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# The Filipino Family-Owned Business: A Matriarchal Model

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**P**roverbially, the person who holds the purse strings rules the house. In the Philippines, it is the woman who does so and who therefore runs the home as in matriarchal societies. In contrast, the Filipino male is regarded as a happy-go-lucky husband, interested only in procreation to assert his virility but not in the corresponding obligation of bringing home the daily rice.<sup>1</sup> Left to himself, he is likely to use his undeclared overtime pay for a "blow-out" with friends. Unlike her husband, the Filipina scrimps down to her last centavo, thus providing financial stability in the home and protesting the family's future by providing fiscal responsibility for the household.

To test the validity of this thesis, a study was conducted on the role of women-executives in Filipino family-owned com-

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<sup>1</sup> It is often assumed that the Filipino views work as an economic activity, i.e., it satisfies his economic wants. It is more likely, however, that he regards it as a socially acceptable activity—that is, it prevents a loss of face with his friends. For example, he may not feel any qualms about being out of a job if his friends do not work, i.e., *pakikisama* or the job is below his dignity, i.e., *nakakahiya*. For a fuller discussion of social acceptance, see Frank Lynch, "Social Acceptance," in *Four Readings on Philippine Values* (IPC Papers No. 2), Frank Lynch, comp. (Quezon City: Ateneo de Manila University Press, 1964), pp. 1-21.

panies,<sup>2</sup> economic units which might legitimately be regarded as extensions of the home. The study was conducted on 17 family-owned businesses in Cebu and Mandaue cities engaged in various economic endeavors. A questionnaire was developed to inquire into the extent of influence or authority given to each respondent—the wife of the head of the business. An authority continuum was set up to determine the degree of involvement of the respondents in the management processes of planning, controlling, organizing and executing. The continuum ranged from “full authority” to “not applicable,” and its intermediate points were “shared authority,” “consulted,” “not consulted.” To countercheck her responses to the statements, questions on her information requirements for decision-making were presented.

#### AUTHORITY IN BUSINESS TASKS

Based on the answers to the statements, the women-executives were found to have “full” authority in certain business tasks (table 1, the tasks in order of importance).

As mentioned earlier, the business is an extension of the home and the above responses seem to confirm this observa-

TABLE 1  
DEGREE OF AUTHORITY IN BUSINESS TASKS—FULL AUTHORITY

TASK	PERCENTAGE	RANK
General housekeeping (14)*	64	1
Office arrangements (4)	54	2
Approving purchase of supplies (2b)	48	3

\* Numbers in parentheses denote the statement number in the questionnaire.

<sup>2</sup> The term “Filipino” is used to connote a cultural group rather than a strictly legal one. In other words, naturalized Filipinos of predominantly Chinese and Spanish descent were not included. The company was considered family-owned if either the husband, respondent or both owned all or the majority of its stocks or capital.

tion, i.e., the woman takes care of office housekeeping, interior tasks immediately hint to the real power she has as she, together with her husband, approves acquisition of assets, payment of obligations, expenses exceeding the budgeted, and decides on other important financial and organizational matters. In table 2, the tasks which women share authority with their husbands are shown in the order of importance.

Shown in table 3 is the consolidation of the authority responses ("full" and "shared") which depicts the woman-executive as one preoccupied with financial tasks, from the most difficult—paying off accounts—to the most trifling—purchase of supplies, and with office upkeep, a womanly chore.

TABLE 2  
DEGREE OF AUTHORITY IN BUSINESS TASKS—SHARED AUTHORITY

TASK	PERCENTAGE	RANK
Approving acquisition of assets (2a)* and payments of obligations (2d) and approving expenses exceeding the budgeted (18)	60	1
Policing and collection of accounts (13) and resolving conflicts between personnel or departments (19)	54	2
Hiring, transferring, promoting, and dismissing rank and file (3)	48	3

\* Numbers in parentheses denote the statement number in the questionnaire.

