

# Human Capital and Personal Entrepreneurial Competencies as Factors on the Career Success of Micro, Small and Medium Enterprises' Entrepreneurs in the Province of Tarlac, Philippines

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## ABSTRACT

The thrust of this research is to determine the human capital and personal entrepreneurial competencies and the factors that influence the career success of the identified micro, small, and medium enterprise (MSME) owners in the Province of Tarlac, Philippines. Career success was determined through analyses of their career satisfaction and their enterprises' profitability, liquidity, and stability. Financial ratios were used in the final analyses. Multiple regression analysis, multicollinearity analysis, and backward elimination were employed to determine the best predictors of career success. Findings indicate that the respondent entrepreneurs have a strong commitment to work contracts and systematic planning and monitoring competencies. They have more than adequate literacy to comprehend trends and difficulties in their particular industry sector. When the three years of the study are taken into account, there is a healthy business operation in the locality. Accordingly, entrepreneurs in the province have a moderate level of satisfaction with their career success. The study further reveals that goal setting is a strong predictor of the career success of the entrepreneurs of the MSMEs in the province. The paper concludes by drawing implications for current entrepreneurship education and business practice.

Keywords: Human Capital, personal entrepreneurial competencies, career success, profitability.

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## 1. INTRODUCTION

Micro, small, and medium-sized enterprises (MSMEs) are credited with stimulating economic growth and promoting equitable development. They account for a large share of industries and exports and, in most countries, account for more than 90% of all enterprises. They are also credited with the highest rates of job growth. MSMEs are critical to the Philippine economy's entire industrial sector. When compared to the overall industrial sector, the MSME sector has consistently exhibited higher development in recent years. With its agility and vitality, the industry has displayed great innovation and adaptation in surviving the recent economic crisis and recession (GEDI, 2019).

In addition to their industrial function, MSMEs are a significant component in measuring, connecting, and filling in the tiny gaps in industrial clusters. The modest success that multinational corporations have had in creating jobs is also made up for by MSMEs. In many cases, the government's objectives for social and economic progress are directly at odds with the concentration of economic power and the vast amounts of financial and physical capital required by large businesses. MSMEs, on the other hand, make up a

significant section of the labor force, offer people a useful means of expressing their entrepreneurial spirit, and help spread economic activity across the nation. MSMEs promote free enterprise and a sufficiency economy by generating money and distributing it to the grassroots level, which stimulates the economic and social growth of the Philippines. This makes MSMEs more effective job generators than major firms (GEM, 2015).

Two categories of entrepreneurs exist around the world: opportunity-based and necessity-based. Entrepreneurs that take advantage of opportunities typically have high levels of entrepreneurial skills and human capital. They decide to become business owners when they see prospects for growth; hence, they prefer to pursue an entrepreneurial profession. On the other hand, necessity-based entrepreneurs are those who have limited amounts of human capital and entrepreneurial competencies. They typically have few other feasible options for making a living, making their decision to pursue an entrepreneurial profession a necessity rather than a choice (Zwan, et.al., 2016). The bulk of MSME business owners in the Philippines, like in other developing nations, have been categorized as entrepreneurs driven by necessity (Madarang, 2015).

According to the Human Capital Theory (Becker, 1964; 1993), people with more or higher-quality human capital outperform those without it when carrying out relevant tasks. Human capital refers to a person's knowledge and skills that enable changes in behavior and economic progress. In order for a person to function properly in society, they may need to update and renew their skills through formal education and training. Applying this theory to entrepreneurs, one would anticipate a favorable relationship between the human factors of entrepreneurs and their performance and, ultimately, between their performance and career success.

Entrepreneurial competencies are essential to the success of MSMEs in the competitive and rapidly changing business environments. There is truly need for MSME entrepreneurs to acquire and improve their entrepreneurial competencies (Sajihan, 2015). Given that each business has different obstacles, there is no formula that will ensure all businesses will be successful. In actuality, a potential entrepreneur's business may not develop and become competitive, successful, liquid, and stable if they do not employ a specific set of entrepreneurial competencies. It will vanish in due course. This lack of competitive presence for more than half of our micro, small, and medium-sized firms would gravely jeopardize the wealth of our country as the Philippine economy becomes increasingly integrated with the global economy (Mercado, 2015).

