

Socio-Economic Survey of Entrepreneurship in the Municipality of Calinog

ROME B. MORALISTA, DR. GABRIEL C. DELARIARTE, ROWENA GABALONZO,
DR. MARY JANE CATALUNA

jerlynagustar@yahoo.com

West Visayas State University, Calinog Campus

PHILIPPINES

Abstract - The purpose of this present study is to evaluate the socio-economic status of entrepreneurship in the Municipality of Calinog and assist the entrepreneurship and economic opportunity in the market of Calinog by developing a new knowledge in business. The data collection methods were mainly based on observation. The respondents respond that entrepreneurship with respect to their perspective on the existence of opportunity; perspective of the market process, innovation; and the transaction cost economics.

They believed economics is intimately associated with the assumption of market equilibrium; acquisition and communication of knowledge; visualizes the world in which there is a continuous process of discovery – not usually major discoveries but mostly minor discoveries about individual wants at particular times and places. Furthermore, the adjustment of prices is the main role of the businessman. They claim that if the wrong price prevails in the market, then an opportunity for profit exists. If differentiated prices prevail in the same market, there is scope for profitable arbitrage between the segments of the market.

Keywords: Socio-Economic, Entrepreneurship, Calinog, Business

I. INTRODUCTION

Economic recovery is a priority in the Municipality of Calinog after Public Market was burned, and entrepreneurs generally are committed to creating more effective and efficient government has been identified as the modality by which economic recovery and socioeconomic development should be addressed.

McClelland (1961) suggests that entrepreneurship accounts for the rise in civilization. Not external resources (that is, markets, materials, trade routes, or factories), but the entrepreneurial spirit that exploits those resources. If this is true, then the nurturing of entrepreneurship in a society becomes critical to its economic development.

Bygrave (1997) provides a simple but profound definition of an entrepreneur as someone who perceives an opportunity and creates an organization to pursue it.

Stevenson and Gumpert (1985) believe that the entrepreneur may occupy one extreme end of a continuum of managerial behaviour - at one end is the entrepreneur and the other end is the administrator. Entrepreneurship is the attempt to create value by an individual or individuals (a) through the recognition of significant (generally innovative) business opportunity, (b) through the drive to manage risk-taking appropriate to that project, and (c) through the exercise of communication and management skills necessary to mobilize rapidly the human, material, and financial resources that will bring the project to fruition (Kao & Stevenson, 1984). Kao (1989) has modified the colloquium's definition and suggests that the entrepreneur can be defined in terms of tasks: to see an opportunity; marshal human and other resources necessary to pursue it; and transform the opportunity into a tangible result.

According to Kao (1989), an entrepreneur's job description would include creative, operational /managerial, interpersonal, and leadership tasks.

Timmons (1985), in a review of 50 academic research studies, summarized the most commonly identified entrepreneurial traits as: commitment, drive, goal orientation, initiative, problem solving, realism, seeking and using feedback, internal locus of control, risk-taking, low need for status and power, and integrity and reliability.

Kets de Vries (1977) concluded that the psychological picture of an entrepreneur's personality is sometimes conflicting and confusing. Kets de Vries concludes that entrepreneurs have a particularly high need for achievement, but autonomy, independence, and moderate risk taking are also important. They appear to be inner directed, present themselves as self-reliant, and tend to de-emphasize or neglect interpersonal relations. Entrepreneurs are also anxious individuals, nonconformists, poorly organized, and not a stranger to self-destructive behaviour. Finally some entrepreneurs possess a higher than average aesthetic sense, which may contribute to innovativeness.

Miner (1966) makes an interesting argument that there are four basic types of entrepreneurial personality patterns (personal achiever, super salesperson, real

manager, and expert idea generator) and success comes only when an individual with the right personality pattern is in the right situation.

Schumpeter (1934), one of its early critics, saw innovation as the key for creating new demand for goods and services and entrepreneurs as owner-managers who started new, independent businesses to exploit innovation. Furthermore, an entrepreneur was a person who destroyed existing economic order by introducing new products and services, by creating new forms of organization, or by exploiting new raw materials. Thus entrepreneurs, through exploiting innovations, destroyed the structure of existing markets and caused established firms with older products or services to decline. An important aspect of Schumpeter's theory was that innovations create new demand and entrepreneurs bring these innovations to the market. Thus, entrepreneurs, Schumpeter would argue, are major mechanisms of wealth creation and distribution in capitalism.

