

BASELINE COMPETENCY ASSESSMENT FOR TOURISM ENTREPRENEURSHIP IN UPPER TABUK: A PRE-INTERVENTION STUDY

KAREN RAZELLE M. DUYAN

KALINGA STATE UNIVERSITY, ORCID ID: <https://orcid.org/0000-0002-2259-7296>, EMAIL: kmduyan@ksu.edu.ph

ABSTRACT

This pre-intervention study established a baseline assessment of entrepreneurial competencies and knowledge among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays to inform a targeted tourism development program. The study revealed a complex profile: the sector is dominated by middle-aged women (95%+) with moderate education and significant financial constraints (majority income Php 10,000–Php 20,000). While the overall Personal Entrepreneurial Competency (PEC) level is moderate, crucial strategic skills like Target Setting and Perseverance are critically weak.

Analysis of entrepreneurial knowledge confirmed systemic skill deficits across all key business functions. The most acute weaknesses were found in Financial Management (inability to budget or manage cash flow), Technology Adoption, and Strategic Planning (specifically Market Research and differentiation). These internal deficiencies directly align with the respondents' top challenges: difficulty in differentiating products (71.4%) and inefficient production (66.7%), compounded by the external hurdle of obtaining permits/licenses (69.0%).

The findings dictate an urgent need for an intervention that prioritizes highly practical, skills-based training. Entrepreneurs overwhelmingly requested support in Digital Marketing and E-commerce (66.7%), Cash flow management (64.3%), and Loan application and processing (64.3%). The core recommendation is to focus the program on building digital capacity, financial stability, and operational efficiency to empower the local, female-led MSMEs to move beyond moderate competency, secure formalization, and achieve sustainable growth in the tourism sector.

Keywords: Tourism Entrepreneurship, Entrepreneurial Competencies, MSME Development, Indigenous Communities (or Indigenous Tourism)

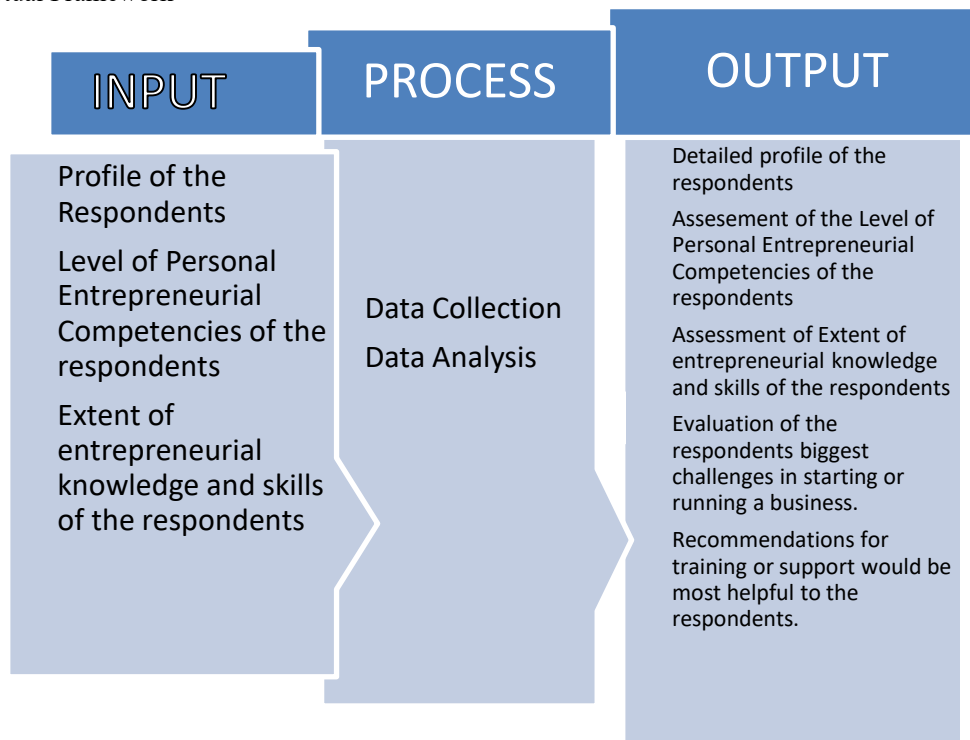
INTRODUCTION

The College of Entrepreneurship, Tourism, and Hospitality Management (CETHM) at Kalinga State University (KSU) is committed to driving sustainable economic development in the Cordillera Administrative Region. This dedication aligns with global frameworks, notably the Sustainable Development Goals (SDGs) 8 and 12, (United Nations, 2015) and the national agenda outlined in the Philippine National Tourism Development Plan (NTDP), which prioritizes tourism as a core sector for growth and poverty alleviation. (Department of Tourism, 2016) In the Cordillera Administrative Region (CAR), the Upper Tabuk Barangays—Bagumbayan, Calanan, Lucog, Bantay, Dupag, and Naneng—present immense potential for agri-tourism and cultural heritage tourism, an opportunity showcased by events like the Bagumbayan Coffee Festival. This local potential is supported by various regional and national agencies, including the DTI, DA, and DOT, which emphasize community-based initiatives and the growth of Micro, Small, and Medium Enterprises (MSMEs).