The eclectic nature of entrepreneurship which continually generates research interests among scholars of diverse disciplines justifies the need for operationalizing these concepts of human capital and entrepreneurial competencies within a defined subject area. This further enhanced understanding and appreciation of the linkages of the Theory of Human Capital (Becker, 1962;1964;1993,), the concept entrepreneurial competencies (Draganidis & Mentaz, 2006), and the concept of career success (Judged *et al.*, 2005; Melamed, 2006; and Nabi, 2009) of MSME entrepreneurs that are present in both the developed and developing nations, and their contributing significant benefits to these economies.

Entrepreneurs that spend extensively in human capital usually want to grow. A group of studies revealed that human capital may aid to develop entrepreneurial competencies that impact business success by allowing these talents to be leveraged to explore and exploit opportunities (Shane & Venkatraman, 2000; Wood & McKinley, 2010). Prior knowledge, observation, identification, and recognition have all been shown to promote entrepreneurial attention. As a result, entrepreneurs are more prepared to spot hidden business opportunities (Shane, 2000, 2012; Bruton, 2015). Human capital development, which Man *et al.* (2002) describe as opportunity recognition competency, may undoubtedly improve entrepreneurs'

company chances.

Ultimately, the thrust of this study is to identify the human capital and personal entrepreneurial competencies of the identified micro, small, and medium-sized business owners in the Province of Tarlac. It also compared the profiles of these enterprises' owners to the entrepreneurial environment and climate that have an impact on how well those businesses are doing. Using these justifications as a foundation, the current study examined the impact of human capital, and personal entrepreneurial competencies on the career success of the identified MSME entrepreneurs. Along with these, it is strongly believed that not enough study was conducted yet in the locality. Thus, the researcher found the study imperative and relevant.

### **1.1. Objective of the Study**

The study aimed to determine the human capital, and personal entrepreneurial competencies profile and the status of career success of the respondent MSME entrepreneurs in the Province of Tarlac, Philippines. Specifically, it sought to answer the following objectives:

1. To describe the human capital profile of the respondent-entrepreneurs in terms of years of formal education, years of prior industry experience, and years of entrepreneurial experience:
2. To look into the Personal Entrepreneurial Competencies (PECs) profile of the respondent-entrepreneurs in terms of opportunity seeking, risk taking, demand for efficiency and quality, persistence, commitment to the work contract, information seeking, goal setting, systematic planning & monitoring, persuasion and networking, and self-confidence.
3. To describe the status of the respondent-micro entrepreneurs along the following career success indicators: profitability, liquidity, stability of their enterprises, and career satisfaction; and
4. To determine the influence of personal entrepreneurial competencies and human capital on career success.

### **Hypothesis of the Study**

There is no significant influence of personal entrepreneurial competencies and human capital on career success.

## **2. LITERATURE REVIEW**

### **2.1. Human Capital**

Human capital is defined differently by various academics. Some studies have focused on distinct components of human capital and its conception. This refers to the value of this resource in ensuring long-term survival and sustainability (Unger, Rauch, Frese, & Rosenbusch, 2011). Human capital theory is concerned with knowledge and capacity, and it covers education level, industrial experience, and managerial experience. Other human capital elements of entrepreneurs, such as family-environment, education, age, work history and prior work experience, role models, and support networks, have been identified to contribute to the success of business ventures (Krueger, 2003). Researchers like Schultz (1961), Chandler (1961) and Bruederl et.al, founded education to have an impact on the success of business ventures. The primary foundation of this endeavor is Human Capital Theory, which states that the higher the entrepreneur's level of human capital, the more

successful the venture, (Becker, 1964).

The expertise and experience of small-scale business owners are fundamental to human capital theory. Human capital may be used as a resource. The prevalent notion is that the founder's human capital increases the likelihood of small enterprises' survival. Human capital theory research, on the other hand, often presumes that experiences are transformed into knowledge and skills. This assumption, however, is problematic since duration of experience is not always a strong indicator of skill. As a result, it is not unexpected that human capital indicators such as length of management, industry experience, or education are not strong predictors of success while being relevant in large-scale research (Bruederl et al. 2005).

