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**The Personal Entrepreneurial Competencies of BS Entrepreneurship  
Students of the Cordillera Administrative Region and  
Practicing Entrepreneurs in the Cities of Baguio,  
Dagupan, and San Fernando, La Union: A Comparison**  
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# **The Personal Entrepreneurial Competencies of BS Entrepreneurship Students of the Cordillera Administrative Region and Practicing Entrepreneurs in the Cities of Baguio, Dagupan, and San Fernando, La Union: A Comparison**

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Reynaldo S. Bautista<sup>1</sup>, Maria Joan P. Barlis<sup>2</sup>, and Asuncion G. Nazario<sup>3</sup>

## **ABSTRACT**

Entrepreneurship is very much alive in the Philippines, and the government recognizes its strategic intervention that could have ten rural development processes. Among GMA's 10-point agenda, is the creation of 6M jobs in 6 years through more entrepreneurial opportunities. In March, 2005, she created Presidential Consultant Office for Entrepreneurship, to push for 3 million entrepreneurs by end of 2010.

Entrepreneurship includes a set of behaviors, skills, attributes, and competencies, conducive to developing innovation and creativity. This research focused on the levels of entrepreneurial competencies of practicing entrepreneurs in Baguio, Dagupan, and San Fernando, and of entrepreneurship students of selected business schools in CAR. Competencies measured were: Opportunity Seeking, Persistence, Commitment to Work Contract, Demand for Quality and Efficiency, Risk Taking, Goal Setting, Information Seeking, Systematic Planning and Monitoring, Persuasion, and Self-Confidence. It made use of descriptive (weighted means and standard deviations) and inferential (t-test, ANOVA, and Pearson Product-Moment Correlation Coefficient  $r$ ) tools.

The students are weakest in Opportunity Seeking, Risk Taking, and Self-Confidence. Practicing entrepreneurs are weakest in Risk Taking. Generally, competencies of students do not significantly vary by school, age, gender, nor year.

## **I. Background of the Study**

In the Asia-Pacific region, the state of entrepreneurship has never been as dynamic as it is today. Through entrepreneurship, economic growth has lifted hundreds of millions of people out of subsistence agriculture into manufacturing and service employment, increasing wealth and reducing poverty. ([http://www.cacci.org.tw/Journal/2006/Periquet speech.pdf](http://www.cacci.org.tw/Journal/2006/Periquet%20speech.pdf))

Entrepreneurship is very much alive in the Philippines. The Philippine government recognizes that entrepreneurship is a strategic intervention that could hasten rural development process. Among the 10-point agenda of President Gloria Macapagal Arroyo is the creation of six million jobs in six years through more opportunities given to entrepreneurs. Furthermore, the President created the Office of the Presidential Consultant

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for Entrepreneurship in March 2005 whose mandate is the creation of 3.0 million entrepreneurs by the end of her term in 2010. Under this office, there are two major thrusts in which the promotion of entrepreneurship is to be addressed: **advocacy and education**. (<http://www.cacci.org.tw/Journal/2006/Periquet>)

Peter Drucker once said, the entrepreneurs' driving force behind the business rests on the understanding that entrepreneurship is a discipline, and like all other disciplines it can be learned (Drucker, 1998). Entrepreneurship is beyond simply making money outside of employment. It is about passion. It is doing things not because you have to, but because you love to. It is also about sustainability. It is an endless source not only of passion but also income. Because of passion, perfection is approximated. Perfection leads to customer satisfaction. Customer satisfaction leads to sustainable income.

Presently there is no single definition of entrepreneurship that is accepted. Different authors have their own definition of entrepreneurship but the definitions still discuss similar concepts and ideas. According to Robert Hisrich, entrepreneurship involves the creation process, requires the devotion of the necessary time and effort, assumes the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence (Hisrich, 1999). Entrepreneurship also includes a set of behaviors, skills and attributes conducive to the development of innovation and creativity.

