



THE DEVELOPMENT OF PERSONAL ENTREPRENEURIAL COMPETENCIES (PEC) ON BUSINESS PLAN IMPLEMENTATION

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ABSTRACT: *The study was conducted to assess the impact of Business Plan Implementation to Personal Entrepreneurial development of the proponents of “Bee Scent Honey Production” who were 4th year students taking BS Entrepreneurship of the College of Business, Entrepreneurship and Accountancy of the Cagayan State University-Andrews Campus, during the SY 2016-2017. The questionnaire was patterned from the book entitled “Windows to Entrepreneurship” published by the Small Enterprise Research and Development Foundation (SERDEF). Data from the study were tabulated, analyzed and interpreted with the use of descriptive statistics like frequency count, percentage and ranking. The results of the study revealed that, risk taking was the most learned or exhibited PEC among the student-respondents while persistence is the least. Further results revealed persistence to be the personal entrepreneurial competency that the student-respondents perceived to be most in need of improvement or polishing with initiative to be the least recommended for improvement as perceived by the student respondents.*

KEYWORDS: *Entrepreneurship, Business Plan Implementation, Personal Entrepreneurial Competencies, Honey Bee Production, Achievement Cluster*

INTRODUCTION

Entrepreneurship is a process through which individuals or groups pursue opportunities, leverage resources and initiate change to create value. An entrepreneur is one who creates value by managing change, identifying and managing opportunities, acting with passion and purpose, living proactively and organizing and leveraging resources. The impact of entrepreneurship to the development economy can never be understated. The businesses in the community, if taken as a whole, become a sort of a huge basket that supports all the



lives of the people there. These businesses provide the people with all the goods they need to carry on with their lives, while making their money circulate and grow within the community as well as within the country, or region, and the whole world. Entrepreneurship improves the well-being of all.

Entrepreneurship as a prime factor for economic development is of fundamental importance for any country. The contributions of simple start-up businesses no matter how small these may be could never be discounted as collectively they are able to do a lot more to improve the local community, the province, region and the country as a whole

As reported in the Philippine Entrepreneurship Report 2015-2016, the Philippine economic development plan for the past decade has been focused on enterprise development to support economic development and inclusive growth. Policies, programs and legislations on all levels from local to national have been crafted to support entrepreneurship.

Entrepreneurs, referring to the main people behind the field of entrepreneurship, are also akin to national treasures that need to be refined, motivated and remunerated to the greatest extent possible. The practices and decisions that they make essentially affect the economy. According to Akyol, E (2016), innovations and differences created by entrepreneurs in their businesses which aim to develop through investing in new fields have an important role in implementation of entrepreneurship ideally. Having the proper mind set coupled with suitable characteristics is critically essential for the entrepreneur to become successful in coming up with innovations and differences. Moreover, the characteristics of the entrepreneur also influences his motives such that when the job is in accord with personality structure, the entrepreneurs' work performance increases and social changes are observed.

Entrepreneurial Characteristics

According to Westhead et al. (2011) the possession of certain personality characteristics exposes an individual toward entrepreneurial behaviour. (Westhead et al. 2011: 59) Psychological characteristics should be an important part of entrepreneurship research. (Carland Jr. and Carland 1997: 35) A previous study shows that personality characteristics are one of the most general psychological theories used to explain and predict the



behaviour of humans, including in entrepreneurship. (Ahmad 2010: 203) The psychological approach of entrepreneurship appeared in the 1960s, especially with McClelland's work at Harvard University. His research linked the need for achievement to entrepreneurial characteristics. He noticed that entrepreneurs had a higher need of achievement than non-entrepreneurs. He also learned that entrepreneurs were reasonable risk takers. Many other powerful research studies about entrepreneurial personality were conducted in the same time period as well. Over the last few decades, a great amount of psychological characteristics has been examined as possible sources for entrepreneurial performance. Much of this research surveyed characteristics that determine who is more likely to start a business. (Gupta and Muita 2013: 87) The activity of a new business is usually developed as a part of the entrepreneur's personal life strategy and it is largely characterized by the entrepreneur's personality characteristics. (Littunen 2000: 296-297) There is a lot of literature that intends to identify certain attractive personal characteristics for entrepreneurs starting a new business. (Zhang and Bruning 2011:85)