Despite this rich potential and strategic support, a critical constraint exists: the success of tourism-related MSMEs in these barangays is currently limited by the moderate level of entrepreneurial competency among their owners and practitioners. Previous research and local requests, such as the formal resolution from Barangay Bagumbayan requesting capability trainings, underscore a significant disconnect between the recognized economic opportunity and the actual capacity of local entrepreneurs to seize it. This aligns with academic findings emphasizing that targeted training is essential for fostering sustainable tourism practices. Therefore, the essential research gap is the lack of a formalized, evidence-based assessment of the specific knowledge and skill deficits across key areas—specifically business planning, financial management, marketing, and hospitality management—and the eleven critical entrepreneurial competencies (such as Perseverance, Target Setting, and Well-organized Planning).

In response to this urgent need, CETHM is launching a baseline study to meticulously assess these competency gaps. By providing data-driven insights, the study will enable the development of tailored, rigorous training programs designed to directly address the identified weaknesses. The effectiveness of these programs will be rigorously evaluated to measure their impact on enhancing entrepreneurial performance and overall business success. Ultimately, this initiative seeks to empower local entrepreneurs, strengthen MSMEs, and promote sustainable tourism practices in alignment with SDG 1 (No Poverty), allowing the Upper Tabuk Barangays to fully leverage their unique assets for inclusive and resilient economic development.

Conceptual Framework



Conceptual Framework

The conceptual framework integrates key elements of entrepreneurial competency and knowledge, drawing from established models of entrepreneurial development (Man et al., 2002) and sustainable tourism practices (UNWTO, 2018). This approach ensures a holistic assessment of the entrepreneurial ecosystem in the Upper Tabuk Barangays.

INPUT

The study focuses on three main categories of variables crucial for characterizing the entrepreneurial ecosystem in Upper Tabuk. First, the Demographic and Business Profile includes descriptive variables such as age, gender, educational attainment, business type, monthly income, and years of business operation, which are essential for grouping and analyzing the respondents. Second, the Entrepreneurial Competencies section represents the core measurement of the research, assessing self-rated proficiency across eight key domains: business planning, financial management, marketing and sales, operations management, innovation and creativity, technology adoption, customer service, and legal and regulatory compliance. Finally, the analysis covers Challenges and Training Needs, identifying the most significant barriers to business success and pinpointing the specific areas requiring external support or professional development.

The study employs a systematic, five-stage Research and Program Development Process that moves from assessment to action and evaluation. The process begins with Data Collection, utilizing a mixed-methods approach (surveys, interviews, and focus groups) to gather both quantitative and qualitative baseline data. This is followed by Data Analysis, where statistical methods and thematic analysis are applied to the collected data to rigorously identify specific competency gaps, persistent challenges, and key opportunities.

OUTPUT

This comprehensive initiative aims to deliver several key outcomes, ultimately leading to a more robust and sustainable tourism sector in Upper Tabuk. First, the project is expected to result in Enhanced Entrepreneurial Competencies, evidenced by measurably improved skills among entrepreneurs in critical areas like business planning, financial management, marketing, and operations. This skill improvement is designed to generate significant Socio-Economic Impact, translating into increased job creation, poverty reduction, and a broader adoption of sustainable business practices. The primary beneficiaries, the MSMEs (Micro, Small, and Medium Enterprises), will become empowered businesses, gaining the capacity to effectively leverage local assets for both business growth and community development. Furthermore, the findings will serve as the foundation for Policy Recommendations, providing evidence-based insights essential for informing policymakers and program implementers.

This framework emphasizes a cyclical and iterative approach, where continuous feedback from stakeholders informs the refinement of interventions, ensuring their relevance and effectiveness in addressing the unique needs of the Upper Tabuk Barangays.

STATEMENT OF THE PROBLEM

This pre-intervention study aims to establish a baseline assessment of tourism-related entrepreneurial competencies among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays (Bagumbayan, Calanan, Lucog, Bantay, Dupag, and Naneng). This assessment will inform the development and implementation of targeted training and extension programs designed to foster sustainable socio-economic development through enhanced tourism entrepreneurship.