Bob Reiss a successful entrepreneur and an author says that entrepreneurship is the recognition and pursuit of opportunity without regard to the resources you currently control, with confidence that you can succeed, with the flexibility to change course as necessary, and with the will to rebound from setbacks. A key factor in his definition is that entrepreneurs undertake opportunities regardless of the resources the entrepreneur currently controls. (<http://www.thinkinglike.com/Essays>) These successful entrepreneurs did not start rich and successful. They ended up rich and successful. (<http://www.talfighel.com>)

The entrepreneur is an innovator. His function is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, opening a new source of supply of material or a new outlet for products by recognizing a new industry.

It is very important to note that there is really no "typical entrepreneur." There are personal entrepreneurial competencies that an entrepreneur must possess. These

competencies can determine successful from unsuccessful entrepreneurs and “wannabe’s”. A process approach of studying entrepreneurial competencies is the research emphasis. It assumes that the mere possession of competencies does not necessarily make an entrepreneur competent. Rather, these competencies can only be demonstrated with one’s behaviors and such behaviors can only be acquired or learned through formal education.

The concept of competency is also related to performance, but the focus is mainly at the individual level. Entrepreneurial competencies are obviously related to managerial competencies (Boyatzis, 1982). This approach is a response to the need for possession of characteristics more than simply skills and abilities in facing the increasing competition. In other words, there is a need for combining certain values and attitudes with these skills and abilities towards competence which could be learned from the formal education that an entrepreneur is to undergo.

Moreover, in terms of casual relationship, behaviors are closer to performance than other entrepreneurial characteristics like personality traits, intentions or motivations (Herron and Robinson, 1993; Gartner and Starr, 1993). Competencies are seen as behavioral and observable characteristics of an entrepreneur. Consequently, competencies are changeable and learnable, allowing multi-method empirical studies including quantitative approaches to measurement (Bird, 1989). This approach also expands our horizons for intervention in terms of selection and teaching of entrepreneurship. Further, it is variable across levels of analyses and disciplines of business management, allowing complex, multi-level, and multi-disciplinary research to advance. These natures allow entrepreneurial competencies to serve as a bridge between individual-level characteristics and firm-level performance.

Given the advantages of a business program that offer a major in entrepreneurship, the government encourages colleges and universities to formulate entrepreneurship program, citing the possibilities of maximizing the potential of entrepreneurial education. With this, certain schools have designed degree programs for students with a strong entrepreneurial inclination and who possess excellent leadership skills.

In Baguio City and La Trinidad, Benguet, selected schools offer entrepreneurship courses. In these colleges and universities, the curriculum is designed to extensively train students in the nuances of starting a business. Knowing what industry to specialize in, however, does not spare the aspiring entrepreneur from start-up difficulties. (<http://www.newsflash.org/2004>). There is no formula to guarantee the success of all business ventures, as each business encounters unique challenges

(<http://www.newsflash.org/2004>). There are, however, fundamental principles for starting up a business. Such fundamentals are beneficial to would-be entrepreneurs in anticipating and addressing these difficulties they might come across. (<http://www.newsflash.org/2004>).

In this paper, a competency is defined as the total capability of the entrepreneur to perform a job role successfully. It is the intention of this study to find out the perceived level of personal competencies of would-be entrepreneurs and compare it with the level of personal competencies of practicing entrepreneurs in selected cities.

The entrepreneurial competency is one of the main concerns that must be imparted to the students keeping in mind that these students will become future entrepreneurs. Educational institutions play a vital role in imparting this competency to the students. Because it is in school that the students are trained and become knowledgeable. It is here where would-be entrepreneurs acquire the knowledge they need for their future endeavors. It is through formal education that would-be entrepreneurs prepare themselves to become successful practicing entrepreneurs.

With these things in mind, the researchers were prompted to conduct the study in order to measure the levels of competencies of entrepreneurship students and practicing entrepreneurs. The student-respondents who were majoring in Entrepreneurship were from selected schools in the Cordillera Administrative Region (CAR). The practicing entrepreneur-respondents were from three cities, namely: Baguio City, San Fernando City, La Union, and Dagupan City.

