consistent with McKinsey & Company (2023), which highlights the benefits of digital transformation in businesses.

Theme 4: Customer-Centric Culture

Owner 1: Owner 1 emphasized their customer-centric approach: *"Our clients are at the center of everything we do. Building strong relationships and trust has been a core principle of our business."* This aligns with Villanueva (2021), who highlights the importance of client relationships in telecollection agencies.

Owner 2: Owner 2 stated, *"We go the extra mile for our clients, and they appreciate it. This focus on customer satisfaction has been a key factor in our long-term success."* This supports Palacios et al. (2022), who argue for a customer-centric approach as vital for sustaining business operations.

The qualitative narratives from the couple owners underscore the importance of strategic adaptability, employee engagement, technological innovation, and a customer-centric approach. These findings highlight the need for a comprehensive approach to managing business sustainability, integrating leadership vision, employee relations, technology, and client service.

Quantitative Results

Structural Equation Model (SEM) Results

The Structural Equation Modeling (SEM) results reveal key relationships between the independent variables and business sustainability (Table 1). These findings are visually represented in a structural model, highlighting the impact of long-term vision, employee engagement, technological integration, and customer-centric culture on business sustainability.

Table 1: SEM Results of Factors Affecting Business Sustainability

Variable	Standardized Coefficients (β)	p-value	Interpretation
Long-term Vision and Strategic Adaptability	0.36	< 0.05	Significant
Employee Engagement and Retention Strategies	0.48	< 0.01	Highly Significant
Technological Integration and Innovation	0.31	< 0.05	Significant
Customer-Centric Culture	0.22	< 0.05	Significant

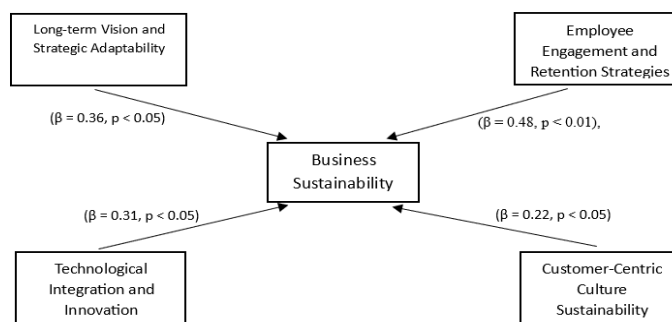


Figure 1: Diagram of Structural Model

Model Fit Indices:

- CFI (Comparative Fit Index): 0.96
- TLI (Tucker-Lewis Index): 0.94
- RMSEA (Root Mean Square Error of Approximation): 0.042

The CFI and TLI values exceed the commonly accepted threshold of 0.90, indicating a well-fitting model. An RMSEA of 0.042 suggests a close fit to the observed data, further validating the model's robustness.

The analysis reveals that all four factors significantly impact business sustainability. Employee Engagement and Retention Strategies has the strongest relationship with sustainability ($\beta = 0.48$, $p < 0.01$), consistent with De Jesus & Gonzales (2023), who argue that engaged employees drive organizational success. Technological Integration and Innovation ($\beta = 0.31$, $p < 0.05$) also plays a crucial role, aligning with Gonzales & Bautista (2021) on the benefits of digital innovation.

Long-term Vision and Strategic Adaptability ($\beta = 0.36$, $p < 0.05$) is essential for navigating economic challenges, supporting Rivera (2023)'s conclusions about the importance of strategic foresight. Finally, Customer-Centric Culture ($\beta = 0.22$, $p < 0.05$) positively impacts sustainability, reflecting the findings of Liu et al. (2022) and Palacios et al. (2022) on the significance of client relationships.

Conclusion

This study provides a comprehensive analysis of the factors contributing to the sustainability of a family-owned telecollection agency. By integrating qualitative insights from the owners and quantitative data from employees, the study highlights the significance of strategic adaptability, employee engagement, technological innovation, and a customer-centric culture in sustaining business operations. These insights offer valuable guidance for other family-owned businesses and service-oriented organizations aiming to thrive in dynamic environments.

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