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Research Article

Assessing the Relationship between Entrepreneurial Resources and Competencies Controlling for Entrepreneurial Improvisation in Select Micro and Small Businesses

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ABSTRACT

Sustaining resources has been a challenge for businesses, particularly those highly dependent on raw materials derived from the natural environment. The roles of competencies and improvisation are crucial in adapting to and sustaining entrepreneurial activities, including, but not limited to, production, sourcing, and operations. Thus, this research is conducted to determine and assess the extent of entrepreneurial resources, entrepreneurial competencies, and entrepreneurial improvisation among select micro and small businesses. The research is descriptive and correlational in nature. The simple mean is used to assess the extent of entrepreneurial practices in terms of Resources, Competencies, and Improvisation, while Partial Correlation is used in determining the relationship between resources and competencies while controlling for business improvisation.

Results revealed that for Entrepreneurial Resources, the select businesses agreed on the importance of resources with respect to entrepreneurial activities, specifically for Financial, Human, Physical, and Environmental. At the same time, Strong Agreement is expressed on Entrepreneurial Competencies, specifically for Systematic Planning and Monitoring, Opportunity Seeking, Goal Setting, and Persuasion and Networking. Lastly, a Strongly Agree is also expressed on Improvisation specifically for Ingenuity and Adaptability. Entrepreneurship requires various factors that contribute to its success and sustainability, such as Resources, competencies, and the ability to improvise, which must be

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present in all entrepreneurial activities. With regards to the relationship between Entrepreneurial Resources and Competencies when controlled by Entrepreneurial Improvisation, the results revealed a significant and strong positive relationship. The direct relationship, while being controlled by improvisation, manifests the significance of each of the factors of Entrepreneurial Resources and Competencies, emphasizing that the absence of one factor affects the effectiveness and efficiency of the ability or competencies of Entrepreneurs.

Keywords: *Improvisation, Entrepreneurial Resources, Entrepreneurial Competencies*

Background

In the research conducted by Jucom, J. (2025), citing Live Plan (2024), there is a noticeable rise in entrepreneurial activity, with more Filipinos starting small businesses in response to the changing economic landscape. This growing interest in entrepreneurship among Filipinos reflects a broader global trend where individuals are increasingly inclined to create their own business opportunities rather than depend solely on traditional employment.

The increasing number of Filipino entrepreneurs is driving substantial growth in the micro, small, and medium enterprise (MSME) sector. However, this period of growth also presents challenges for MSMEs to increase their efforts to both sustain their operations and maintain a competitive advantage. *As supported by Mendoza, X. L. (2022), micro and small enterprises provide employment opportunities, offer innovative environments for entrepreneurs to develop new products and services, and help people out of poverty.*

The province of Cavite is fast and continuously growing commercially. Businesses continue to evolve from micro businesses to large enterprises, encompassing a range of industries, including industrial, manufacturing, agricultural, services, and retail sectors. Thus, this research is conducted to assess and establish relationships among entrepreneurial factors such as Resources and Competencies while controlling for Improvisation, aiming to enhance practices and develop entrepreneurial programs.

Methods

The study utilized a quantitative design, which is descriptive and correlational in nature. Descriptively, the research assessed Entrepreneurial Resources, Competencies, and Improvisation. The Partial Correlational method was used and determine the significant relationship between Entrepreneurial Resources and Entrepreneurial Competencies while controlling for Entrepreneurial Improvisation.

Sample and Sampling

A total of 390 samples is used in the research and selected by way of purposive sampling with the following criteria: must be a micro or small business, owner or manager of the business with at least 5 years of business operation.

Research Instrument

An adapted Survey Instrument is used about Entrepreneurial Competencies (Jucom, 2025), while a self-made instrument is used about Entrepreneurial Resources and Improvisation. The indicators of entrepreneurial resources and improvisation were subjected to Reliability testing by way of Cronbach's Alpha and obtained an acceptable coefficient. On the other hand, Pearson R is used to determine the validity of the indicators as compared to their construct, and each indicator also obtained significant coefficients.

