

# Predictors of Entrepreneurs' Contribution in the Socio-Economic Development of Youth in Calapan City, Oriental Mindoro, Philippines

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**Abstract** Trite as it may sound but it has been said time and again that the role of the youth in nation building is indispensable. They have taken active roles in different areas of life, more notably, in business and economic sectors. Thus, this study was undertaken to determine the predictors of entrepreneurs' contribution in the socio-economic development of youth in Calapan City, Oriental Mindoro, Philippines. Descriptive-correlational design was employed in the study. Questionnaires were used to gather data from 641 entrepreneur-respondents chosen through stratified random sampling and taken from 62 barangays of the city. Data gathered were processed and analyzed using multiple linear regression analysis using SPSS version 23. The results showed that the profile of the entrepreneurs is a predicting factor that affects management status, level of organizational climate, financial status and extent of contribution to socio-economic development of youth. It also concluded that the management status, level of organizational climate and financial status influenced the extent of contribution to socio-economic development of youth in the locale. It is recommended that more youth empowerment schemes be introduced primarily by the local government, by nongovernmental agencies and by concerned private entrepreneurs or groups.

**Keywords:** youth, socio-economic development of youth, youth development

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## 1. Introduction

Most of the people of the world are youth which are under the ages of 15 to 24. They make up over one-sixth of the world's population, but are seldom recognized as a distinct group. Thus, effectively addressing the special needs of these youths will shape their future. They will also impact how people in rich and poor countries live in the 21st century. [1]

In this new-age society youths are seen as problems mostly by older generations. Although they may be perceived that way, it is important to note that they can actually be assets to social, economic and political areas of life. Numerous opportunities await the younger generation and undeniably, the future of the world rests in their hands.

Young people are a global priority. The goal for young people must go beyond survival to development and involvement. It is in there and our interest to ensure an adequate standard of living and protect them from economic, health, emotional and physical harm or exploitation. But global productivity and security will hinge on developing their full potential and engaging them not only as beneficiaries, but also as participants and problem-solvers. [2]

Youth participation is an important issue worldwide. It is raised as a critical indicator of effective programming and education as a key ingredient in community building and development. Traditionally, young people have played and continue to play key roles as family members (caretakers, earners, contributors) and are seen as key to the transmission of cultural norms and traditions. Young people make up critical mass of the current world population and represent mature adult workforce and population of the future. Rapid economic, political and cultural changes within and among countries have pushed the issue of youth participation to the forefront. [3]

Our youth is the future of the country. Let us keep them become productive citizens because empowering our youth parallels with empowering our country and our economy. [4]

The cases of youth unemployment and working poverty that grew large have been alarming. The difficulties faced by young women and men in accessing sustainable livelihoods are many, thus supporting their successful transition into employment and entrepreneurship requires a comprehensive approach.

Global efforts to support economic and social endeavors of youth around the world have grown exponentially in the past decades. Government and non-government organizations and agencies alike launch programs to address the diverse

needs of youth in terms of exploring economic opportunities and bettering their position in the society.

Calapan City is the sole city and one of the 15 town-components, and the capital of the agricultural province of Oriental Mindoro. Composed of 62 barangays (villages), this city serves as the seat of commerce and trade of the whole province. It has qualified numerous times as one of the top ten competitive cities in the Philippines, a recognition that spurred the rise of many business establishments such as banks, malls, fast food chains and convenience shops in the metropolis. [5]

Many of Calapan City's entrepreneurs are willing participants to the global rise and popularity of social entrepreneurship. With these the local business people recognize the value of marrying trade with goodwill. These also have become a conduit to channel the favor to the local youths and contribute to their social and economic development.

## 2. Objectives of the Study

This study determined the predictors of entrepreneurs' contribution in the socio-economic development of youth in Calapan City, Oriental Mindoro, Philippines. Specifically, the study determined if there is a significant relationship between the profile of entrepreneurs and management status; profile of entrepreneurs and level of organizational climate; profile of entrepreneurs and financial status; profile of entrepreneurs and extent of contribution to socio-economic development; management status and extent of contribution to socio-economic development; level of organizational climate and extent of contribution to socio-economic development; and financial status and extent of contribution to socio-economic development.

## 3. Materials and Methods

This study employed descriptive-correlation method to identify the profile of entrepreneurs, management status, level of organizational climate, financial status and extent of contribution to socio-economic development; and relationship between the independent and dependent variables. Stratified random sampling was employed in choosing the 641 entrepreneur-respondents of this research, which were taken from sixty-two barangays of Calapan City, Oriental Mindoro, Philippines. The study made use of a questionnaire in gathering data which were also submitted to experts for validation and pre-tested among 20 non-respondents. The respondents were instructed to answer the questions by putting a check mark on the 5-point Likert's scale that corresponds to their answer and were assured of the confidentiality of their answers. Data gathered were processed and analyzed using multiple linear regression analysis using SPSS version 23. The study covered the fiscal year 2017.

