

# **A Correlation Study of Personal Entrepreneurial Competency and the Academic Performance in Operations Management of Business Administration Students**

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## **Abstract**

This study aimed to determine the Academic Performance of the Business Administration 3<sup>rd</sup> Year students in Operations Management course in terms of the result of their Prelim Exam, Midterm Exam, and Semi-Final Exam. It also analyzed the Personal Entrepreneurial Competency rating. Results showed that the Business Administration students – major in Human Resource Development and Management obtained low score in Prelim and Midterm examination where they find it difficult to answer Math problems. Goal setting, Information seeking and Persistence are the Personal Entrepreneurial Competencies where the students obtained high scores. The demand for quality and information seeking revealed significant relationship in two major examinations in Operations Management.

**Keywords:** Entrepreneurial, Competency, Business Administration, Operations Management.

## **Introduction**

Entrepreneurship is the ability of individuals to perceive the kind of products or services that others need and to deliver them at the right time, to the right place, to the right people, at the right price. It is a science of converting ideas into business, a commercial or mercantile activity engaged in as a means of livelihood. The entrepreneur is one who organizes, manages, and assumes the risks of a business enterprise. Business opportunities exist at all times since no man can produce all the goods and services he needs in order to survive (Ditablan & Abad, 2009). Thus, entrepreneurship is undeniably an important source of income, an important strategy for creating new jobs and hastening the economic recovery and growth of the nation. Entrepreneurship is one of the skills included in the Institutional Intended Learning Outcomes of the Lyceum of the Philippines University wherein the students would be able to engage in

projects and activities using basic knowledge and skills in business management, entrepreneurship and finance management.

Operations management is an area of management concerned with overseeing, designing, and controlling the process of production and redesigning business operations in the production of goods or services. It involves the responsibility of ensuring that business operations are efficient in terms of using as few resources as needed, and effective in terms of meeting customer requirements. It is concerned with managing the process that converts inputs in the forms of materials, labor, and energy into outputs in the form of goods and/or services.

The findings of the study will be used to strengthen the competency of the students to operate a business and to develop certain skills in entrepreneurship. As future Human Resource Development Managers, students will be given enough orientation to handle both fundamentals and advanced processes and procedures in human resource department though attending seminars and conferences with invited guest speakers.

This study aimed to determine the Academic Performance of the Bachelor of Science in Business Administration – Human Resource Development and Management (BSBA – HRDM) 3<sup>rd</sup> Year students in Operations Management (OM) in terms of the result of their Prelim Exam, Midterm Exam, and Semi-Final Exam; To analyze the Personal Entrepreneurial Competency rating in terms of opportunity seeking, persistence, commitment to work contract, demand for quality and efficiency, risk taking, goal setting, information seeking, systematic planning and monitoring, persuasion and networking, and self – confidence.

### **Objectives of the Study**

This study aimed to determine the Personal Entrepreneurial Competency and the Academic Performance in Operations Management of BSBA – HRDM 3<sup>rd</sup> Year during the SY 2012-2013.

Specifically, this study is guided by the following objectives:

1. To determine the Academic Performance of the BSBA – HRDM 3<sup>rd</sup> Year students in Operations Management in terms of the result of.
  - 1.1 Prelim Exam;
  - 1.2 Midterm Exam; and
  - 1.3 Semi-Final Exam.
2. To determine the Personal Entrepreneurial Competency rating of the BSBA – HRDM in terms of:
  - 2.1 Opportunity Seeking;
  - 2.2 Persistence;
  - 2.3 Commitment to Work Contract;
  - 2.4 Demand for Quality and efficiency;
  - 2.5 Risk Taking;
  - 2.6 Goal Setting;
  - 2.7 Information Seeking;
  - 2.8 Systematic Planning and Monitoring;
  - 2.9 Persuasion and Networking; and
  - 2.10 Self – Confidence.

3. To determine the significant relationship between the Academic Performance in Operations Management of the BSBA – HRDM and their Personal Entrepreneurial Competency ratings.
4. To propose an action plan to enhance the entrepreneurial competency of the BSBA – HRDM students.

### **Hypothesis**

This study was guided by the hypothesis:

1. There is no significant relationship between the Academic Performance in Operations Management of the BSBA – HRDM and their Personal Entrepreneurial Competency ratings.