Result and Discussion

Profile Distribution of Participants

Table 1. Summary of Profile Distribution in Type of Business

Size of Business	f	%
Micro	187	48
Small	203	52
Total	390	100
Nature of Business	f	%
Agricultural	110	28
Merchandizing	232	59
Service	48	13
Total	390	100

Results revealed that most of the participants are small merchandising businesses. A total of 203 and 232, respectively. One of the characteristics of the selected locale is being

the fast-growing industry giant in CALABAR-ZON, and one of its towns is considered the heart of commercialization in the province of Cavite.

Summary of Assessment on Entrepreneurial Resources, Competencies, and Improvisation

Table 2. Summary of Assessment on Entrepreneurial Resources

Entrepreneurial Resources	Mean	Interpretation
Financial	3.11	Agree
Human	3.25	Agree
Physical	3.45	Agree
Environmental	3.42	Agree
Overall	3.30	Agree

4.00 – 3.50 Strongly Agree; 3.49 – 2.50 Agree; 2.49 – 1.50 Disagree; 1.49 – 1.00 Strongly Disagree

Results revealed that in terms of Entrepreneurial Resources, the selected participants tend to agree on the significance and the need for resources about entrepreneurial activities, with an overall mean value of 3.30. The Physical Resources, specifically, machinery and equipment, obtained the highest assessment with a mean value of 3.45, while Financial Resources obtained the lowest assessment with a

mean value of 3.11. This could mean that Physical Resources is the most needed and important requirement for business operation, not only for merchandising but also for the agricultural and services industries. On the other hand, financial requirements may be the least for the participants since their business requires only a minimum capitalization to sustain their operation.

Table 3. Summary of Assessment on Entrepreneurial Competencies

Entrepreneurial Competencies	Mean	Interpretation
Systematic Planning & Monitoring	3.61	Strongly Agree
Opportunity Seeking	3.65	Strongly Agree
Goal Setting	3.68	Strongly Agree
Persuasion and Networking	3.62	Strongly Agree
Overall	3.64	Strongly Agree

4.00 – 3.50 Strongly Agree; 3.49 – 2.50 Agree; 2.49 – 1.50 Disagree; 1.49 – 1.00 Strongly Disagree

Results revealed that in terms of Entrepreneurial Competencies, the selected

participants show a Strong Agreement with an overall mean value of 3.64. Goal setting

obtained the highest assessment with a mean value of 3.68, while Systematic Planning and Monitoring obtained the lowest assessment with a mean value of 3.61. Goal setting received a more favorable assessment among other factors. This means that goal setting is well-practiced and considered effective and important in the context of entrepreneurship. As mentioned in the study of *Yandes, J., & Juniadi, D. (2024) & Destiana, et al. (2023)*, *goal setting positively influences business success by enhancing entrepreneurs' ability to navigate challenges and seize opportunities*.

On the other hand, Systematic Planning and Monitoring is affected by a lot of factors, either external or internal, making it difficult for entrepreneurs to fully establish well-structured and smooth entrepreneurial activities and strategies. As mentioned by *Romero and Nalangan (2023)*, *systematic planning and monitoring encompass systematically reviewing implemented policies to confirm their consistency with entrepreneurial goals*.

Table 4. Summary of Assessment on Entrepreneurial Improvisation

Entrepreneurial Improvisation	Mean	Interpretation
Ingenuity	3.55	Strongly Agree
Adaptability	3.57	Strongly Agree
Overall	3.56	Strongly Agree

4.00 – 3.50 Strongly Agree; 3.49 – 2.50 Agree; 2.49 – 1.50 Disagree; 1.49 – 1.00 Strongly Disagree

Results revealed that in terms of Entrepreneurial Improvisation, the selected participants expressed a Strong Agreement with an overall mean of 3.56. Among the two factors, Adaptability obtained a higher assessment than Ingenuity. This means that in the practice of Entrepreneurship, being flexible or able to

adapt to different situations is critical, as it requires different levels of competencies, especially in a situation where resources are scarce, while the ability to imagine or invent things in difficult situations is equally important as being adaptable and contributory to the success of an entrepreneurial endeavor.

