

## ENTREPRENEURSHIP POTENTIALS AMONG SELECTED FILIPINO PROFESSIONALS

**Leonardo F. Cada, Jr.**

Far Eastern University

[microbiz0410@gmail.com](mailto:microbiz0410@gmail.com)

### **ABSTRACT**

Majority of the Filipino people believe that the country is a good place for entrepreneurial undertaking. Young people and adults alike particularly females comprised a good number of entrepreneurs. There are strong supports from the public and private sectors. The Philippine government enacted laws to encourage entrepreneurship in the country. Among Filipino professionals, entrepreneurship potentials as revealed in this study obtained a mean average score between the minimum and average. The minimum, average and maximum scores were pre-set. This study used a self-assessment questionnaire composed of fifty Likert-scaled questions. The scale is within a four-point measurement from totally agree to totally disagree. Due to pandemic, convenience sampling was applied in this study. Participants who took part in this study were only those individuals within reach either through online or face-to-face access. They were mostly colleagues, friends, relatives, and acquaintances of the researcher. Various social media platforms such as Facebook messenger, LinkedIn, and e-mail were used to facilitate the distribution as well as retrieval of the self-assessment questionnaire. Out of 100 prospective respondents, only 82 responded. The survey was conducted from June to September 2021.

**Keywords:** *Entrepreneurship; Filipino Professionals; Self-assessment.*

### **1. INTRODUCTION**

Some entrepreneurial endeavors were the results of spin-offs, with professionals like accountants, medical doctors and lawyers leaving their organizations to start their own businesses. These spin-offs with a momentum of its own could stimulates further into commercial and community-oriented business organizations (Prof Colin Mason, Dr and Brown, 2014). This paper will study the extant

literatures on the above-mentioned research title using secondary data coming from multi-disciplinary peer-reviewed journals, working papers, data and reports from government sites, and relevant websites.

According to the global data from the 2015 Global Entrepreneurship Report (cited by Velasco, 2017) 70% of Filipinos have the potential to be an entrepreneur. In terms of social perception among Filipinos, 76% placed high status on entrepreneurs and 73% thought of entrepreneurship as a good career choice. Most of the local literatures available espouse on the studies of the Filipino entrepreneurs in general. Others with focus on serial entrepreneurs (Atienza 2018); and migrants and, ethnic entrepreneurship ((Johnson, Muñoz and Alon, 2006; Fresnoza-Flot and Pécoud, 2007). Furthermore, climate for entrepreneurship in the Philippines is attractive as shown on the same report that 54% Filipinos believed that the country is a good place for entrepreneurial undertaking.

Based on 2018 Survey of Entrepreneurs and MSMEs in the Philippines: Building the Capacity of MSMEs Through Market Access (n.d.), there were more women entrepreneurs and young entrepreneurs in the Philippines. Globally, women entrepreneurs were also increasing (Brush and Cooper, 2012; Patil and Deshpanded, 2018 cited by Saijad et al., 2020). Young entrepreneurs in the Philippines got the support of the government upon the enactment of Youth Entrepreneurship Act (Republic Act. No. 10679), which aims to develop the entrepreneurship skills of young Filipinos and encourages them to become productive individuals through entrepreneurship. These young Filipinos have now a wider path in pursuing their career either in their prospective profession or business. On the other hand, about 6.2% of adult population in the Philippines are business owners while 18.4% were new entrepreneurs (GEM, 2018).

A noteworthy finding from the study of Atienza (2018), revealed that Filipino entrepreneurs have high business competency and entrepreneurial aspiration. It is also noteworthy to know the Philippine government is very supportive to entrepreneurial endeavor of the Filipinos. The Magna Carta for Micro, Small and Medium Enterprises was approved into law (Republic Act No. 9501), which recognizes the potentials of MSMEs in helping the country attain its economic growth. The government in its effort to promote entrepreneurship created the various offices and agencies in both local and national levels. To further encourage Filipinos, a Presidential Awards for Outstanding MSME is conferred to outstanding Filipino entrepreneurs during the MSME Development Week

This study will appraise the entrepreneurship potential of selected Filipino professionals who came from diverse backgrounds. It will seek to understand the entrepreneurial motivation, aptitude, and attitude of the respondents. In terms of the aptitude, it will seek to determine their entrepreneurial cognition. The term entrepreneurship cognition refers to how individuals make decisions involving venture creation and development (Miralles, Goines, & Gozun, 2017; Mitchell et al., 2002). Anent the foregoing literatures above, how are Filipino professionals putting together their entrepreneurial potentials paired with their respective professions?