### **Related Literature**

An evaluation of the impact of entrepreneurial characteristics on the performance of small scale manufacturing industries in Nigeria by Adegbite, Ilori, Irefin, & Abereijo, & Aderemi, (2006) identified the entrepreneurial characteristics and the factors that influenced optimum business performance of 100 randomly selected small-scale manufacturing industries engaged in food and beverage; textile and wearing apparel; wood and wood products; chemical and pharmaceuticals; and fabricated metal products. The results showed that human resource factors and the sales revenue were found to be inadequate and severely inhibited the potential of the entrepreneurs for performance and growth. However, length of years in business and working experience were found to have positive contribution on their performance. While majority (7) of the 10 Personal Entrepreneurial Characteristics (PEC) of the respondents made negative contribution on the sales revenue, only demand for efficiency and product quality, information seeking; and systematic planning and monitoring had positive impact. The study concluded that the negative attributes exhibited by the respondents in most of the PECs were critical factors in the dismal performance of the small-scale manufacturing industries, which need to be developed in the entrepreneurs through training.

Di Zhang, & Bruning, (2011) looked into the personal characteristics and strategic orientation of entrepreneurs in Canadian manufacturing companies as substantial impacts on their firm's performance. The findings imply that entrepreneurs do not simply react mechanically to external environmental changes. How they seek and interpret information and formulate organizational strategies is partially influenced by their personal characteristics. Entrepreneurs develop their own ways of utilizing the human capital that they bring to their firms.

Olakitan and Ayobami (2011) investigated on the influence of personality on entrepreneurial success. They examined the impact of gender, locus of control and risk-taking behavior on the success of an entrepreneur. The results showed that: (1.) risk-taking behavior and locus of control had no significant interaction effect on entrepreneurial success. (2.) there was also no significant difference between risk-taking behavior and entrepreneurial success. (3.) a significant difference existed between internal locus of control and entrepreneurial success. (4). there was no significant difference in the entrepreneurial success based on gender differences. (5.) locus of control and risk-taking behavior did not collectively predict or determine entrepreneurial success. On the basis of the findings, entrepreneurs are advised

to take cognizance of their personality since it can go a long way to determine the success or failure of an enterprise.

The study of Bautista, Barlis, & Nazario,(2007) dealt on the levels of entrepreneurial competencies of practicing entrepreneurs in Baguio, Dagupan, and San Fernando, and of entrepreneurship students of selected business schools in Cordillera Administrative Region, (CAR), Philippines. Competencies measured were on 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 inquiry revealed that students were weakest in Opportunity Seeking, Risk Taking, and Self-Confidence. Practicing entrepreneurs were weakest in Risk Taking. Generally, competencies of students do not significantly vary by school, age, gender, nor year. The study suggested that the competency levels of students especially along the areas of opportunity seeking, risk taking, and self-confidence can be done by universities by reviewing the design of their curriculum to promote entrepreneurship through apprenticeship program, ocular visits, forums or symposia, linkages with SLU-EISSIF, DTI, TESDA newsletters or magazines, competitions trade fairs and exhibits competitions. Other recommendations were addressed to practicing entrepreneurs and universities.

Entrepreneurship education and enterprise experience can affect characteristics commonly associated with entrepreneurs among intermediate level students. Students with training in entrepreneurship have greater overall entrepreneurial characteristics, higher achievement motivation, more personal control, and greater self-esteem than a comparable cohort. Students who participate in enterprise activities have greater overall entrepreneurial characteristics, more personal control, greater self-esteem and more innovation than a comparable cohort (Rasheed, 2001; Sabarre, 2013).

Moreover, opportunity-seeking is the quality that enables the entrepreneur to see and act upon new business opportunities even in situations where other people see nothing but problems and hopelessness. (ILATE, Learning and Teacher Education, School of Education, Makerere University). The entrepreneur "lives with one foot raised." For example, when he goes to a growing village he can easily identify what services or needs the people might be wanting. Perhaps, retail stores and service shops. He is able to seize unusual opportunities to obtain financing, equipment, land, work space or business assistance.

In terms of commitment to work, once the entrepreneur accepts a job, he takes full responsibility to have the job done in an all consuming passion to satisfy the customer. To him meeting deadlines is very important. Once the desired date is not met, that is a big loss to the company. He knows that big achievement does not come easily and quickly.

Risk-taking entails that the entrepreneur sees himself as a businessman, not a gambler. He takes moderate risks or situations he knows he has good chances of success. He looks at alternative solutions to problems and alternative means based on risks versus rewards (Calvin, 2003).