Summary of the Relationship between Entrepreneurial Resources and Competencies, controlling for Entrepreneurial Improvisation

Table 5. Relationship between Entrepreneurial Resources and Competencies, controlling for Entrepreneurial Improvisation

Financial Resources correlated to:	R	Sig
Systematic Planning & Monitoring	0.76	0.000
Opportunity Seeking	0.71	0.000
Goal Setting	0.87	0.000
Persuasion and Networking	0.82	0.000

*** Significant at alpha 0.05*

*** Controlled by Entrepreneurial Improvisation*

With regards to the relationship between Financial Resources and Entrepreneurial Competencies, results revealed a significant and strong positive association with coefficient of correlation values of 0.86, 0.71, 0.78, and 0.82, and significance value of 0.000 for all factors of competencies, which is significant at alpha 0.05. Results further revealed that financial resources are strongly linked to Goal Setting,

indicating a direct association between the two factors. This also means that goal setting as a competency requires effective and efficient management of capitalization to ensure that all strategies employed are leading to the set entrepreneurial goals. Entrepreneurs must align their capitalization with their goals and objectives so as not to waste resources, and they must maximize their assets. In the study

conducted by *Belas, J. et al (2024)*, the financial management of SMEs greatly impacted the firm's sustainability. *Okeke et al (2024)* added that budgeting plays a crucial role in aligning financial plans with business goals, managing risks, and adapting to market changes. *Okeke et al (2024)* emphasized that techniques such as zero-based budgeting, activity-based budgeting, and rolling budgets offer SMEs flexibility in

allocating resources and ensuring optimal cash flow management. The different financial management techniques require different levels of entrepreneurial competencies to ensure effectiveness. Effective Financial Management Practices as an Improvisation Strategy allows entrepreneur to maximize and convert into opportunity the business's scarce capitalization.

Table 6. Relationship between Entrepreneurial Resources and Competencies, controlling for Entrepreneurial Improvisation

Human Resources correlated to:	R	Sig
Systematic Planning & Monitoring	0.75	0.000
Opportunity Seeking	0.78	0.000
Goal Setting	0.78	0.000
Persuasion and Networking	0.73	0.000

** Significant at alpha 0.05

** Controlled by Entrepreneurial Improvisation

With regards to the relationship between Human Resources and Entrepreneurial Competencies, results revealed a significant and strong positive association with coefficient of correlation values of 0.75, 0.78, 0.78, and 0.73, and a significance value of 0.000 for all the factors of competencies, which are all significant at alpha 0.05. Among the factors of competencies, Goal Setting and Opportunity Seeking have obtained the highest assessment from the selected businesses. In an entrepreneurial endeavour, both competencies are required not only for proponents or owners but also for employees. In the research conducted by *Alshebami, A. S. (2025)*, *human resources management skills showed a positive and significant influence on the intention to continue business and entrepreneurial self-efficacy, and entrepreneurial self-efficacy partially mediated the relationship between the intention to continue business*

and human resources management skills

. The people involved in one specific entrepreneurship must have one direction and be able to capitalize on opportunities arising from its operation. The processes of human resources and the utilization of available data and information help entrepreneurs with their effective and efficient people management practices. In the research conducted by *Alexandro, R. (2025)*, *results revealed that Innovation in Recruitment and Retention and the Utilization of HR Analytics and AI have a significant and positive impact on both workforce productivity and performance outcomes*. In addition, *Maya, K. (2025)* mentioned that *integrating entrepreneurship with organizational behavior through a Human Resource Management (HRM) perspective offers a dynamic approach to fostering innovation, employee engagement, and organizational growth*.