Dollinger (1995) states that the need for achievement, the locus of control and the risktaking propensity are the most discussed personality characteristics of an entrepreneur. (Dollinger 1995: 48-49) Similar to Dollinger, Chell (2008) states the "Big Three" characteristics as the need for achievement, locus of control and risk-taking propensity. (Chell 2008: 88) Also, Sahlman et al. (1999) claim that studies have noticed common characteristics among entrepreneurs, such as the need for achievement, locus of control and risk-taking propensity. (Sahlman et al. 1999: 9) On the other hand, Littunen claims that when researching entrepreneurship, the most frequently applied theories are solely McClelland's (1961) theory of the need to achieve and Rotter's (1966) theory of locus of control, leaving the risk-taking propensity without attention. (Littunen 2000: 296) Kuratko and Hodgetts (2007) state that the individual approach consists of need for achievement, locus of control, risk-taking propensity, job satisfaction, former work experience, entrepreneurial parents, age and education. (Kuratko and Hodgetts 2007: 45) Westhead et al. (2011) claim that many detailed academic studies have emphasized the characteristics of need for achievement, locus of control, risk-taking propensity, need for autonomy, decisiveness, initiative, creativity, self-confidence and trust. (Westhead et al. 2011: 59) Conversely, Wickham (2006) considers that there are six wide approaches to defining the



entrepreneur as a person. The six approaches that he discusses are the 'great person', social misfit, personality type, personality trait, social development approaches and cognitive approaches. In the 'great person' approach, an entrepreneur is someone special, a person who is born great and who will accomplish greatness. A social misfit is an entrepreneur who cannot fit into existent social situations and therefore, needs to create one of its own. In the personality type approach, individuals can be grouped into categories based on their responses on how they act in certain situations. The personality trait approach places traits in continuously changing dimensions and psychologists have differentiated three types of traits, which are the ability traits, temperamental traits and dynamic traits. In the social development approach, personality is a more complicated issue and it develops all the time. The three categories of factors are innate, acquired and social. The cognitive approach tries to develop an understanding of how people acquire and process information and utilize it to understand the world better. (Wickham 2006: 12-15) Burns (2005), claims that not all owner-managers are entrepreneurs. However, researching the characteristics of owner-managers of growing businesses allows a few broad conclusions of the different characteristics of both owner-managers and entrepreneurs. The characteristics of owner-manager entrepreneurs can be divided into two parts. The first part is related to the survival of the business and its characteristics can be found in the owner-manager. The second part is related to the growth of the business and its characteristics can be found in the entrepreneur. Since this particular study is focused on new businesses, the survival phase of the business is the one related to the topic. Therefore, despite the deceiving name, the traits of the owner-manager are the ones studied in this specific research paper. The characteristics included in the survival phase of the business are the need for independence, the need for achievement, internal locus of control and the ability to live with uncertainty and take measured risks. (Burns 2005: 19-24)

Previous research indicates that there is a positive relationship between the need for achievement and entrepreneurship. The research also indicates that entrepreneurs who have a higher need for achievement are more likely to be successful. There exists unanimity on the positive relationship between managerial need for achievement and successful business performance. Prior research also shows a positive impact between internal locus of