In determining the human capital, the current study based its human capital profile variables on the work of Dr. Chnintorn Nakharta, 2009 employing the use of these variables: number of years of formal education, years of entrepreneurial experience and prior industry experience.

## 2.2. Entrepreneurial Competencies

Entrepreneurial competencies are a concept that relates to performance (Draganidis & Mentaz, 2006). It is thought that management competencies are more narrowly defined, whereas entrepreneurs are expected to play both the owner and manager roles. According to Johnson and Winterton (1999), the term "entrepreneurial competencies" should refer to managerial-entrepreneurial competencies because it is difficult to analyze an entrepreneur's activities when they are either pure managerial-administrative activities or activities that are pure entrepreneurial. Entrepreneurial competencies are the essential ingredients for success in business, and as such, they should be given considerable weight in entrepreneurial discourse (Inyang, 2015).

Man *et al.*, (2002) found the concept of entrepreneurial competencies as one of the most crucial factors to ensure the success of MSME entrepreneurs and followed entrepreneurial competencies as a theoretical framework. The 10 clusters of entrepreneurial competencies identified in his framework consist of 1) opportunity, 2) relationship, 3) analytical, 4) innovative, 5) operational, 6) human, 7) strategic, 8) commitment, 9) learning, and 10) personal strength competencies. An innovation introduced by the current study, was the used of the 10 Personal Entrepreneurial Competencies developed and validated by University of the Philippines Institute for Small Scale Industries (UP-ISSI) and Small Enterprise Research and Development Foundation (SERDEF) namely, as follows: opportunity seeking, risk taking, demand for efficiency and quality, persistence, commitment to the work contract, information seeking, goal setting, systematic planning & monitoring, persuasion and networking, and self-confidence.

## 2.3. Career Success

The generic term career success can be distinguished into objective and subjective forms (Judged *et al.*, 1995; Melamed, 1996a; and Nabi, 1999). Objective career success is measured in terms of society's evaluation of achievement with reference to extrinsic measures, such as salary and managerial level (Melamed, 1996a). In contrast, subjective career success has been defined as a conceptually distinct construct referring to individuals' judgments of their own success evaluated against personal standards, age, aspirations, and views of significant others (Gattiker & Larwood, 1986, 1989).

A review of the literature clearly shows that there continues to be a lack of agreement

over what constitutes to be the best measure of career success. One group of researchers advocates the strict use of financial indicators that for entrepreneurs to be considered successful, it is important for them to generate income, increases in profit and to demonstrate some level of growth as indicated in their sales and income ((Bruderl & Preisendorfer, 1998; Perren, 2000). Moreso, Goyenche (2022) found that statistical methods can offer significant accuracy when analyzing the profitability of micro businesses such as the neighborhood stores. In contrast, the other group of researchers stressed the importance of non-financial measures of career success (Frese *et al.*, 2002; O'Reagan & Ghobadian, 2004). According to them, focusing on a narrow range of success measures may be the wrong approach to understanding entrepreneurial success, since financial measures fail to tap the subjective aspects of an entrepreneur's expectations. Jennings and Beaver (2005) emphasized that money, and the pursuit of personal fortune are not as significant as the desire for personal involvement, responsibility, and the independent quality of lifestyle which many entrepreneurs strive to achieve. Thus, the best measure of success for small firms is the attainment of personal objectives such as satisfaction with one's own personal involvement, autonomy, and work-life balance, rather than financial outcome.

However, a few studies looked at the impact of sustainability on firm success and firm value. According to Nijayanti (2016), additional elements such as economic, environmental, and social issues have a favorable impact on a company's financial performance. Simbolon and Sueb (2016) discovered that economic factors have a beneficial impact on a company's financial success. In contrast, Sari and Andreas (2019) discovered that disclosing economic, social, and environmental factors had no effect on a company's financial success. Kurniawan, Sofyani Eri, and Eskanawati (2018), on the other hand, proposed that economic and environmental factors have a beneficial impact on company value. The findings disagree with those of Evana (2017), who discovered that the two factors have no positive influence on company value. Yet, in the Hidayah research, E. A. Kartikadevi (2021) discovered that economic, environmental, and social issues all have an impact on enterprises' success.