## **II. The Problem**

In general, this study focused on assessing the levels of entrepreneurial competencies of the practicing entrepreneurs in the cities of Baguio, Dagupan and San Fernando, La Union, and the entrepreneurship students of selected schools in the Cordillera Administrative Region (CAR). The assessment has been made along the following entrepreneurial competencies: Opportunity Seeking, Persistence, Commitment to Work Contract, Demand for Quality and Efficiency, Risk Taking, Goal Setting, Information Seeking, Systematic Planning and Monitoring, Persuasion, and Self-Confidence. The study compared the competency levels of the practicing entrepreneurs in the three cities and the entrepreneurship students of CAR along these areas. From the results, the researchers proposed recommendations geared toward strengthening the linkages between the practicing entrepreneurs and the entrepreneurship students in order that the latter would enhance the entrepreneurial competencies they possess.

## **III. Summary of Findings**

### **1. Profile**

There were 171 respondent-students who are majoring in Entrepreneurship courses from 5 Higher Educational Institutions (HEIs) from Cordillera Administrative Region (CAR). Seventy two are less than 20 years old, 51 are 20 years old and 48 are over the age of 20. There are 64 male and 107 female students. Eighty two are juniors while 89 are seniors.

There were 292 respondent-entrepreneurs who participated in the research. There were 94 practicing entrepreneurs from Baguio, 93 from Dagupan, and 105 from San Fernando, La Union. Of these respondents, 125 are male and 167 are female. Eighty six are less than 31 years old, 95 are 31 to 40 years old, 68 are 41 to 50 years old, and 43 are more than 50 years old.

One hundred sixteen entrepreneurs have been in business for less than 6 years. Sixty seven were in the business for 5 to 10 years, 53 for 11 to 15 years, and 56 have been practicing their professions for more than 15 years. There are 196 who are producing tangible outputs or products, while 96 are into services.

## 2. Competency Levels

Overall competency levels of students and practicing entrepreneurs are shown in the table below.

	Students	Competencies		Entrepreneurs	
3.37	Sometimes	Opportunity Seeking	3.78	Usually	SD
3.55	Usually	Persistence	3.67	Usually	SD
3.49	Usually	Commitment to Work Contract	3.77	Usually	SD
3.62	Usually	Demand for Quality and Efficiency	3.76	Sometimes	SD
3.31	Sometimes	Risk Taking	3.12	Usually	SD
3.79	Usually	Goal Setting	3.81	Usually	NSD
3.58	Usually	Information Seeking	3.71	Usually	SD
3.48	Usually	Systematic Planning and Monitoring	3.56	Usually	NSD
3.50	Usually	Persuasion and Networking	3.48	Usually	NSD
3.40	Sometimes	Self-confidence	3.62	Usually	SD

*Legend: SD – Significant difference; NSD– No Significant Difference*

## 3. Significant Differences in Entrepreneurial Competency Levels

### ***Entrepreneurship Students***

The entrepreneurship students show significant differences only in Persistence, and Demand for Quality and Efficiency, when they are grouped by their schools.

When the students are grouped by age, there are significant differences in their competency levels along Opportunity Seeking, Persistence, and Risk Taking. The students who are over 20 years old had the lowest competency levels along these areas. The students have similar competency levels in the rest of the 7 areas.

There are no significant differences in their competency levels when they are grouped in terms of their gender, except along the area of Persistence, where the male students had higher competency levels compared to the female students.

Their competency levels are the same regardless of their year levels.

### ***Practicing Entrepreneurs***

When they are grouped by their business locations, the practicing entrepreneurs have significant differences in their competency levels. The entrepreneurs from Dagupan had considerably the highest ratings in Opportunity Seeking, Persistence, Commitment to Work Contract, Goal Setting, Systematic Planning and Monitoring, and Persuasion and Networking. There are no significant differences in their competency levels in the rest of the 4 areas.

The competence levels of the practicing entrepreneurs are the same for the male and the female entrepreneurs.

Those whose ages are within the range 41 to 50 year had the lowest competency levels along Persistence, Commitment to Work Contract, and Risk Taking. There are no significant differences in the rest of the 7 areas.