Table 7. Relationship between Entrepreneurial Resources and Competencies, controlling for Entrepreneurial Improvisation

Physical Resources correlated to:	R	Sig
Systematic Planning & Monitoring	0.82	0.000
Opportunity Seeking	0.80	0.000
Goal Setting	0.88	0.000
Persuasion and Networking	0.81	0.000

** Significant at alpha 0.05

** Controlled by Entrepreneurial Improvisation

With regards to the relationship between Physical Resources and Entrepreneurial Competencies, results revealed a strong positive association with correlational coefficient values of 0.82, 0.80, 0.88, and 0.81 with a significance value of 0.000, which are all significant at alpha 0.05. The results indicate that the physical resources of an entrepreneur are directly linked to their competencies. Goal setting shows the highest association with physical resources, as what an entrepreneur needs to achieve requires tools to obtain it. Likewise, all entrepreneurial competencies are directly linked with physical resources, as ventures require tools, technologies, and innovative processes to

effectively and efficiently manage the business that could lead them to a competitive edge, growth, and sustainability. As indicated in the research of Yanez-Valdes, C, & Guerrero, M. (2024), *Entrepreneurship and technology have been strongly connected over the last decades. The growth of digital technology and external factors has brought entrepreneurs new opportunities and challenges.* On the other hand, in the research conducted by Naimova, N (2025), *innovation management is a critical component of business success in today's competitive environment, and by effectively managing innovation, enterprises can achieve sustained growth and maintain a competitive advantage.*

Table 8. Relationship between Entrepreneurial Resources and Competencies, controlling for Entrepreneurial Improvisation

Environmental Resources correlated to:	R	Sig
Systematic Planning & Monitoring	0.78	0.000
Opportunity Seeking	0.70	0.000
Goal Setting	0.87	0.000
Persuasion and Networking	0.80	0.000

** Significant at alpha 0.05

** Controlled by Entrepreneurial Improvisation

With regards to the relationship between Environmental Resources and Entrepreneurial Competencies, results also revealed a strong positive association with correlational coefficients of 0.78, 0.70, 0.81, and 0.80, with significance of 0.000, which are all significant at alpha 0.05. This means that, even if Ingenuity and Adaptability are considered, there is still a strong direct relationship between the competencies of entrepreneurs and the resources coming from the natural environment. In the research of Köseoglu, M. A. (2025), *the study reveals the critical role of the business services sector, entrepreneurial intentions, and entrepreneurial education in driving progress toward environmental sustainability. According to Tutur Wicaksono (2025), Green entrepreneurship serves as a vital link between environmental sustainability and economic profitability, providing innovative solutions to global issues like climate change and resource scarcity.* Results further revealed that Goal Setting as a competency has a direct relationship to Environmental Resource. Entrepreneurs should also consider the available natural resources when they set their

goals and objectives to ensure the attainability of a valuable entrepreneurial outcome.

Conclusion

In an Entrepreneurial Venture, the availability of all resources must be given paramount importance. On the other hand, these resources require unique Entrepreneurial Competencies to capitalize on and be effectively and efficiently utilized.

The competencies are not just personal factors innate to an entrepreneur. These are effective and significant traits to transform various resources into valuable, tangible entrepreneurial outputs. The skills and competencies of an entrepreneur can enable them to maximize resources, both financial and non-financial, adapt to the ever-changing business environment, and overcome its challenges. The ability to fully utilize all the entrepreneurial resources can be considered a competitive edge, as not all possess all the required skills and competencies. Reinventing resources to respond to market challenges manifests a strong indication that resources and competencies are linked.

The Entrepreneurial Resources' effectiveness is strengthened by entrepreneurial competencies. Availability of resources does not guarantee success alone, indicating the importance of their effective and efficient utilization, with the emphasis on the ability of the entrepreneur to utilize them and drive entrepreneurial performance. On the other hand, Entrepreneurial Improvisation is the ability of the entrepreneur to create, innovate, and maximize scarce resources. Improvisation is as important as competencies that allow an entrepreneur to design effective and efficient strategies with the available resources. Entrepreneurial improvisation plays a critical role in maximizing various resources and positively affects the skills and competencies of entrepreneurs.

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