Entrepreneurship potential carries with it some underlying qualities. As various reputable dictionaries defined potential as qualities and abilities to achieve success (Oxford and Cambridge Dictionaries). Villafuerte (2018), a prominent newspaper columnist in the country, in her personal interviews with Filipino entrepreneurs for the past several years prior to the year 2018, where she published in her column in the Manila Bulletin, one of the leading newspapers in the Philippines, revealed that the prominent common qualities among successful Filipino entrepreneurs were (1) Filipino entrepreneurs think big; (2) they are risk-takers and not afraid to fall; (3) they made decisions fast based on their gut feel and intuition; (3) most of them are not MBA degree holder; (4) they are open to change; (5) they treated their employees with respect and compassion; (6) Filipino entrepreneurs are hand-on; and (7) They are not bounded by time. They love their works, and they love to work. The last three qualities were similar to the findings of Cada (2014), which revealed that Filipino MSMEs owners were very much concern for their people and their production.

## 2. METHODOLOGY

The instrument used in this study was the Entrepreneurial Potential Self-Assessment Questionnaire from [bdc\\*](#). Prior consent from the registered owner was sought through e-mail and Facebook messenger to which they assented to. Our communication can be found from this link. <https://www.facebook.com/messages/t/249042335139282>.

The self-assessment questionnaire has a total of fifty (50) questions with rating scale of: 1-Totally disagree; 2-Somewhat disagree; 3-Somewhat agree; and 4-Totally agree. Three factors are assessed, and these are: motivation, aptitudes, and attitudes. Each factor has corresponding other contributing factors. Under motivation the contributing factors are need for achievement; power; need for challenges; and self-sufficiency. Under aptitudes the other contributing factors are perseverance, self-

confidence, tolerance towards ambiguity and creativity. Under attitudes the other contributing factors are perception to act upon one's destiny and action oriented.

The same self-assessment questionnaire also provided the statistical results revealing the scores for the minimum, average and maximum. The scores were statistically calculated for the three factors, which are motivation, aptitude, and attitude. Convenience sampling, which is a non-probability sampling is applied hence, the researcher involved only those individuals as respondents who were within easy access to take part in the survey. Participants in this study were mostly colleagues, friends, relatives, and acquaintances of the researchers. Various social media platforms such as Facebook messenger, LinkedIn, and e-mail facilitates the distribution as well as retrieval of the self-assessment questionnaire. Consistent communications with the participant were observed for further clarification and verification on various concerns such as procedures. Out of 100 prospective respondents, only 82 responded. The survey was conducted from June to September 2021.

### 3. RESULTS AND DISCUSSION

Table 1: Distribution of Respondents according to Profession and Gender vis-à-vis data from 2019 MSME STATISTICS from the Department of Trade and Industry

Respondents by profession	Frequency	Gender		2019 MSME statistics
		Male	Female	
Law and legal profession (lawyers and paralegal assistants)	7	3	4	Professional, Scientific, and Technical – 1.60%
Medical and Dental profession (medical doctors and dentists)	11	2	9	
Teacher profession (secondary and tertiary teachers)	9	3	6	Education – 1.77%
Professional Health Workers (nurses, psychologists, medical technologists)	15	6	9	Human Health and social Work – 2.89%
Security Officers/Members of	8	6	2	Administrative and

Police Force/Police Personnel				support – 1.72%
Hotel Managers/MICE Managers	3	0	3	Arts, Entertainment and Recreation – 1.50%
BPO Specialists	10	4	6	
Real Estate Brokers/Agents	4	2	2	Real Estate – 1.25%
Engineers/Architects	6	5	1	Constructions - .41%
Bank Managers/Officers	5	1	4	
IT Specialists	4	4	0	Information and Communication – 2.81%
Total:	82 (number of respondents )	36	46	16.23% (percentage share of professionals who were entrepreneurs)

The eighty-two respondents were composed of 36 male and 46 female under the following age range: 25-30 years old with 7 respondents; 31-35 years old with 14 respondents; 36-40 years old with 13 respondents; 41-45 years old with 16 respondents; 46-50 years old with 15 respondents; 51-55 years old with 11 respondents; and 56-60 years old with 6 respondents. Age range in this study is used as purely descriptive in character and is not used as a variable to be measured empirically.

Entrepreneurs who were professionals and who belong to the “other industry sector” were reported to have a share of 16.23% of the number of MSMEs, which is 952,969 or 99.51% of the total enterprises operating in the Philippines (dti.gov.ph, 2020).

The graph below illustrates the mean scores of the entrepreneurs and mean average scores of the respondents. The former is the empirical results as computed by [bdc\\*](#); while the latter is the average computation based on the data provided for by the eighty two (82) respondents in the survey.