Demand for efficiency and quality means that the entrepreneur strives to do things better, faster, or cheaper. He sets high standards of excellence and finds it hard to compromise on standards set with himself and with his workers. The entrepreneur knows that big

achievements do not come quickly and easily. He digs in for the long haul and stays with a project until it is successfully done and to him meeting deadlines is very important (Davis, 2010).

The person with goal-setting capability is intensely realistic, anticipates and plans carefully where he wants to go. His visions seem to stimulate an inner drive for making his dreams come true. He finds special joy in winning. For him achievement is an end in itself.

Information-Seeking means that the entrepreneur personally seeks useful information from clients, suppliers, and competitors through contacts or information networks, and consults experts for business and technical advice. He seeks immediate feedback on his performance, and wants prompt and accurate data on the results he gets. The entrepreneur deals with anticipated changes and notes any management weaknesses and seeks immediate feedback on their performance. They want prompt and accurate data on the results they are getting (Calvin, 2003).

## Material and Method

This study utilized the descriptive type of research method wherein the quantitative analysis was employed using Personal Entrepreneurial Competency (PEC) Self-Rating Questionnaire which was adapted from Management Systems International (MSI) and McBer Team as cited by Azarcon, et. al. (2008) and a documentary analysis of the major examinations from prelim to semi-final of the 33 BSBA – HRMD students in Operations Management course currently enrolled during 2<sup>nd</sup> Semester SY 2012-2013 who took the PEC self-rating survey. The questionnaire was personally administered during one of the researcher's classes in Operations Management before Final Examination. Frequency count, percentage, rank, weighted mean and Pearson-Product Moment Correlation Coefficient were the statistical tools used to analyze and interpret the data gathered.

## Results and Discussion

Table 1 presents the Academic Performance of the BSBA – HRMD 3<sup>rd</sup> Year students in three Major Examinations of Operations Management.

**Table 1: Academic Performance of the BSBA – HRMD 3<sup>rd</sup> Year Students in Operations Management**

Range	Prelim		Midterm		Semi	
	F	%	F	%	F	%
96 – 100	0	0	1	3.125	3	9.375
91 – 95	0	0	4	12.5	3	9.375
86 – 90	2	6.25	7	21.875	6	18.75
81 – 85	6	18.75	2	6.25	3	9.375
75 – 80	10	31.25	5	15.625	11	34.375
below 75	14	43.75	13	40.625	6	18.75
Total	32	100	32	100	32	100

Most of the students or 43.75 percent obtained below 75% or failing remarks during Prelim examination and 10 or 31.25 percent of them obtained 75% – 80% and few of them have 81% – 85% and 86% - 90% with 6 and 2 BSBA students respectively. During Midterm Examination, still majority of them or 40.63 percent obtained a failing grade while 21.88 percent of them have 86% - 90%, followed by 75% - 80% with 12.63 percent of the students only one (1) student obtained a grade between 96% - 100% in Midterm Examination. The students find difficulty in the mathematical computation which comprised majority of the items both in Prelim and Midterm Examination. BSBA students strengthen their Mathematical Skills.

Majority of the students in Semi-final examination obtained a passing grade from 75% - 80% with 11 students or 34.38 percent followed by below 75% and 86%-90% with both 6 students or 18.75 percent each while the rest obtained 95% - 100%, 91% - 95% and 81% - 85% with three (3) students each range.

**Table 2: Average Rating in Three Major Examinations of the BSBA – HRMD 3<sup>rd</sup> Year Students in Operations Management**

Major Examinations	Average Rating	Interpretation
Prelim Exam	76.41	Passing
Midterm Exam	78.97	Fair
Semi-Final Exam	82.47	Fairly Satisfactory

Table 2 shows the Average Rating in Three Major Examinations of the BSBA – HRMD 3<sup>rd</sup> Year Students in Operations Management. The average rating in prelim examination obtained lowest mark of 76.41 with Passing verbal interpretation followed by Midterm exam with 78.97 percent falls within in Fair performance rating while Semi-Final Exam obtained the highest rating among the three examinations with 82.47 percent with Fairly Satisfactory performance rating. The students need a lot of motivation to engage their interest in using Statistical treatments in analyzing the data in Operations Management. Most of them have the strong ability to memorize facts and details but less skill in Mathematics.