TABLE 3  
DEGREE OF AUTHORITY IN BUSINESS TASKS—FULL AND SHARED AUTHORITY

TASK	PERCENTAGE	RANK
Approving payments of obligations (2d)	96	1
Approving purchase of supplies (2b) and office management (4)	90	2
General housekeeping (14)	94	3

TABLE 4  
DEGREE OF AUTHORITY IN BUSINESS TASKS—FULL AND SHARED AUTHORITY

TASK	PERCENTAGE	RANK
Scheduling of production (17)	24	1
Evaluating profitability of products (6a)	30	2
Preparing sales campaign (1), evaluating profitability of department (6c), launching a new product (7), planning the marketing of a new product (16) and setting up, a new department (12)	36	3

Table 4 shows the tasks women have least authority in the order of importance.

It can be gathered that the respondents had the least authority or interest in production and marketing tasks. No woman-executive was found to have the rank of sales or production executive except one who called herself a technical aide to her husband in their restaurant-bakery business.

See table 5 for the distribution of responses to each statement in the questionnaire.

#### AUTHORITY IN MANAGEMENT PROCESSES

To clarify further the women's role, the statements were grouped into the four different management processes: planning, controlling, organizing, and executing.<sup>3</sup> These processes are defined as follows:

1. Planning — the forecasting and prediction of future events, goal-setting, and the establishment of programs or courses of action to achieve agreed goals.
2. Controlling — the measurement and appraisal of results, and the regulation of funds and other material outflows.

<sup>3</sup> Responses to the questionnaire were grouped according to management process: planning (question numbers 1, 5, 9, 16, and 17); controlling (2a-2d, 6a-6c, 10, 13, and 18); organizing (3, 8, 11, 12, and 20); and executing (4, 7, 14, 15, and 19).

3. Organizing — the grouping, staffing, and coordinating of the parts or units of the organization.
4. Executing — the implementation of policies, correction and direction of the activities of individuals or parts of the organization.

Table 6 shows the distribution of responses along the authority continuum.

The respondents had the most ("full" and "shared") authority in the controlling and executing processes and significantly<sup>4</sup> less in planning and organizing.<sup>5</sup> This suggests that they predominate in day-to-day matters as well as in controlling the purse. The dominance of control becomes clear, however, if the two "housekeeping" questions, tasks a woman could ordinarily be expected to fulfill, are removed from "executing."<sup>6</sup> Then control stands out as the Filipina's primary role in the family business. So important is this process regarded that one of the respondents went so far as to state that her compensation was "controlling the purse."

Certain hypotheses have been set up to determine the significance or the lack of it of some demographic or job-related factors. These factors consist of the following: position in the company, education, type of business, husband's educational attainment hours put in, work experience, age, outside jobs, compensation, number of children, and information requirements. Significant deviations as well as unanticipated conformity to the norm will be analyzed to determine the woman's role and the extent of her authority in family business.

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<sup>4</sup> Tests of significant difference using the chi-square method were made on all the variables. Subsequent statements of difference have been statistically confirmed.

<sup>5</sup> The fact that the wife is not involved in these processes does not mean perforce that the husband is. In fact, no one at all may be doing them.

<sup>6</sup> After removing questions 4 and 14, the following distribution in terms of percentages from "full authority" to "not consulted" was: 10, 39, 20 and 6.

TABLE 5  
DISTRIBUTION OF RESPONSES — AUTHORITY CONTINUUM  
(In percentages \*)

NO. QUESTION (TASKS)	FULL AUTHORITY	SHARED AUTHORITY	CONSULTED	NOT CONSULTED	NOT APPLICABLE	NO ANSWER
1 Preparing the sales campaign	12	24	24		42	
2 Approving disbursements for						
a. Acquisition of assets	12	60	24			6
b. Purchase of supplies	48	42	6	6		
c. Expenses	36	42	12	12		
d. Payments of obligations	36	60		6		6
3 Hiring, transferring, promoting and dismissing of rank and file	12	48	36			6
4 Arranging office furniture and interior decoration	54	36	12			
5 Preparing estimates of expenses and capital expenditures	12	42	36	12		
6 Evaluating profitability of						
a. Products	12	18	42	12	6	12
b. Personnel	18	36	42		6	
c. Departments	6	30	18		48	
7 Launching a new product	12	24	24	6	36	