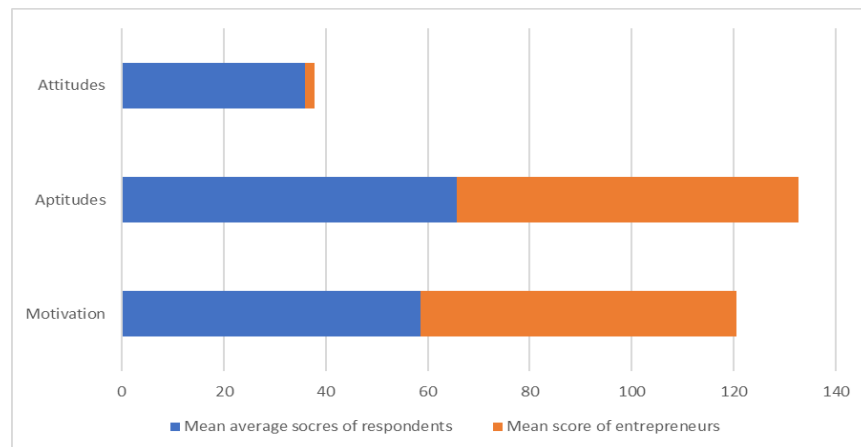


Table 2: Comparison of scores between the respondents and [bdc\\*](#) on three factors: Motivation, Aptitudes and Attitudes.

By the eighty-two (82) respondents	By <a href="#">bdc*</a> .
1. Mean average scores on Motivation = 58.6	1. Mean scores of entrepreneurs on Motivation: Minimum score: 19 Average score: 62 Maximum score: 76
2. Mean average scores on Aptitudes = 65.7	2. Mean scores of entrepreneurs on Aptitudes: Minimum score: 20 Average score: 67 Maximum score: 80
3. Mean average scores on Attitude = 35.9	3. Mean scores of entrepreneurs on Attitudes: Minimum score: 11 Average score: 37 Maximum score: 44

BDC\* provided the computed statistical minimum, average and maximum scores for each of the three factors. To arrive at each score, there were indicators used for each factor. Under motivation factor there were questions which were categorized using indicators such as need for achievement, power, need for challenges and self-sufficiency. Indicators under aptitude factor were perseverance, self-confidence, tolerance, and creativity. Under attitude factor some questions were categorized using only two indicators and these were perception to act upon one's destiny and action oriented.

Looking at the graph and tables above, the eighty-two (82) respondents across professions have failed to reach the average score for entrepreneurship potential. Anent the results the author considered several issues such as: (1) scores may vary by level of cognition from the respondents; (2) scores may vary by demographic characteristics of the respondents; (3) scores are sometimes dependent on where the cut-off scores is set; and (5) low scores across all tests and surveys are common and depend on the number of questions. According to bdc\* obtaining the score in the minimum, average or maximum is not indicative that one's entrepreneurial potential will bring failure or success. There are many other factors to be considered.

Across ages and professions among Filipinos their faith and confidence that the country is a good place for entrepreneurial undertaking finds further support in this study. Looking at the various traits of Filipino entrepreneurs (Villafuerte, 2018) as mentioned above it can be deduced that the various indicators in each of the factor were considerably alike such as needs for challenges vis-à-vis risks takers; self-confidence vis-à-vis gut feel; and action oriented vis-à-vis hands-on.

Further to the questionnaire, a one-question test was asked to each of the respondents. It is a closed-ended-question, which says "Have you ever worked for yourself or as self-employed in the past or prior to your profession?" Responses to the one-question test revealed the following results: "Yes, in the past.": Twenty-four (24/82 or 29%) out of the eighty-two respondents gave this kind of responses and the rest gave a "No" answer. Though that one-closed-ended-question did not illicit further as to what kind of business they engaged themselves in the past, it can be inferred that the twenty nine percent have strong entrepreneurship potential. And though these respondents have previous entrepreneurship experiences, this study did not seek what motivated them to engage in entrepreneurial undertakings.

## 4. CONCLUSION

Majority of the Filipino people particularly the young people and adults believe that the country is a good place for entrepreneurial activity. There were strong supports from the public and private sectors. The Philippine government enacted laws to encourage entrepreneurship in the country and various government agencies and private institutions were actively providing trainings and programs. Looking at Filipino professionals, Entrepreneurship potentials among Filipino professionals as revealed in this study only obtained a mean average score between the minimum and average. Nonetheless, they provided opportunities for employment and additional help for the economic growth of the country. This research study recommends for future consideration topics relative to comparison of entrepreneurship potentials between professionals and non-professionals and, assessment on entrepreneurship as a profession or vocation.

## Contribution

This research study will be proposed to use as one of the references under the course Social Entrepreneurship, which is offered by the Institute of Accounts, Business and Finance – Far Eastern University, Manila, Philippines.