Given the complexity associated with evaluating the performance of smaller firms, and the difficulty in obtaining data on firm financial performance, the use of multiple measures of performance is recommended (Haber & Reichel, 2005). Several researchers have suggested investigating both objective and subjective aspects of the career success of SME entrepreneurs (Greenbank, 2001; Lau, 2002; and Parasuraman *et al.*, 2006). In the study of SME entrepreneurs in Thailand, the career success was measured by income (objective career success) and career satisfaction (subjective career success) as they are indicators of entrepreneurial career success that have been widely used in previous studies (Gattiker and Larwood, 1988; Judge *et al.*, 1995; and Lau, 2002).

In view of the above arguments, the current study has opted for the use of both financial (or objective career success) and non-financial measures (or subjective career success) in determining the MSME entrepreneurs' career success. Objective career success measures (financial indicators) include profitability, liquidity, and stability of the enterprise (Chandler and Hanks, 1993). Among the subjective career success measures (non-financial indicators) that are worth considering for use in the study, given recommendations made by previous scholars, are the MSME entrepreneurs' satisfaction on: career achievement, progress toward meeting over all career goals, progress toward meeting goals for income, progress toward meeting goals for advancement, and progress toward meeting goals for the development on new skills.

### **3. METHOD OF RESEARCH**

This descriptive-correlational study employed multiple regression analysis to describe the influence of human capital profile and the personal entrepreneurial competencies profile on the career success of micro, small and medium enterprises' entrepreneurs in the Province of Tarlac, Philippines. Multicollinearity analysis and backward elimination were utilized to determine the best predictor(s) that influence(s) career success. Further, a documentary analysis was done to analyze and interpret data gathered on enterprises' financial records to determine objective career success. The study was conducted at seven municipalities in the Province of Tarlac, namely: Camiling, Paniqui, Ramos, Gerona, Bamban, Concepcion and Capas, and one component city –Tarlac City, where the manufacturing operations of the micro, small and medium enterprises are located. The 45 respondents for the study were drawn from the record of the Tarlac provincial office of the Department of Trade and Industry. The participants were chosen based on the following criteria: 1) the respondents are registered with the Department of Trade and Industry as sole owners; 2) have been in the manufacturing industry for more than five years; 3) with entrepreneurs who founded their own businesses and are still playing an active role in running the enterprise; 4) the enterprise falls under the category of micro enterprise with asset size of up to Php3,000,000.00, and with employment size of below 10 employees at the start of the operation; and 5) the enterprise is a stand-alone firm, not a franchise or part of a larger enterprise. All these entrepreneurs are engaged in the manufacturing of either food and food products, furniture and home furnishings, gifts, decors and house wares, organic and natural products, and wearables.

### **The Instrument**

A set of researcher-made and adopted questionnaires were used in this study. The questionnaire is composed of three parts: Part I- Respondent-Entrepreneurs' Human Capital Profile adopted from the study of Nakhata (2007); Part II- Personal Entrepreneurial Competencies Profile, a self-rating questionnaire checklist which consists of 55 brief statements adopted from the University of the Philippines Institute for Small Scale Industries (UP-ISSI, and Small Enterprise Research and Development Foundation (SERDEF); and Part III- The Respondent-entrepreneurs' Career Success (objective career success) such as their enterprises' profitability, liquidity and stability; and their personal career satisfaction (subjective career success).

### **Statistical Treatment**

The following statistical tools were used to treat data gathered for each of the problem posed in the study. The human capital profile of the respondent-entrepreneurs was determined using descriptive statistics: frequency distribution, percentage and ranking techniques. For the PECs Profile, weighted mean was employed. For the respondent-entrepreneurs' subjective career success, weighted mean was used. Multiple regression analysis, multicollinearity analysis, and backward elimination were employed to determine the best predictors of career success.

## **4. DISCUSSION AND ANALYSIS**

### **4.1. Human Capital Profile**

Table 1 presents the human capital profile of the 45 respondent-entrepreneurs, representing 100% of the total micro, small and medium enterprises' entrepreneurs in the Province of Tarlac who qualified from the selection criteria. The formal education description of the respondents ranges from 6 to 20 years with a mean of 13.04 and SD 3.06. Prior industry experience of the respondents ranges from zero to twenty-six years (0 to 26) with a mean of 6.18 and SD 6.11, and their entrepreneurial experience ranges from 2 to 46 years with a mean of 13.96 and SD of 10.74.