The field of entrepreneurship has been defined as the study of “how, by whom and with what consequences opportunities to produce future goods and services are discovered, evaluated and exploited” (Shane & Venkataraman, 2000). However, it can be argued that research has focused on discovery, exploitation, and their consequences without much attention to the nature and sources of opportunity itself. While some researchers argue that the subjectivity or socially constructed nature of opportunity makes it impossible to separate it from the individual, others contend opportunity is an objective construct visible only to the knowledgeable and attuned individuals. In either case, a set of weakly held assumptions appear to dominate this debate leaving the fundamental nature of opportunity vague and unresolved (Acs & Audretsch, 2005). However, not only does new knowledge contribute to technological opportunity, but it also spills over for use by third party firms, often-new ventures (Azoulay & Shane, 2001 and Archibald, Thomas Betts and Johnston, 2002).

The purpose of this present study is to evaluate the socio-economic status of entrepreneurship in the Municipality of Calinog and assist the entrepreneurship and economic opportunity in the market of Calinog by developing a new knowledge in business. The findings of the study will create new opportunities; and new entrepreneurial activity for the neophyte's businessmen.

II. OBJECTIVES OF THE STUDY

This study aimed to discover opportunities in the market municipality of Calinog; and to exploit the

discover opportunities in the market municipality of Calinog.

III. METHOD

The data collection methods were mainly based on observation (observational methods). Moreover, since we wanted to investigate the relationships among people within the organisation, we needed to be as close as possible to the business owners interviewed and the firm, but without interfering with their normal modes of operation. The observational method we used was essentially non-participant observation. We gathered primary data from interviews and the observation of group dynamics. The primary resource was a semi-structured interview with open questions that let respondents talk at length about their opinions. We interviewed the business owners of selected sari-sari stores in the Municipality of Calinog and some sales lady and sales man. This primary data was supplemented with the observation of three sessions of formal meetings. Since we were interested in how the participants interact, group settings allowed us to study how they interact and influence each other, and we could examine patterns of communication and coordination, patterns of influence and dominance, the role played by each member and how they handle conflict situations. In order to carry out our in-depth study, we also analysed secondary resources, such internal documents.

The qualitative data analysis (QDA) suggested by Seidel (1998) for qualitative methodology was used in the study. His model simplifies the complex process into three components: noticing, collecting and thinking about interesting things. In this study, researchers reviewed the data from observations and interviews and identify the passages related to our objectives, like trust, ties among people, beliefs, values and norms, attitudes towards innovation, organisational capital etc. In other words, we coded the text into the key concepts of our study.

Once they had codified our data, we condensed it into tables fitting each piece into the correct category. Thinking is a process which consists of close examination, comparison, looking for similarities and differences, and raising questions about the phenomena as reflected in the data (Corbin and Strauss, 1990). That means that in the research, the proponents tried to draw some conclusions about how the key concepts of the study are interrelated. They compared and contrasted the data from the different participants in order to find convergences or divergences, which allowed them to

identify groups among the respondents, and treat each group as a collective.

Although this account of QDA presents three distinct parts, the process is not linear, as Seidel (1998) remarked, and the process may be iterative (a cycle that keeps repeating), recursive (some parts can call you back to a previous part) and holographic (each step already contains aspects of the entire process). In this case, they started the process with some thought about the link between discovery of opportunity and exploit the opportunity, and about finding the right empirical setting to explore. The initial ideas became a study proposal, which was discussed with the target small business enterprise. Even at the initial interviews with the business owners (there were two) they have noticed some of the key aspects he referred to, such as human relations, differences between groups, concerns about motivation, etc, which enriched our ideas about the project and the aspects that needed to be considered. They also started to collect secondary information, such as the business' strategic plan and feasibility study. These initial investigations made them notice things related to the topic, stimulated them to think about them, and produced the design for the schedule for the first semi-structured interviews about discovery of opportunity and exploit the opportunity. Following data collection, using the interviews, led to noticing new things, and thinking about them led us to design a more extensive questionnaire on discovery of opportunity and exploit the opportunity. The paper is organized as follows. In the next section, researchers discussed the nature of the individual opportunity. In the third section they examined the question, where do opportunities come from.

This last development, in turn, had a different form, because they noticed that a different approach was needed for some of the people whose opinions they sought.