**Table 3: Personal Entrepreneurial Competency of the Respondents**

Personal Entrepreneurial Competency	Score	Rank
Opportunity Seeking	17.3	8
Persistence	18.6	3
Commitment to Work Contract	17.8	6
Demand for Quality	18.5	4
Risk Taking	16.5	10
Goal setting	20.4	1
Information Seeking	18.8	2
Systematic Planning	17.7	7
Persuasion and Networking	18.4	5
Self-Confidence	17.1	9

Table 3 presents the result of the Personal Entrepreneurial Competency of the BSBA – HRDM 3<sup>rd</sup> Year students. Goal setting obtained the highest score in Personal Entrepreneurial

Competency of the BSBA students with 20.4, this implies that they have the entrepreneurs' ability to set realistic and attainable objectives followed by Information seeking and Persistence with computed weighted scores of 18.8 and 18.6, respectively. This signifies that they have the ability to constantly update themselves with relevant facts from varied sources. They have the awareness of past, current and future issues affecting their future business enterprise. They are also persevering despite many obstacles and failed attempts to be successful, they still try to challenge themselves to pursue their business ventures.

However, they obtained least scores in opportunity seeking, self-confidence and risk – taking as manifested by the weighted scores of 17.3, 17.1 and 16.5, respectively. These are considered their weaknesses. This signifies that they have low skill of being able to quickly spot and identify possible profitable business endeavors. They have to develop their sense of security with themselves, allowing them to face other people, their customers and situation without much fear or intimidation. They must also learn more how to assess the hazards and perils of the situation, and carefully calculates his chances of cusses and profits.

Table 4 reveals the relationship between the academic performance in Operations Management of the BSBA – HRDM and their Personal Entrepreneurial Competency Ratings. There is a significant relationship between the Demand for Quality and Prelim examination result in Operations Management course of BSBA – HRDM as manifested by the computed p – value of 0.048 which is less than the 0.05 level of significance. This implies that those students who obtain higher scores in Demand for Quality, they also obtain high score in Prelim Exam while those students who have high remarks in Semi-Final exam, they also have high score in information seeking.

**Table 4: Relationship between the Academic Performance in Operations Management of the BSBA – HRDM and their Personal Entrepreneurial Competency Ratings**

PEC Rating	Prelim		Midterm		Semi-Final	
	r-value	p-value	r-value	p-value	r-value	p-value
Opportunity Seeking	.076	.340	.168	.179	-.011	.475
Persistence	-.161	.189	.054	.384	.005	.490
Commitment to Work Contract	.236	.097	-.094	.304	-.073	.345
Demand for Quality	-.273	.048(*)	-.191	.148	-.172	.173
Risk Taking	.026	.445	.113	.269	.021	.455
Goal setting	.188	.152	-.053	.387	.178	.165
Information Seeking	.247	.087	.008	.482	.274	.045 (*)
Systematic Planning	.219	.115	-.077	.337	.266	.071
Persuasion and Networking	-.039	.416	.038	.418	.206	.129
Self-Confidence	-.006	.486	.160	.191	.233	.099

\*\* Correlation is significant at the 0.01 level (1-tailed).

\* Correlation is significant at the 0.05 level (1-tailed).

The rest of the eight (8) factors cannot be considered a good factor in determining the academic performance of the students in Operations Management Course. Though the Demand for Quality and information seeking reveals significant relationship but it only shows for one major examination.

### **Conclusion**

The BSBA – HRDM students obtained low score in Prelim and Midterm examination where they find it difficult to answer Math problems. Goal setting, Information seeking and Persistence are the Personal Entrepreneurial Competencies where the students obtained high scores. The demand for quality and information seeking revealed significant relationship in two major examinations in Operations Management.

### **Recommendation**

The BSBA – HRDM students must strengthen their Problem Solving Skills through giving them enough exercises to enhance their interest in the application of Statistics in Forecasting. Conduct Classroom activities that would enhance the confidence of the students to answer the question during recitation. The BSBA – HRDM students must develop their self-confidence and risk-taking capability as well as their opportunity seeking skills to become successful entrepreneurs and human resource managers someday through attending seminars and conferences with motivational speakers. The College of Business Administration must strengthen the ability of the students to work with quality through allowing them to attend in extensive trainings in Total Quality Management. Future researchers may use another set of variables to correlate with the academic performance of the Business Administration Students.

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