**Table 1.** *Human Capital Profiles*

Profile	<i>M</i>	<i>SD</i>	Range
Formal Education	13.04	3.06	6 – 20
Prior Industry Experience	6.18	6.11	0 – 26
Entrepreneurial Experience	13.96	10.74	2 – 46

*Note.* *N* = 45. The profiles were measured in years.

#### 4.2. Personal Entrepreneurial Competencies

The respondent-entrepreneurs got a mean of 4.31 or strongly agree and SD of .54 on commitment to work contract, which is considerably the highest rating among the PECs. This proves the authenticity of the testimony of some of the respondents during the visits and interview. According to them, they make a personal sacrifice or put-up remarkable effort to finish a task. They usually work alongside workers or in their place to complete a task. Their driving force is client happiness, and they prioritize long-term goodwill over short-term revenue. On the other hand, systematic planning and monitoring ranked second to the highest, where the computed mean is 4.24 or strongly agree and SD of .37.

**Table 2.** *Ratings on Personal Entrepreneurial Competencies*

Personal Entrepreneurial Competencies	<i>M</i>	<i>SD</i>	Verbal Description
Opportunity Seeking	4.16	.39	Agree
Risk Taking	3.68	.43	Agree
Demand for Efficiency and Quality	4.16	.55	Agree
Persistence	3.93	.52	Agree
Commitment to Work Contract	4.31	.54	Strongly Agree
Information Seeking	4.12	.55	Agree
Goal Setting	4.07	.47	Agree
Systematic Planning and Monitoring	4.24	.37	Strongly Agree
Persuasion and Networking	3.90	.46	Agree
Self Confidence	3.86	.36	Agree

Based on the interviews with these respondents, they went through a lot of problems, but they accept and face these as challenges – stiff competition, maintaining the quality of their products, sustaining their customers' satisfaction, price fluctuations and a lot more. But they usually deal with their situation systematically and with persistence. They are very thankful to God for these challenges because according to them, these allow them to become better entrepreneurs and individuals as well. Thus, they try to surpass the trials because there are many people who are affected by their decisions other than their families - their customers

and their employees and/or workers.

Overall, there is still room for improvement in the competency levels of the respondent-entrepreneurs along opportunity seeking, and demand for efficiency and quality, self-confidence, information seeking, goal setting, persistence, persuasion, and networking. Notably, entrepreneurs are the weakest and thus need the greatest improvement along risk taking.

### 4.3. Respondent—Entrepreneurs' Profile as To Career Success Indicators

The minimum acceptable profitability rate of return on sales for micro enterprises is above 10%. The return on sales ratio is a measure of the relative amount of return generated by a business for each peso of sale. Table 3 shows that in 2017, 2018, and 2019, the majority of the respondents had a rate of return on sales above 10% which indicates that the respondent-entrepreneurs have done well in their businesses in these 3 years of operation. However, some enterprises had a below 10% profitability ratio due to lack of clear-cut and strict policies on credit and collections from their clients and lacked a system in managing their inventories.

**Table 3.** Summary Statistics of Career Success Indicators

Indicator	2017		2018		2019	
	<i>N</i>	%	<i>N</i>	%	<i>n</i>	%
<b>Profitability</b>						
10% and below	14	31.00	8	18.00	6	13.00
Above 10%	31	69.00	37	82.00	39	87.00
<b>Liquidity</b>						
Below 2:1	18	40.00	12	27.00	7	16.00
2:1	16	36.00	15	33.00	11	24.00
Above 2:1	11	24.00	18	40.00	27	60.00
<b>Stability</b>						
Below 50%	16	36.00	23	51	29	64.00
51% - 100%	18	40.00	12	27	13	29.00
Above - 100%	11	24.00	10	22	4	7.00

*Note.* *N* = 45. Profitability and liquidity were measured in rate of return on sales, while stability was measured in debt/equity ratio.