IV. RESULT AND DISCUSSION

In interview, the researcher was told by the small businessmen in the municipality of Calinog, the Individual-Opportunity in the field of entrepreneurship focuses on the discovery of opportunities and subsequent exploitation of such opportunities by individuals. However, just because opportunities exist does not mean that everyone perceives them. Only individuals with appropriate qualities will perceive them. Entrepreneurial activity depends upon the interaction between the characteristics of opportunity and the characteristics of the people who exploit them. The views of entrepreneur in their entrepreneurial

activity as arising from either differences among individuals in attitudes toward risk or differences in individual capabilities. There has been a long tradition of work seeking to determine what makes entrepreneurs distinctive.

Indeed, "Who is the Entrepreneur?" The individuals, whether they are working in an existing organization or are retired or unemployed at the time of their discovery, are the entities that discover opportunities. Therefore, the mode of opportunity exploitation must be based on choices made by individuals about how they would like to exploit the opportunity that they have discovered. The entrepreneurial activity of small businessmen in the Municipality of Calinog depends upon the interaction between the characteristics of opportunity and the characteristics of the people who exploit them. They believe in the idea that opportunities are objective but the perception of opportunities is subjective has a long history in the theory of entrepreneurship. As entrepreneur as a recipient of pure profit. They think that profit is the residual income available after all contractual payments have been deducted from the revenues of their business. Furthermore, they deem it is the reward to them for bearing the costs of uncertainty. The respondents identify the probabilities of alternative outcomes cannot be determined either by a priori reasoning or by statistical inferences but to show how markets, together with institutions such as the large corporation, contribute to specializing uncertainty bearing in the hands of those best equipped to make decisions under uncertainty. This is the main quality required for making production decisions is foresight. Individuals differ in the amount of foresight they have, and competition ensures that individuals with the greatest degree of foresight specialize in making production decisions.

The respondents cited that in this modern world as entrepreneur is someone who specializes in taking judgmental decisions about the coordination of scarce resources. Here in the Municipality of Calinog it is the individual and not the firm that is the basic unit of analysis. Judgmental decisions are decisions for which no obvious correct procedure exists – a judgmental decision cannot be made simply by plugging available numbers into a scientific formula and acting on the basis of the number that comes out. Therefore, the modern technology help entrepreneurs discover opportunities are real and independent of the entrepreneurs that perceive them. Respondent consider entrepreneurial opportunities as the discovery of novel means-ends relationships, through which new goods,

services, resources and agency are created. However, strategic management and entrepreneurship is interrelated.

Where Do Opportunities Come From?

The respondents respond that entrepreneurship with respect to their perspective on the existence of opportunity; perspective of the market process, innovation; and the transaction cost economics.

They believed economics is intimately associated with the assumption of market equilibrium; acquisition and communication of knowledge; visualizes the world in which there is a continuous process of discovery – not usually major discoveries but mostly minor discoveries about individual wants at particular times and places. Furthermore, the adjustment of prices is the main role of the businessman. They claim that if the wrong price prevails in the market, then an opportunity for profit exists. If differentiated prices prevail in the same market, there is scope for profitable arbitrage between the segments of the market.

The respondents suggest that innovations, made by the most talented businessmen, prove successful, and this encourages less talented businessman to follow suit. Because they are adapting ideas that the pioneers have already tried out, the risks that the capitalists perceive in backing the less talented businessman are relatively low. A wave of innovation follows which then, for a variety of reasons, quickly recedes, but they believed that talented businessman were scarce. Their scarcity lies not so much in their alertness or in their professionalism as in their psychology. They deem that interest in innovation is required, the creation of opportunity is the domain of the businessman. Therefore, opportunities come from the basic idea of innovations, be they technological or organizational, come from; “find” or “create” new possibilities. They are always present, abundantly accumulated by all sorts of people. Often they are generally believed, that businessman creates opportunities rather than merely discover promising opportunities. Thus, like the other views of businessman, takes opportunities as exogenous.

The prevalent views of businessman is that opportunities are exogenous, the most prevalent of innovation in the knowledge production function, and input into the process of generating endogenous innovative activity. They operate more strongly in some parts of the economy than others and so there are particular characteristics that tend to be associated with locations – such as new invented technology – where opportunities are found. Most innovations take place in

new invented technology opportunity industries and not in low technology opportunity in business.

Themes

Innovations are sources of business opportunities and if there were no business opportunities, creating business opportunities are the activities of entrepreneurs in the Municipality of Calinog are often doing.

V. RECOMMENDATION

The government support and help organize businessmen in the Municipality of Calinog enhancing welfare. Their organization will promote the need of entrepreneurs and make plans for the boom of business in Calinog.

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