## 4. Results and Discussion

The Table 1 shows the summary of F, R, R<sup>2</sup> regressing the profile of entrepreneurs and management status.

As shown in the table, the computed F-values of 241.45, 304.10, 313.88, 294.11 and 168.91 exceeded the critical F-value of 3.00 at 5 percent level of significance with 2 and 638 degrees of freedom. This indicates that significant relationship exists between the profile and management status of the entrepreneurs' business. The coefficient of determination further revealed that 43.08%, 48.80%, 49.60%, 47.97% and 34.62% of the variance in the management status are accounted for by the profile with the corresponding multiple R-values of 0.6564, 0.6986, 0.7042, 0.6926 and 0.8884 respectively which are deemed significant degree of relationship among the variables regressed. Thus, the null hypothesis is rejected.

Further analysis revealed that both independent variables could act as positive predictors in each of the variables measured.

This implies that management status of the entrepreneurs' business is anchored on the vision, mission and goal and the leadership style employed. These two factors go hand-in-hand to effectively determine how well management functions are performed. Since the clearly defined vision, mission and goal statement is considered as the character identity and the reason for the existence of organization, it follows that it directly affects the status of management. As regards leadership, it can be deduced from the result that employing appropriate style which the circumstances demands, influence the effectiveness of performing management functions.

The result further implies that understanding the vision of the entrepreneurs' business greatly contributes to the processes of planning, organizing, staffing, directing and controlling in a sense that parallelism and coherence of actions and other activities with the VMG statement must be established. Otherwise, the entrepreneurs would not be able to realize the purpose of its existence. In like manner, understanding styles and acquiring skills in influencing the members of the organization basically promote a smooth cycle of performing the functions for effective management of people and resources.

**Table 1. Summary of F, R, R<sup>2</sup> Regressing the Profile of Entrepreneurs and Management Status**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Planning	241.45	0.6564	0.4308	Significant
Organizing	304.10	0.6986	0.4880	Significant
Staffing	313.88	0.7042	0.4960	Significant
Directing	294.11	0.6926	0.4797	Significant
Controlling	168.91	0.8884	0.3462	Significant

Df: 2, 638

Critical F-value: 3.00.

The Table 2 shows the summary of F, R, R<sup>2</sup> regressing the profile of entrepreneurs and level of organizational climate.

It can be gleaned from the table that the computed F-values of 156.74, 179.00, 156.38, 160.43, 125.87 and 167.48 are all greater than the tabular F-value of 3.00 at 5 percent level of significance with 2 and 638 degrees of freedom. The coefficients of determination revealed that the variance in the dependent variables accounted for 32.92%, 35.94%, 32.90%, 33.46%, 28.29% and 34.43% as explained or attributed to the profile of entrepreneurs. The observed correlation coefficients of 0.5740, 0.5995,

0.5736, 0.5785, 0.5319 and 0.5867 likewise established strong positive relationship among the variables tested. Therefore, the null hypothesis is rejected.

Analysis of the regression coefficients revealed that vision, mission and goal as well as leadership style positively influenced the organizational climate of the entrepreneurs business.

The result therefore implies that the prevailing atmosphere in entrepreneurs' business is attributed to the profile as defined by the vision, mission and goal and the leadership style. This is because the entrepreneurs strive to establish a sense of belongingness in the group. Involvement of the members is accompanied by a clear understanding of how entrepreneurs could engage in activities that reflect its mission. Similarly, adherence to the vision defines the standard of performance and helps in clarifying the roles each member must follow.

Furthermore, abiding with the pre-determined goals develops sense of responsibility among members such that everyone seeks to contribute in the achievement of overall organizational goals. Therefore, everyone is mobilized toward the same direction that eventually results to strengthening unity in actions and aspirations.

**Table 2. Summary of F, R, R<sup>2</sup> Regressing the Profile of Entrepreneurs and Level of Organizational Climate**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Clarity	156.74	0.5740	0.3292	Significant
Commitment	179.00	0.5995	0.3594	Significant
Standard	156.38	0.5736	0.3290	Significant
Responsibility	160.43	0.5785	0.3346	Significant
Recognition	125.87	0.5319	0.2829	Significant
Teamwork	167.48	0.5867	0.3443	Significant

Df: 2, 638  
Critical F-value: 3.00.

The Table 3 shows the summary of F, R, R<sup>2</sup> regressing the profile of entrepreneurs and financial status.