Table 3 further reveals the liquidity or short-term solvency of enterprises by means of their current ratio, the ability to pay current obligations. In 2017, 18 or 40% of respondents had a below ideal current ratio, suggesting that their current assets may not be ideal to protect current maturing obligations. In 2018, 18 or 40% of respondents had an above ideal rating, while 15 or 33% had an ideal current ratio. In 2019, 27 or 60% of the respondent-entrepreneurs' enterprises had a peso ratio of 2:1, meaning that for everyone one (1) peso short term obligation they have more than two (2) pesos readily available to pay currently maturing obligations. Seven or 16% had below 2:1 ratio, while six or 24% had the 2:1 ratio. Thus, in 2019, the small and medium-scale enterprises in the Province of Tarlac are very solvent or have a high liquidity status.

The stability or long-term solvency of the enterprise is measured by means of



debt/equity ratio - it expresses the proportion of borrowed capital to invested capital. The lower the ratio the lesser the debt pressure and the greater the protection from creditors. Moreso, in 2018, 23 or 51% had a ratio below 50%, while 12 or 27% had 51% to 100% ratio bracket and the remaining 10 or 22% had above 100%. Like in 2019, the majority of the respondents had a very stable business. It is further revealed that in 2019, 51% to 100% ratio bracket had 18 or 40% of the respondents. Sixteen or 36% and 11 or 24% had below 50% and above 100% respectively. Unlike the previous years, 2017 has varying percentages in terms of debt/equity ratio due to the fact that they are starting to recover from past events that affected the locality.

#### 4.4. Subjective Career Success (Career Satisfaction)

Regarding their career satisfaction, Table 4 presents that the respondent-entrepreneurs had the highest rating in Career Success Item No. 5 “I am satisfied with the progress toward meeting my goals for the development on new skills” where the entrepreneur got a mean of 4.20 and SD of 0.79. This implies that entrepreneurs are strongly satisfied with the progress toward meeting their goals for the development of new skills. Generally, the total mean of 4.01 (agree) on all the items implies that the respondent-entrepreneurs have moderate levels of satisfaction towards their subjective career success.

**Table 4.** Career Satisfaction

Career Success Items	Mean	SD	Verbal Description
1. I am satisfied with the success I have achieved in my career.	4.02	0.97	Agree
2. I am satisfied with the progress toward meeting my overall career goals.	4.04	0.80	Agree
3. I am satisfied with the progress toward meeting my goals for income.	3.89	0.91	Agree
4. I am satisfied with the progress toward meeting my goals for advancement.	3.91	0.87	Agree
5. I am satisfied with the progress toward meeting my goals for the development on new skills.	4.20	0.79	Strongly Agree
Total	4.01		Agree

#### 4.5. Multicollinearity Analysis

**Table 5** shows associations of entrepreneurs’ career success in bivariate analysis. These include the three (3) domains of human capital (years of education, prior industry experience, and years of entrepreneurial experience) and the ten (10) domains of entrepreneurial competencies (opportunity seeking, persistence, commitment, demand, risk-taking, goal setting, information seeking, systematic planning, persuasion, self-confidence). Results of the bivariate correlation show that only “goal setting” has a positive and significant relationship with entrepreneurs’ career success ( $r = .36$ ,  $p < 0.05$ ).

**Table 5.** Bivariate Associations Between Career Success and Measured Domains

<b>Domains</b>	<b>R</b>	<b>P Value</b>
<i>Entrepreneurial Competencies</i>		
Opportunity	-0.11	0.47
Persistence	0.09	0.54
Commitment	0.05	0.74
Demand	0.06	0.72
Risk-taking	0.12	0.43
Goal setting	0.36	0.02*
Information	0.14	0.38
Systematic	0.22	0.15
Persuasion	0.03	0.84
Self-confidence	0.02	0.88
<i>Human Capital</i>		
Education	-0.26	0.72
Industry	0.35	0.20
Entrepreneurial	0.10	0.80

Note: \* $p < 0.05$

The multicollinearity of the independent variables was also assessed using the Variance Inflation Factor (VIF) analysis (**Table 6**). The computed VIF of each independent variable is below the threshold value of 5.00. This indicates that multicollinearity is not a significant concern in the model selection.