control and business performance. Literature also clearly displays a positive relationship between internal locus of control and entrepreneurial behaviours. However, more evidence is still needed on the topic. (Zhang and Bruning 2011: 82-87) Similarly, Littunen (2000) claims that achievement motivation and the locus of control have been presumed to explain success as an entrepreneur. Positive external control cooperates with and supports personal control, which increases the expectancy of success. Negative external control impedes and limits personal control, which decreases the expectancy of success. They also differentiate entrepreneurs from other people. (Littunen 2000: 296-300) Some studies have noticed a minor link between internal locus of control and superior business performance. (Westhead et al. 2011: 63) Also, Wickham writes about David McClelland's 'the need for achievement' (along with other characteristics) being the fundamental driving characteristic in the personality of successful entrepreneurs. Other important factors are the need for control, the need for autonomy, the need for independence, creativity, the desire to face risks and the desire to show leadership qualities. (Wickham 2006: 12) According to Littunen (2000), the typical characteristics of a successful entrepreneur are innovativeness, the ability to take risks and to co-operate, market and manufacturing knowledge, as well as, business management and marketing skills. Also, the ability to identify and grasp profitable business opportunities, to be able to correct errors effectively, the desire to take risks and a good nose for business are all characteristics of a successful entrepreneur. (Littunen 2000: 295) In their article about entrepreneurship success and failure, McNeil et al. (1991) claim that the success characteristics of an entrepreneur are the ability to learn from failure, integrity and reliability, low need for status and power, calculated risk taking, tolerance for ambiguity, stress and uncertainty, 21 persistence, orientation to opportunities and goals, drive to achieve and grow and complete commitment, determination and perseverance. (McNeil, et al. 1991: 35)

Cagayan State University, through the College of Business, Entrepreneurship and Accountancy offers the program Bachelor of Science in Entrepreneurship. BS Entrepreneurship is specifically designed to provide students with the best education and training platform enabling them to develop their entrepreneurial capabilities. Upon completion of this program, the student would have the knowledge, skills, capabilities and



competencies to start a business, become business consultants, or enter into a managerial level employment. The program places emphasis on encouraging students to act on their own ideas and become effective decision-makers. Immersion courses are included to enhance the learning experience of students, giving them the opportunity to gain real-life or industry experiences.

Vital to the BS Entrepreneurship program is the course Business Plan Implementation. The course is designed to encourage and allow the students to actually implement the business plans they have produced in their third year. The students are expected to set up the project as a business activity where actual revenue generation can be realized. Through Business Plan Implementation, BS Entrepreneurship students are able to apply learning earned in previous years and are able to become practice being entrepreneurs, serving their market and generating profit in return.

Widely considered as the highlight of the BS Entrepreneurship program, the task of implementing the business becomes every student-proponents' task. To ensure properly implementation, clear goals and expectations must be communicated and strategies must be coupled with adequate resources to help the business achieve its goals.

The implementation of the plan brings about change meant to help improve the business or solve the problem. Such changes may be internal by nature like policies, management structures, organizational developments, budgets, processes or may be externally influenced such as products or services.

Business Plan Implementation provides every implementer the opportunity to own an actual business enterprise depending on the form of business established. Regardless of the form however, implementation provides the all student-implementers the chance to work with others for organizational development. This is vital to boost cooperation among all stakeholders of the enterprise and enable it to move forward and grow.



Aside from developing the skills and competencies of the student-entrepreneur, Business Plan Implementation also serve as an avenue for them to personally assess their readiness to engage into full-time business undertakings. This underlines the significance of the course to the BS Entrepreneurship Program.

STATEMENT OF THE PROBLEM

This study aims to assess the entrepreneurial competencies of the students in implementing the proposed business plan entitled “Bee Scents Honey Production.”

Specifically, it aims to answer the following questions:

1. What is the profile of the respondents in terms of the following variables:
 - 1.1 Position/Assignment in the business
 - 1.2 Gender
2. What Personal Entrepreneurial Competencies have the student-respondents gained after the implementation of the business project?
3. What Personal Entrepreneurial Competencies do the student-respondents perceived to have the need to improve or polished?

METHODOLOGY

This study uses the descriptive research method in presenting the results of the study. It employed a structured survey questionnaire to gather the data needed for the study. The questionnaire was divided into two segments. Part 1 gathered the profile of respondents in terms of Position/Assignment in the Business and Gender while Part 2 required the student-respondents to identify their Personal Entrepreneurial Competencies gained after the implementation of the business as well as those that they perceive need improvement or polishing for them to become successful entrepreneurs.