The computed F-values of 98.25 and 124.96 are all greater than the tabular F-value of 3.00 at 5 percent level of significance with 2 and 638 degrees of freedom. The coefficients of determination revealed that 23.55% and 28.15% of the variance in the dependent variables are accounted for by the profile of entrepreneurs with corresponding multiple R-values of 0.4852 and 0.5305, which are deemed significant at 5 percent level. Therefore, the null hypothesis is rejected.

Further analysis revealed that vision, mission and goal and leadership styles and skills are positive predictors of financial status.

This is attributed to the fact that realizing the goals of the entrepreneurs' business demands proper allocation and handling of funds to spearhead its businesses. This further emphasized that entrepreneurs would not be able to accomplish the tasks it sets out to do without the prime commodity or the lifeblood of the organization.

The result further implies that because of revenue allocations are provided for the businesses of the entrepreneurs, they should efficiently and effectively disburse and distribute the financial capability with greater accountability as implicitly embodied in the vision, mission and goal.

**Table 3. Summary of F, R, R<sup>2</sup> Regressing the Profile of Entrepreneurs and Financial Status**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Sources of Funds	98.25	0.6564	0.4308	Significant
Budget Allocation	124.96	0.6986	0.4880	Significant

Df: 2, 638  
Critical F-value: 3.00.

The Table 4 shows the summary of F, R, R<sup>2</sup> regressing the profile of entrepreneurs and extent of contribution to socio-economic development.

As shown in the table, the computed F-values of 46.57, 54.07, 83.59, 86.64 and 81.05 for livelihood, health, sports, education and environment respectively are greater than the tabular F-value of 3.00 at 5 percent level of significance with 2 and 638 degrees of freedom. The coefficient of determination revealed that 12.74%, 14.49%, 20.76%, 21.36% and 20.26% of the variance in the dependent variables are accounted for by the profile with reference to the vision, mission and goal and leadership styles. Thus the observed correlation coefficients of 0.3569, 0.3807, 0.4557, 0.4622 and 0.4501 are deemed significant at 5 percent level. Thus, the null hypothesis is rejected.

It can be drawn from the frequency results that the extent of contribution of entrepreneurs in the socio-economic development of the youth as regards the indicators mentioned above are the quantifiable benchmark anchored on the vision and mission. This means that well stated and clarified vision establish how could entrepreneurs be a vehicle in making a difference in the socio-economic status of Calapan City, Oriental Mindoro, Philippines. This is based on the principle that entrepreneurs' business as an organization is considered as an open system.

As a system, it receives inputs from the external environment, process those and bring it back to the environment. In relation to the findings, the development concerns with respect to the environment, education, health and livelihood, among others, should be focal point direction of the entrepreneurs.

This therefore implies that entrepreneurs should maximize the use of its human resources to adequately focus its attention to various developmental projects related to the promotion of health, capability building through livelihood programs, inculcating environment awareness and providing trainings for the out-of-school youth.

This has been drawn from the fact that the results showed a need for an upbeat and accelerating tempo in giving adequate emphasis for its different concerns mentioned.

**Table 4. Summary of F, R, R<sup>2</sup> Regressing the Profile of Entrepreneurs and Extent of Contribution to Socio-Economic Development**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Livelihood	46.57	0.3569	0.1274	Significant
Health	54.07	0.3807	0.1449	Significant
Sports	83.59	0.4557	0.2076	Significant
Education	86.64	0.4622	0.2136	Significant
Environment	81.05	0.4501	0.2026	Significant

Df: 2, 638  
Critical F-value: 3.00.

The **Table 5** shows the summary of F, R, R<sup>2</sup> regressing the management status and extent of contribution to socio-economic development.

As shown in the table, the computed F-values of 51.45, 50.25, 66.10, 72.17 and 68.67 exceeded the critical F-value of 2.21 at 5 percent level of significance with 5 and 635 degrees of freedom. This indicates that significant relationship exists between the management status and the extent of contribution to socio-economic development of the youth. The coefficient of determination revealed that the variance in the dependent variables 28.83%, 28.33%, 34.23%, 36.23% and 35.10% as explained by the status of management having multiple R-values of 0.5370, 0.5323, 0.5851, 0.6019 and 0.5924 respectively which are deemed significant among the variables regressed. Thus, the null hypothesis is rejected.

Further analysis revealed that planning, organizing, staffing, directing and controlling are the positive predictors of the extent of contribution to the socio-economic development as evidenced by the regression coefficients of 0.1441, 0.1285, 0.2165, 0.3245 and 0.1516 respectively.

The result implies that management status is the barometer in measuring the extent of contribution. This means that failure to perform effectively the management functions of planning, organizing, staffing, directing and controlling results to a relatively low extent of contribution. On the contrary, should important aspects of management be adequately met a higher extent of contribution is ensured.