8	Hiring, transferring, promoting, and dismissing executives	6	36	30	30	
9	Planning the inventory requirements	12	42	12	18	18
10	Granting of credit	24	36	18	24	
11	Setting compensation schemes	12	42	24	24	
12	Setting up a new department		36	30	12	24
13	Policing and collection of accounts	18	54	12	18	
14	General housekeeping of office	64	18	6	6	6
15	Changing selling prices	6	42	12	12	24
16	Planning the marketing of a new product	6	30	24	12	30
17	Scheduling production	6	18	12	18	42
18	Approving expenses exceeding the budgeted	12	60	12	12	6
19	Resolving conflicts between personnel or departments	18	54	24		6
20	Defining the tasks and functions of a department	6	42	30	6	12
						6

\* The total exceeds 100 percent due to rounding off.



TABLE 6  
DISTRIBUTION OF AUTHORITY BY MANAGEMENT PROCESS  
(In Percentages)

MANAGEMENT PROCESS	FULL AUTHORITY	SHARED AUTHORITY	CONSULTED	NOT CONSULTED
Planning	9	31	21	12
Controlling	22	43	18	9
Organizing	7	40	29	8
Executing	30	34	15	5

#### Position: A Mantle or Veil of Authority?

It is noteworthy that women occupy very important and sensitive positions in family businesses. Three-fourths ( $3/4$ ) of the respondents were treasurers (6), managers (5), or assistant managers (2). The others filled positions at middle or supervisory levels like cashier, personnel manager, and technical assistant. One made it a point to say she is a "co-owner." All the husbands of the respondents were the formal heads or presidents of the business or, in the latter case, the "co-owner."

As might be expected, the managers and assistant managers have more authority in planning and organizing. This is, after all, a concomitant of their position in the former case or a division of tasks in the assistant manager's case.

When it comes to executing, only the managers, assistant managers, and treasurers follow the population distribution, the others scoring significantly lower. But while executing is clearly a function that managers and assistant managers should perform, it does not fall within the purview of treasurers. They are mere custodians of funds and properties of the organization and, therefore, are not acting within the scope of their responsibilities by having a lot of say in the day-to-day, nonfinancial activities of the organization.

Only assistant managers and treasurers exercised normal authority in control, the others exercising little authority.

Again, this is not the usual task of an assistant manager, although it is for a treasurer.

The dominance of the assistant manager's authority in all processes indicates that in family businesses titles are not necessarily indicative of the scope and authority of the position. Obviously, the assistant managers in the sample wield more authority than this position inherently implies or that they would admit to publicly.<sup>7</sup>

#### **Educational Attainment: A Business Degree Is a Plus**

Five of the respondents had business degrees, five had BA or BS degrees in other fields, and the remainder had not finished college or had taken other courses such as secretarial training.

There was no significant difference in the authority given to women with business degrees and to those in the other groups, except in the matter of control. Those with business degrees had a tighter hold of the purse, while those without business degree wielded considerably less authority. Apparently then a business education prepares a woman for a larger role in the financial area of family businesses, although not as large as one might expect.

When it comes to the important functions of planning and organizing, for which business graduates are presumably better prepared, they have no more authority than those educated in other fields or without college degrees.

#### **Type of Business: The More Complex the Less Involvement**

Eight of the businesses in the study dealt in services (car repairing, real estate, restaurants, and engineering). Five were trading firms, two were in manufacturing and two were in financing (banks).

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<sup>7</sup> The respondents may not want their husbands to lose face among their friends and, thus, they only use the assistant manager's title while performing the manager's tasks.

Although in general women are not very involved in planning, those in financing types of businesses have even less to do with planning than the others. It is possible that respondents who owned banks found these questions inapplicable because of the phrasing of the questions (largely in marketing and inventory terms). On the other hand, they may in fact do little planning, financing being a seller's market.

Those in manufacturing are not very involved in control, perhaps due to the greater size of these businesses where a large number of financial officers might be employed.