The respondents of the study were the eleven (11) students from the College of Business Entrepreneurship and Accountancy, who are taking Bachelor of Science in Entrepreneurship at the Cagayan State University- Andrews Campus during the SY 2016-2017.

The gathered data were tabulated, analyzed and interpreted using the descriptive statistics like frequency counts, percentage and ranking.

RESULTS AND DISCUSSION

Table 1

Profile of the Student-Respondents According to Position and Gender

		Frequency	Percentage
Position	Manager	1	9.1%
	Treasurer	1	9.1%
	Bookkeeper	1	9.1%
	Production Manager	1	9.1%
	Beekeeper	2	18.18%
	Marketing Manager	1	9.1%
	Marketing Assistant	4	36.36%
Gender	Male	6	54.54%
	Female	5	45.45%
TOTAL		11	100%

The table presents the demographic profile of the student-respondents according to position handled in the business and gender. As shown, each of the eleven respondents were given assignments in the business. The business was headed by the Manager assisted by Production Manager and Marketing Manager. The business also has a Treasurer and a Bookkeeper to aid in the management and safekeeping of its finances. The Production Manager is assisted by 2 Beekeepers who comprise 18.18% of the total number of student-respondents. There are 4 Marketing Assistants who comprise 36.36% of the total number of student-respondents. As to gender, it can be seen that there are 6 male student-



respondent comprising 54.54% of the total number of respondents while 5 or 45.45% are female.

It can be gleaned from the table that marketing assistants got the most number of positions. This implies that emphasis has been given to roles dealing with marketing and selling the products of the business. Positions or assignments that are administrative by nature like Manager were assigned to one.

As regard to gender, it can be seen from the table that majority of the respondents are male.

II. PERSONAL ENTREPRENEURIAL COMPETENCIES (PECs)

One of the objectives of the actual implementation of a business project is to enhance the development of Personal Entrepreneurial Competencies of the student-respondents. Hence, Table 2, presents the assessment of students in themselves regarding the enhancement of their PECs after the implementation of the business project.

Table 2

***Student-Respondents' Developed Personal Entrepreneurial Competencies
During the Implementation of the Business Project***

Personal Entrepreneurial Competencies	Frequency	Percentage	Rank
Risk taking	11	100%	1 st
Goal Setting	10	90%	2 nd
Opportunity Seeking	8	72%	3 rd
Self Confidence	5	45%	4 th
Systematic Planning & Monitoring	4	36%	6 th
Information Seeking	4	36%	6 th
Persuasion & Networking	4	36%	6 th
Commitment to Contract	3	27%	8.5 th
Demand for quality and efficiency	3	27%	8.5 th
Persistence	2	18%	10 th



Table 2 presents the summary of Personal Entrepreneurial Competencies gained by the student-respondents after implementing the Business Plan. It can be seen that Risk taking having been gained by 11 or 100% of the student-respondents ranked 1st followed by Risk Taking which was gained by 10 or 90% of the student-respondents. 8 or 72% of the student respondents were able to gain Opportunity Seeking thus this competency was ranked 3rd. Self-confidence was attained by 5 or 45% of the student-respondents and is ranked 4th. Systematic Planning and Monitoring, Information Seeking and Persuasion and Networking each were attained by 4 or 36% of the student-respondents thus were all ranked 6th. There were 6 or 27% of the student-respondents who identified Commitment to Work Contract and Demand for Quality and Efficiency thus both competencies were ranked 8.5th. 2 or 18% of the student-respondents gained Persistence as a competency thus it was ranked 10th.

It can be seen from table 2 that the most gained competency is Risk Taking while the least is Persistence. Risk-taking is among the competencies classified under the Achievement Cluster and this implies that the student-respondents have preference for challenging undertakings and are willing to work hard especially if there is a fair chance of succeeding in the endeavour. An entrepreneur, being an achievement-oriented individual should be able to set clear and well-defined goals and objectives to work on. Results of the study reveal that a great majority of the student-respondents were able to identify and map-out what they wanted to accomplish as seen in Goal Setting being ranked second among the PECs gained. Persistence or the capacity not to give up easily when confronted with obstacles or difficulty was the least gained competency among the student-respondents. This is an important competency as an entrepreneur should not be easily discouraged at early signs of failure. This result implies that only one of the student-respondent was able to develop resilience to early failures encountered and was not immediately and easily discouraged to pursue with the business.