**Table 6.** Multicollinearity Analysis

<b>Variables</b>	<b>VIF</b>
Education	1.35
Industry	1.81
entrepreneurial	2.23
Goal	1.96
Persuasion	2.27
commitment	2.10
Systematic	3.36
self-confidence	1.78
persistence	1.59
Demand	1.98
opportunity	2.21
risk-taking	1.44
information	3.32

**Table 7.** Multivariable Model of Entrepreneurs' Career Success

Predictors	Initial Model <sup>a</sup>		Final Model <sup>b</sup>	
	Estimate	P Value	Estimate	P Value
Intercept	13.33	0.16	9.58	0.03
Opportunity	-0.08	0.86		
Persistence	0.16	0.71		
Commitment	-0.24	0.59		
Demand	-0.15	0.68		
Risk-taking	0.03	0.92		
Goal setting	0.77	0.02	0.51	0.02*
Information	-0.13	0.77		
Systematic	0.33	0.55		
Persuasion	-0.19	0.52		
Self-confidence	-0.15	0.70		
Education	-0.10	0.66		
Industry	0.16	0.22		
Entrepreneurial	-0.04	0.65		
<i>F</i>		0.85		6.30
<i>R</i> <sup>2</sup>		0.26		0.13
<i>p value</i>		0.61		0.02*

<sup>a</sup>All predictor variables were included in the first model.

<sup>b</sup>Final model was obtained using backward elimination based on improvement in p-value.

\*  $p < 0.05$

**Table 7** presents the multivariable model of career success. In the initial model, all variables were considered. Results show that all independent variables in the initial model were not statistically significant. The only variable that remained in the final model was goal setting. This suggests that the variable goal had the strongest predictive power in determining success while the other twelve variables did not contribute significantly to the model's performance. **Table 7** further shows that goal setting explained 13% of the variance in entrepreneurs' career success ( $R^2 = .13$ ), and the model is significant ( $F[1,43] = 6.30, p = 0.02$ ).

The results of backward elimination as provided in **Table 8** showed that only the variable "goal setting" remained in the final model. This suggests that the variable goal had the strongest predictive power in determining success, while the other twelve variables did not contribute significantly to the model's performance. Further, goal setting explained 12.8% of the variance in entrepreneurs' career success ( $R^2 = .128$ ), and the model is significant ( $F[1,43] = 6.30, p = 0.016$ ).

To test the research question, a multiple regression was conducted, with above-enumerated Personal Entrepreneurial Competencies as the predictors, with career success as the dependent variable. Overall, the results showed the utility of the predictive model was significant,  $F(1,43) = 6.30, R^2 = .128, p < .016$ . The resulting model (Model 13) from the backward elimination process explain a large amount of the variance between the variables (35.8%). The results showed the variable goal had the strongest predictive power in determining success, while the other twelve variables did not contribute significantly to the model's performance. The results further showed the twelve other variables were not a

significant predictor of perceived success.

**Table 8.** Model Selection using Backward Elimination

Predictor Variables	Significant level of predictor variables (p-value of the coefficients) in different models												
	Mod el 1	Mod el 2	Mod el 3	Mod el 4	Mod el 5	Mod el 6	Mod el 7	Mod el 8	Mod el 9	Mod el 10	Mod el 11	Mod el 12	Mod el 13
goal	0.01 9	0.01 6	0.01 1	0.01 0	0.01 0	0.01 0	0.01 0	0.01 0	0.01 1	0.00 5	0.00 5	0.00 7	0.01 6
industry	0.21 9	0.20 8	0.19 3	0.18 9	0.14 9	0.12 8	0.13 3	0.16 0	0.13 8	0.10 4	0.08 7	0.07 4	---
persuasion	0.52 3	0.51 6	0.47 1	0.27 3	0.29 2	0.30 3	0.28 0	0.27 6	0.32 5	0.39 8	0.36 7	---	---
commitment	0.58 7	0.56 4	0.49 7	0.44 6	0.49 4	0.45 7	0.51 2	0.44 9	0.37 2	0.46 9	---	---	---
systematic	0.54 8	0.50 7	0.44 9	0.49 0	0.45 6	0.49 7	0.47 2	0.43 8	0.51 5	---	---	---	---
self-confidence	0.69 5	0.68 6	0.57 3	0.55 0	0.58 3	0.54 8	0.49 7	0.48 8	---	---	---	---	---
entrepreneurs hip	0.64 9	0.65 0	0.64 2	0.54 4	0.51 7	0.42 4	0.51 2	---	---	---	---	---	---
education	0.66 2	0.66 3	0.66 1	0.60 7	0.61 5	0.58 8	---	---	---	---	---	---	---
demand	0.67 7	0.62 7	0.59 5	0.65 6	0.70 5	---	---	---	---	---	---	---	---
persistence	0.71 2	0.66 6	0.67 4	0.66 9	---	---	---	---	---	---	---	---	---
information	0.76 8	0.75 6	0.72 9	---	---	---	---	---	---	---	---	---	---
opportunity	0.85 9	0.87 1	---	---	---	---	---	---	---	---	---	---	---
risk-taking	0.92 3	---	---	---	---	---	---	---	---	---	---	---	---