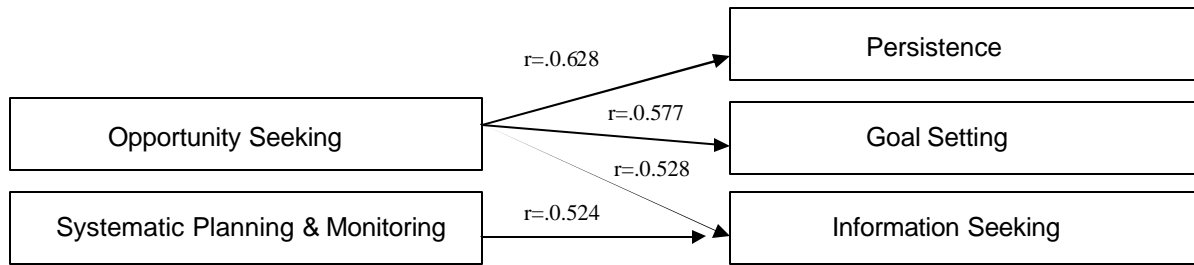
The entrepreneurs' number of years in business and the type of their business output do not discriminate them in their competency levels.

### ***Entrepreneurship Students and Practicing Entrepreneurs***

There are significant differences in the competency levels of the entrepreneurship students and practicing entrepreneurs along the areas of Opportunity Seeking, Persistence, Commitment to Work Contract, Demand for Quality and Efficiency, Risk Taking, Information Seeking, and Self-Confidence. There are no significant differences in their competency levels along the areas of Goal Setting, Systematic Planning and Monitoring, and Persuasion and Networking.

## **4. Correlations Between and Among the Competency Areas**

In general, low to moderate correlations are seen between and among the 10 competency areas. Relatively the highest moderate correlation coefficients are between Opportunity Seeking and the following competency areas: Persistence ( $r = 0.628$ ), Goal Setting ( $r = 0.577$ ), and Information Seeking ( $r = 0.528$ ). The correlation between Information Seeking and Systematic Planning and Monitoring ( $r = 0.524$ ) is likely among the highest.



#### IV. Conclusions

##### 1. Overall Competency Levels of Entrepreneurship Students and Practicing Entrepreneurs.

There is still room for improvement in the competency levels of the entrepreneurship students and practicing entrepreneurs in all 10 areas. The students are weakest and thus need the greatest improvement along Opportunity Seeking, Risk Taking, and Self-Confidence. The practicing entrepreneurs are weakest and thus need the greatest improvement along Risk Taking.

##### 2. Differences in Competency Levels among Entrepreneurial Students.

- 2.1. The schools where students are pursuing their entrepreneurship courses do not differentiate their entrepreneurial competency levels except for Persistence and Demand for Quality and Efficiency. In these two competency areas, those who belong to school E needed the most improvement.
- 2.2. The age of the students do not discriminate their entrepreneurial competency levels except for Opportunity Seeking, Persistence, and Risk Taking. In these three areas, the students who are over 20 years old need competency-building trainings the most.
- 2.3. The entrepreneurial competency levels of the students whether they are male or female are similar, except for Persistence, where the males display higher competency levels.
- 2.4. The year levels of students do not distinguish their entrepreneurial competencies.

##### 3. Differences in Competency Levels among Practicing Entrepreneurs.

The business locations of the entrepreneurs distinguish their entrepreneurial competencies along Opportunity Seeking, Persistence, Commitment to Work Contract, Goal

Setting, Systematic Planning and Monitoring, and Persuasion and Networking. Entrepreneurs situated in Dagupan City are the most competent in these areas.

The gender of the practicing entrepreneurs do not discriminate their entrepreneurial competencies.

Age set the entrepreneurs apart when it comes to their competency levels along Persistence, Commitment to Work Contract, and Risk Taking.

The entrepreneurs' number of years in business does not make a distinction as to their entrepreneurial competencies.