On the basis of the mean profile established, the result further implies that the moderate extent of contribution of the entrepreneurs is attributed a moderate extent of performing management functions. Thus, the result revealed a need for review of the weaknesses and strengths of entrepreneurs in delivering its services to the community. This means that the loopholes in the management should be properly threshed out.

**Table 5. Summary of F, R, R<sup>2</sup> Regressing the Management Status and Extent of Contribution to Socio-Economic Development**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Livelihood	51.45	0.5370	0.2883	Significant
Health	50.25	0.5323	0.2833	Significant
Sports	66.10	0.5851	0.3423	Significant
Education	72.17	0.6019	0.3623	Significant
Environment	68.67	0.5924	0.3510	Significant

Df: 5, 635  
Critical F-value: 2.21.

The **Table 6** shows the summary of F, R, R<sup>2</sup> regressing the level of organizational climate and extent of contribution to socio-economic development.

The computed F-values of 89.53, 91.07, 90.28, 121.92 and 133.68 exceeded the critical F-value of 2.10 at 5 percent level of significance with 6 and 634 degrees of freedom. This indicates that significant relationship exists between the level of organizational climate and the extent of contribution to socio-economic development. The coefficient of determination revealed that 41.35%, 41.76%, 41.55%, 48.98% and 51.28% of the variance in the dependent variables are accounted for by the level

of organizational climate with multiple correlation coefficients 0.6430, 0.6462, 0.6446, 0.6998 and 0.7161, which are deemed significant degree of relationship among the variables regressed. Thus, the null hypothesis is rejected.

Further analysis revealed that organizational climate influenced the extent of contribution to socio-economic development.

The result implies that the atmosphere presently characterizing the organization have something to do with the extent of contribution to socio-economic development as a youth group challenged to contribute to the overall goal achievement. This means that the extent to which entrepreneurs understand the goals of business, the level of commitment and dedication, the emphasis placed upon performance, and the sense of belongingness are factors needed for an increased participation in community development through varied programs for health services, livelihood projects and other related services.

**Table 6. Summary of F, R, R<sup>2</sup> Regressing the Level of Organizational Climate and Extent of Contribution to Socio-Economic Development**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Livelihood	89.53	0.6430	0.4135	Significant
Health	91.07	0.6462	0.4176	Significant
Sports	90.28	0.6446	0.4155	Significant
Education	121.92	0.6998	0.4898	Significant
Environment	133.68	0.7161	0.5128	Significant

Df: 6, 634  
Critical F-value: 2.10.

The **Table 7** shows the summary of F, R, R<sup>2</sup> regressing the financial status and extent of contribution to socio-economic development.

The computed F-values of 243.67, 208.21, 174.92, 276.07 and 246.87 exceeded the critical F-value of 3.00 at 5 percent level of significance with 2 and 638 degrees of freedom. The coefficient of determination revealed that 43.31%, 39.49%, 35.41%, 46.39% and 43.63% of the variance in the dependent variables are correlated by the financial status with multiple R-values of 0.6581, 0.6284, 0.5951, 0.6811 and 0.6605, which are deemed significant at five percent level. Thus, the null hypothesis is rejected.

This implies that financial capability of entrepreneurs' business to support its operations determine the extent of its contribution.

This is because funding and budget is prerequisite to the successful implementation of its projects that serve as its contribution to the development of the community.

**Table 7. Summary of F, R, R<sup>2</sup> Regressing the Financial Status and Extent of Contribution to Socio-Economic Development**

Dependent Variables	F	R	R <sup>2</sup>	Interpretation
Livelihood	243.67	0.6581	0.4331	Significant
Health	208.21	0.6284	0.3949	Significant
Sports	174.92	0.5951	0.3541	Significant
Education	276.07	0.6811	0.4639	Significant
Environment	246.87	0.6605	0.4363	Significant

Df: 6, 638  
Critical F-value: 3.00.

## 5. Conclusion and Recommendation

In the light of the foregoing findings, the study concluded that the profile of the entrepreneurs is a predicting factor that affects management status, level of organizational climate, financial status and extent of contribution to socio-economic development of youth in Calapan City, Oriental Mindoro, Philippines. The management status influenced the extent of contribution to socio-economic development of youth. The level of organizational climate affects the extent of contribution to socio-economic development of youth. The financial status influenced the extent of contribution to socio-economic development of youth.

It is recommended that there is need to develop entrepreneur leadership abilities by attending management and leadership trainings and seminars at least every year for them to cope with the macro and micro environmental challenges they are facing today; monitor the various aspects of business implementation in terms of budget and finance; and initiate programs designed to enhance the

social, political, economic, intellectual, spiritual, and physical development by themselves.

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