## Acknowledgement

The author of this research would like to acknowledge the people behind [BDC\\*](#). Their self-assessment questionnaire and its empirical interpretation were of great help in the conduct of this study. The consent they gave to the author through email and Facebook messenger to use their materials has provided encouragement to pursue a conceptual research study on the topic mentioned above.

## REFERENCES:

- Atienza, R. (2018). Comparative Optimism among Filipino Serial Entrepreneurs using Logit Modelling. In: *Journal of Global Business*. [online] 11th Global Business Conference. pp.1–15. Available at: [https://www.researchgate.net/publication/324942126\\_Comparative\\_Optimism\\_among\\_Filipino\\_Serial\\_Entrepreneurs\\_using\\_Logit\\_Modelling](https://www.researchgate.net/publication/324942126_Comparative_Optimism_among_Filipino_Serial_Entrepreneurs_using_Logit_Modelling) [Accessed 14 Sep. 2021].
- BDC. (2018). *Self-assessment, test your entrepreneurial potential*. [online] Available at: <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/business->



- [assessments/pages/self-assessment-test-your-entrepreneurial-potential.aspx](#) [Accessed 11 Sept. 2021]
- Cada Jr, L., 2020. A study on the management style of MSME owners in the City of Manila. *IOSR Journal of Business and Management*, 22(8).
- dictionary.cambridge.org. (n.d.). potential. [online] Available at: <https://dictionary.cambridge.org/dictionary/english/potential>.
- Dti.gov.ph. (2020). *2019 MSME STATISTICS*. [online] Available at: <https://www.dti.gov.ph/resources/msme-statistics/>.
- Fresnoza-Flot, A. and Pécou, A. (2007). Emergence of Entrepreneurship among Filipino Migrants in Paris. *Asian and Pacific Migration Journal*, 16(1), pp.1–28.
- GEM Global Entrepreneurship Monitor. (2018). *Entrepreneurship in Philippines*. [online] Available at: <http://gem-consortium.ns-client.xyz/economy-profiles/philippines/policy>.
- Guide to the Magna Carta for Micro, Small and Medium Enterprises. (2008). [online] Available at: <https://bap.org.ph/pdf/RA9501-Magna-Carta-for-MSMEs.pdf>.
- Johnson, J.P., Muñoz, J.M. and Alon, I., 2006. Filipino ethnic entrepreneurship: An integrated review and propositions. *International Entrepreneurship and Management Journal*, 3(1), pp.69–85.
- Mitchell, R.K., Busenitz, L., Lant, T., McDougall, P.P., Morse, E.A. and Smith, J.B. (2002). Toward a Theory of Entrepreneurial Cognition: Rethinking the People Side of Entrepreneurship Research. *Entrepreneurship Theory and Practice*, 27(2), pp.93–104.
- Miralles, F., Giones, F. and Gozun, B. (2016). Does direct experience matter? Examining the consequences of current entrepreneurial behavior on entrepreneurial intention. *International Entrepreneurship and Management Journal*, 13(3), pp.881–903.
- Prof Colin Mason, Dr and Brown, R. (2014). *ENTREPRENEURIAL ECOSYSTEMS AND GROWTH ORIENTED ENTREPRENEURSHIP*. [online] Available at: <https://www.oecd.org/cfe/leed/Entrepreneurial-ecosystems.pdf>.
- Sajjad, M., Kaleem, N., Chani, M.I. and Ahmed, M. (2020). Worldwide role of women entrepreneurs in economic development. *Asia Pacific Journal of Innovation and Entrepreneurship*, 14(2), pp.151–160.
- Velasco, A.L. (2017). *Philippine Entrepreneurship Report 2015–2016*. [online] Website: <http://www.dlsu.edu.ph/offices/publishing-house/default.asp>, 2401 Taft Avenue, Manila,

Philippines 1004: De La Salle University Publishing House, pp.1–73. Available at: <file:///C:/Users/user/Downloads/philippine-entrepreneurship-report-2015-2016-1498652302.pdf> [Accessed 14 Sep. 2021].

Villafuerte, N. V. (2018, May 11). Traits of successful Pinoy entrepreneurs. Manila Bulletin. [online] Available at: <https://mb.com.ph/2018/05/11/traits-of-successful-pinoy-entrepreneurs/>

2018 SURVEY OF ENTREPRENEURS AND MSMEs IN THE PHILIPPINES Building the Capacity of MSMEs Through Market Access. (n.d.). [online] Available at: [https://apfcanada-msme.ca/sites/default/files/2018-10/2018%20Survey%20of%20Entrepreneurs%20and%20MSMEs%20in%20the%20Philippines\\_0.pdf](https://apfcanada-msme.ca/sites/default/files/2018-10/2018%20Survey%20of%20Entrepreneurs%20and%20MSMEs%20in%20the%20Philippines_0.pdf).