The entrepreneurs' competencies are the same regardless of whether they produce tangible or intangible products.

#### 4. Differences in Competency Levels Between Students and Entrepreneurs

The entrepreneurs are more competent than the students in Opportunity Seeking, Persistence, Commitment to Work Contract, Demand for Quality and Efficiency, Risk Taking, Information Seeking, and Self-Confidence.

5. For the practicing entrepreneurs, improvements in Opportunity Seeking competency may result to substantial improvements in the levels of competency along Persistence, Goal Setting, and Information Seeking. Improvements in Systematic Planning and Monitoring competency may result to moderate improvements in the levels of competency along Persuasion and Networking.

### V. **Recommendations**

1. In order to improve on the competency levels of students especially along the areas of opportunity seeking, risk taking, and self-confidence, the researchers recommend that universities review the design of school curriculum to promote entrepreneurship. Specifically:

- teach students about investment, how to manage personal finances, relationships between risk, business success and rewards.
- integrate as part of the practicum course an **apprenticeship program** wherein students serve a local entrepreneur whose line of business is similar in nature as the one that the student intends to put up in the future. This will provide an avenue for the practicing entrepreneur to impart knowledge as they partner with the universities in training the students hands-on. This will equip student with the

necessary entrepreneurial skills that will prepare them in the battlefield when they put up their own business.

2. Universities must commit themselves to producing well-rounded graduates who understand that business takes place in the larger society. Although reports reveal that a university education does not ensure that one will become an entrepreneur, entrepreneurial skills are also essential in careers at SMEs and large companies. Along this line, universities must establish close and active linkages with the practicing entrepreneurs in their own cities. The following activities could be considered by universities:

- a. Arrange **ocular visits** by the students together with their advisers to the production sites of selected practicing entrepreneurs. This will provide the students an opportunity to supplement classroom learning by observing actual business practices and methods of local entrepreneurs.
- b. Organize **forums or symposia** wherein successful local entrepreneurs in the city will share their success and failure stories, and relevant insights that will strengthen students' passion toward continuously seeking entrepreneurial opportunities.
- c. Establish **linkages with SLU-EISSIF, DTI, TESDA** other agencies that can serve as proactive training arm that will equip students with basic entrepreneurial skills such as cosmetology, weaving, baking, auto mechanics and the like. The more knowledgeable students are with what they are capable of doing, the more confident they will be when they decide to apply the skills that they have learned in the business that they will put up.
- d. Publish **newletters or magazines** that will feature success stories of local entrepreneurs and entrepreneurship graduates of their school. This will not only enhance the school's advocacy to promote entrepreneurship but will also boost the confidence of students and practicing entrepreneurs in the city.
- e. Organize **trade fairs and exhibits** that will showcase the creativity of students through various crafts and products. Local entrepreneurs and representatives from the DTI could be invited in order to strengthen alliances with them.
- f. Conduct **competitions** that will allow students to showcase their business ideas and product concepts. Practicing entrepreneurs and representatives from financing institutions could take an active part in the screening of entries. Best products could gain the interest of possible financing sources.

3. For the practicing entrepreneurs, the researchers recommend that SMEs and industry associations should take the lead in building strategic alliances among themselves. Entrepreneurs may feel that their firms are limited in resources and would not be able to develop competitive advantages comparable to resource-rich large enterprises.

However, if such small firms can develop specialized areas of strength and form collaborative relationships with other small firms, they might be able to outperform large companies. Managers of existing small firms are encouraged to seek collaborating opportunities more aggressively with start-up ventures and remove the fear of failure that new entrepreneurs tend to have.

Universities can take an active role in providing assistance to SMEs in the city.

The following are recommended:

- Consider opening up their libraries to local entrepreneurs who have limitations or constraints in their research and development capabilities.
- Make their resources available to businesses (including entrepreneurs and SMEs). This can be done partly through student projects and research projects.
- Provide technical assistance to SMEs as they work together with governmental bodies to pool together resources and disperse meaningful innovation results. New computer literate graduates could be encouraged to support SMEs to apply and use technology.