#### Husband's Educational Attainment: The Lawyer Is the Law

Husbands who have business degrees (5 of 17) might be expected to give their wives less say in the business than the others, since they themselves are specifically trained in this field, and this is generally the case. It was, however, found that their wives had the normal amount of authority in the processes of execution, control, organization and planning.

In contrast, those whose husbands have no college degree (5 of 17), or the one (1) who has an M.D. degree, are significantly more involved in organizing and controlling than the population norm but less in executing and controlling. These women and those whose husbands hold non-business (2 of 17) degrees also scored high in planning, presumably because their husbands either provide only the skill (selling or mechanical ability, for example) or capital for the venture as in the case of the doctor. Their husbands are not trained to perform these important functions nor are they to be trusted in the case of control.

The major exceptions to the rule are those whose husbands have LL.B. degrees. They are less involved in the business specifically in executing. Thus, the lawyers (4 of 17), even more than those with business degrees, tend to exert a good deal of authority in the firm. This is perhaps a function of the lawyer's role in Philippine society—he is viewed, and no doubt views himself, as an authority figure vis-a-vis society as a whole.

### **Hours Put In: They Act Like Executives**

The amount of authority a woman exercises is dependent upon whether she acts as an employee, i.e., required to put in a specific number of hours, or as an executive, i.e., free to come and go as long as she does her job. Most of the women (93 percent) are not required to put in any specific number of hours and these women are more involved in planning than the others which substantiates their being executives. Nonetheless, both groups do about the same amount of controlling, organizing, and executing.

### **Work Experience: Another Ribbon**

As might be expected, the women-executives who had previous experience (10) were entrusted with more authority in the company than those without (7). A significant difference existed in the amount of planning and controlling, that is, those with previous experience exercised a lot of authority. Knowing the Filipino male, the husbands were more than willing to surrender their prerogatives to them.

### **Age: They Start Young**

The respondents were more or less equally distributed by age, eight being below 40 years of age and nine being above. The younger generation displayed as much matriarchal tendencies (control authority) as the older age group, and the former were even above the norm for planning. They were merely "chips off the old block" when it came to ruling the roost. Or the husbands, in the same manner, are cuts from the same mold.

### **Outside Jobs: More Contribution to the Income, More Say**

The majority of the respondents had jobs other than those in the family business (10 of 17). However, this in no way diminished their ability to brandish authority in the family firm. Those with an outside job simply did less planning work than the others. Having an outside job did not prevent them from attending to the other functions, especially control.

On the whole, these outside jobs are income-producing but not very time-consuming as they consist of occupations like teaching, insurance underwriting, and airline representation. The jobs provide the woman with additional business exposure, thus possibly making her business decisions more reliable in the eyes of her husband. In addition, she is like the typical Filipina housewife, who is not only the mother of a large family but a major breadwinner as well.

#### **Compensation: Control of Purse Is Enough**

There was no significant difference between those that were compensated with a specific salary (14 of 17) and those that were not, indicating that the lack of a salary is not an indication of weakness. In fact, it may be inconsequential to some who considered their compensation to be, as one respondent put it, "controlling the purse." This authority in itself assures the woman-executive of an adequate income by insuring the financial viability of her husband's business.

#### **Number of Children: Business Involvement, a "Natural" Planner**

Children are often considered to be a hindrance to a woman's holding a job outside the home, but this does not hold true in the case of the women under discussion. Six of the women had one or two children, seven of them had four or five, and four had six or more. The number of children had no relationship to involvement in the business except in the case of those with only one or two children, who inexplicably exercised less control than the others. A plausible explanation for this is that these women may not be so pressed economically.

It might be noted, however, that most of these women have fewer children than the average Filipina who has seven. Whether they have limited their families because of their involvement in the business or perhaps a function of urbanization could not be ascertained.

#### **Information Requirements: Decisions They Make**

An executive makes his decisions by the information he obtains, and the types of decisions he makes best describe his

orientation and position. To check the veracity of the responses to the first portion of the questionnaire, a section was included requesting the information required by the women-executives, on the assumption that those receiving certain information are the ones who have authority over that function. Table 7 shows the combined responses to these questions.