Table 3



**Personal Entrepreneurial Competencies Perceived by the Respondents That
Need Improvement as Perceived by the Student-Respondents**

Personal Entrepreneurial Competencies	Frequency	Percentage	Rank
Persistence	8	72%	1 st
Self Confidence	7	63%	2.5 th
Goal Setting	7	63%	2.5 th
Systematic Planning & Monitoring	6	54%	4.5 th
Persuasion and Networking	6	54%	4.5 th
Information Seeking	5	45%	6.5 th
Opportunity Seeking	5	45%	6.5 th
Demand for Quality & Efficiency	4	36%	8 th
Risk Taking	3	27%	9.5 th
Commitment to Work Contract	3	27%	9.5 th
Initiative	1	9%	11 th

Table 3 shows the Personal Entrepreneurial Competencies that need to polishing or improvement as perceived by the student Respondents. It can be seen from the table that Persistence was identified by 8 or 72% of the student-respondents thus, is ranked 1st among the entrepreneurial competencies needing improvement. Self-confidence and Goal-setting were both identified by 7 or 63% of the student-respondents thus were both ranked 2.5th. Systematic Planning and Monitoring as well as Persuasion and Networking were both identified by 6 or 54% of the respondents and are both ranked 4.5th. Tied in 6.5th are Information Seeking and Opportunity Seeking which were both cited by 5 student-respondents who comprise 45% of the total number of respondents. Risk Taking and Commitment to Work Contract were both cited by 3 or 27% of the student-respondents and were both ranked at 9.5th. Initiative was identified by 1 or 9% of the student respondents and is ranked 11th among the Personal Entrepreneurial Competencies needing improvement as perceived by the student-respondents.

Table 3 shows that the Persistence or the capacity not to give up easily and is a significant competency under the Achievement Cluster, was ranked the highest thus is the competency needing the most improvement or polishing. This implies an area for significant for



improvement among the student-proponents especially so that in business there maybe goals cannot be easily achieved and there are obstacles that need to be addressed.

SUMMARY OF FINDINGS

1. The student-respondents are composed of 6 males and 5 females. All of them being part of the team are occupying a position or work assignment the business project. The project is headed by a Manager and assisted by a Production Manager and a Marketing Manager.
2. Risk Taking was the ranked 1st among the Personal Entrepreneurial Competencies (PEC) gained, having been cited by 100% of the student-respondents.
3. Persistence is the least gained Personal Entrepreneurial Competency (PEC) having been identified by 18% of the student-respondents.
4. Persistence was perceived by student respondents to be Personal Entrepreneurial Competency needing the most need for polishing or improvement.
5. Persistence was perceived by student respondents to be Personal Entrepreneurial Competency needing the least need for polishing or improvement.

CONCLUSIONS

Business Plan Implementation is vital to the development of process of Entrepreneurs and the Bachelor of Science in Entrepreneurship program of Cagayan State University. The development of the Personal Entrepreneurial Competencies of the entrepreneurs particularly the student-entrepreneurs is essential as its impact on the person would be huge. This study presents the following conclusions to the above statement of the problem:

1. The implementation of the project was carried out by a group composed of members having different functions ranging from administrative to support. Most of the student-respondents are male.
2. The student-respondents have a very-high risk-taking entrepreneurial competency but exhibited very low persistence in the practice of the business operation.
3. There were evidence of discernment among the student-respondents and they are willing to improve on their weak areas should they be given another opportunity.



RECOMMENDATIONS

Based on the results of the study, the following are recommended:

1. A very high level of “risk taking” and a very low “persistence” are dangerous in a business, hence, students should be taught of applying “calculated risk” and be trained in developing their persistence.
2. A parallel study on this area is recommended.

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