**Table 9.** Model Fit Measures

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Overall Model Test			
				F	df1	df2	p
13	0.358	0.128	0.108	6.30	1	43	0.016

These results are consistent with the research of Bipp & Kleingeld (2011), which found that goal setting is related to performance against specified targets and serves as a gauge of an individual's contribution to the accomplishment of a crucial project, procedure, or effort within an organization. According to Jonita (2013), defining goals was one of the elements that contributed to an enterprise's success. The entrepreneur has the most say over the kinds of goals that would direct an organization's behavior, with other factors having a little effect. Goals are essential because they influence behavior and levels of performance.

The results of multiple regression showed no sufficient evidence to establish relationship between personal entrepreneurial competencies variables and human capital with career success. However, earlier studies suggested the contrary. According to Gliddon (2004), competencies outline the areas in which a person must excel or concentrate. Man, et.al

(2002) and Ahmad (2010) found entrepreneurial competencies impact significantly to MSMEs business success and that entrepreneurial competencies have a positive influence on business success. Sharma (2017) asserts that as entrepreneurs develop their human capital, they frequently offer more to the business and are rewarded with better opportunities leading to career success.

## **5. CONCLUSION**

On human capital profile, the respondent-entrepreneurs of the micro, small and medium enterprises of the province have ample education, relevant industry experience and have likewise, entrepreneurial experience prior to becoming business owners. Thus, the respondent-entrepreneurs have more than enough literacy to comprehend trends and issues in their respective industry sector.

On Personal Entrepreneurial Competencies Profile, a large number of the respondent-entrepreneurs strongly possessed commitment to work contract competencies, and systematic planning and monitoring competencies. These competencies enabled them to persist in all their work until they achieved results. However, their risk-taking competencies were ranked at the lower end.

On career success, a healthy business operation is evident among small-scale enterprises in the locality, wherein considering the three-year period coverage, a positive increase to the enterprises' net sales resulted to the growth of their annual income and a lower ratio between average liability and assets. Thus, led the respondent-entrepreneurs to have a moderate level of satisfaction towards their subjective career success.

Goal setting turned out to be significant in predicting the perceived career success of entrepreneurs.

## **6. IMPLICATION OF THE STUDY**

The research revealed that goal setting is a significant predictor of perceived career success of the micro, small, and medium enterprises' entrepreneurs of Tarlac Province . This can mean that business owners who regularly set goals and objectives that are attainable and vision-focused are more likely to have a higher sense of success in their chosen venture. In fact, Edwin Locke (2019) introduced a theoretical approach to setting goals and building motivation, which can be applied to a business or professional setting. This study can be used to further research in business, economics, psychology, and management. In relation to this work, the concept of entrepreneurial mind setting comes into focus. It is a set of thought processes that help master the practice of developing, evolving, and running a business. People with this mindset are perhaps more likely to be lifelong knowledge-seekers, curious, creative, and critical thinkers (Somers, 2022), which is an especially important part of entrepreneurial education. This study may further find implications in other fields or industries, such as government work and leadership, corporate strategic management, human resources and psychology, and the management of charities or non-profits.

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