The answers confirm the observation that women-executives are concerned with the control process and financial tasks such as policing receivable and scheduling liabilities. The next most often required information concerned personnel movement, cash position, budget comparisons and results of operations. Women-executives are least interested in sales and production results, confirming earlier observations.

Significantly, the women did not retrace their financial decisions with the same regularity as they policed accounts. Only 71 percent indicated that they required profitability figures while 82 percent kept track of outstanding liabilities and receivables. A possible explanation of this is that women-

TABLE 7  
INFORMATION REQUIREMENTS  
(In percentages)

TYPE OF INFORMATION	RE- QUIRED	OCCA- SIONALLY RARELY	NOT AP- PLICABLE	NO ANSWER
Cash position	71	29		
Personnel movement	77	17	6	
Outstanding liabilities	82	12		6
Sales:				
Product	47	12	35	6
Department	29	6	53	12
Salesmen	35	12	53	
Production:				
Product	47	12	35	6
Department	35		41	24
Outstanding receivables	82	12	6	
Comparison of budget against actual	71	17	6	6
Profitability of operations	71	17	6	6

executives have a simplified notion of financial work, i.e., financial tasks are done independently of sales and production.

All the managers make the following information compulsory: cash position, personnel movement, outstanding receivables and comparisons of budget against actual expenses. Four of the five required information on outstanding liabilities and profitability of operations.

The treasurers require much the same information. All of them require information on outstanding receivables and liabilities, and five out of the six require information on cash position, personnel movements, comparison of budget and actual expenses, and profitability of operations.

The assistant managers (2 of 17) placed as "required" information: personnel movement, outstanding liabilities, production and sales by products, outstanding receivables and profitability of operations. Again, assistant managers have more required information than the managers supporting the observation arrived at earlier that they are really managers.

### LIMITATIONS AND CONCLUSIONS

The study was not meant to be a conclusive statement about the influence of women-executives on their husbands' businesses. It is restricted to greater Cebu, i.e., Cebu and Mandaue cities and the number of respondents is small when compared to the total number of papa-mama type of stores, although it does include many of the larger establishments of this kind in the area. The husband's viewpoint was not requested, and his views may not necessarily be "those of the management," i.e., his wife.<sup>8</sup>

The general findings uphold the original thesis: the Filipina does not need to be liberated because, in fact, she already dominates the home and family businesses as well. Putting together the salient points found in each variable, a profile of the Filipina executive in a family-owned business emerges. She is relatively young, in her early thirties with about four children.

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<sup>8</sup> An inquiry into the latter's viewpoint might reveal still more facets of the role of women in the business.

She wields her authority through the position of assistant manager or treasurer. While she is not too interested in planning and organizing work or marketing and production, she exercises considerable authority in control and executing tasks, financial and housekeeping functions. The woman-executive acts like one, i.e., comes and goes as she pleases, and holds another job outside the organization, but just the same, she is compensated by a specific salary. Both she and her husband have college degrees and she has had some previous business experience.

The woman-executive is of most service to the organization, from a developmental point of view, in its birth and survival-sacrifice stages<sup>9</sup> because of her thrift and the restraint she exercises over the ambitious and, perhaps, wasteful schemes of her husband. However the same virtues become negative factors in later stages, given her preoccupation with controlling expenditures rather than long-range returns, where substantial investments and careful planning are called for.

To make her more of a help than a hindrance in these later stages, she should be given a more rounded knowledge and appreciation of the various management processes especially those of planning and organizing. It is equally important that she be knowledgeable of the marketing and production functions which have a direct bearing on the company's liquidity and profitability. This will ensure that she does not apply the brakes during the implementation of plans just because they represent substantial outlays of funds. In addition, she should be made a participant in anticipatory types of actions such as preparing the budget, forecasting sales and inventory-planning. In this way, she can become a positive force for the organization in which she is so influential.

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<sup>9</sup> Gordon H. Lippitt and Warren H. Schmidt, "Crises in a Developing Organization," *Harvard Business Review* 45 (6): 102-112, describe the crises that an organization faces in its early stages, marked by sacrifice and restraint.