Specifically, it seeks to answer the following question:

1. What is the profile of the respondents in terms of the following:

- a) Age
- b) Gender
- c) Occupation
- d) Monthly Income
- e) Years of Business Operation

2. What is the level of Entrepreneurial Competencies of respondents in terms of:

- a) Ability to find business possibilities
- b) Perseverance
- c) Dedication to their endeavors
- d) Passion for Quality Outputs and Efficiency
- e) Willingness to undertake risk
- f) Target Setting
- g) The pursuit of Knowledge
- h) Well-organized Planning and Practical Monitoring
- i) Ability to influence people
- j) Belief in oneself

3. What is the extent of entrepreneurial knowledge and skills of the respondents in terms of the following:

- a) Business Planning
- b) Financial Management
- c) Marketing and Sales
- d) Operations Management
- e) Innovation and Creativity
- f) Technology Adoption
- g) Customer Service
- h) Legal and Regulatory Compliance

4. What are the respondents' biggest challenges in starting or running a business?

5. What kind of training or support would be most helpful to the respondents?

METHODOLOGY

Research Instruments

The study employed a descriptive-quantitative research design, utilizing a mixed-methods approach to gather both quantitative and qualitative data (Creswell & Creswell, 2018). The Personal Entrepreneurial Competencies (PEC) questionnaire was adapted from the work of Alusen (2016) and the original framework developed by Management Systems International and McBer and Company (McClelland, 1987).

Section 1: Demographic and Business Profile

This section collected basic quantitative data on the respondents' background, including age, gender, occupation, income level, and years of business operation.

Section 2: Personal Entrepreneurial Competencies (PEC)

This section measured the respondents' Personal Entrepreneurial Competencies (PEC).

- **Instrument Source:** A self-scoring PEC questionnaire, adapted primarily from the work of Alusen (2016) and originally developed by Management Systems International and McBer and Company, was used. Minor revisions were made to enhance comprehension for the respondents.
- **Structure:** The instrument consists of 55 questions designed to ascertain ten individual entrepreneurial competencies.
- **Scale:** A 5-point Likert scale was utilized:
 - 1 – Never
 - 2 – Rarely
 - 3 – Sometimes
 - 4 – Usually
 - 5 – Always
- **Scoring and Validation:** PEC scores were calculated by summing the respondents' scale ratings and adding a constant, following the PEC score interpretation framework

Section 3: Entrepreneurial Knowledge and Skills

This section assessed respondents' self-rated proficiency across key business domains. It used a Likert scale (scale details should be specified, e.g., "5-point scale from Very Poor to Excellent") to measure skills in areas such as:

- Business Planning
- Finance
- Marketing
- Operations
- Innovation
- Technology Integration
- Customer Service
- Legal Compliance

Section 4: Entrepreneurial Challenges

A checklist format was employed to identify the respondents' most significant challenges in either starting or running their tourism-related business.

Section 5: Training and Support Needs

This section used a checklist format to determine the types of training or support the respondents considered most helpful for their business development.

METHODOLOGY

This study employed a descriptive-quantitative research design. The core focus was to describe and measure the level of tourism-related entrepreneurial competencies (Personal Entrepreneurial Competencies, Knowledge, and Skills) among entrepreneurs in the Upper Tabuk Barangays.

Sampling Method

Respondents were selected through purposive and snowball sampling techniques to ensure the inclusion of individuals actively involved or interested in tourism-related businesses. This approach allowed for the identification of key stakeholders and ensured the relevance of the data collected.

RESULTS AND DISCUSSION

Demographic Information

Age

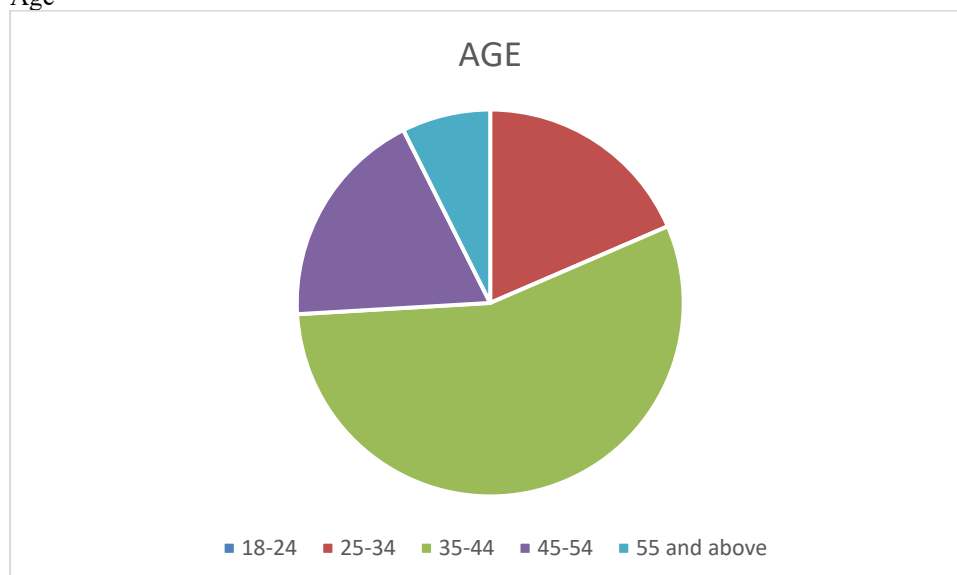


Figure 1 Age of respondents

The age profile of tourism entrepreneurs in the Upper Tabuk Barangays reveals a market overwhelmingly managed by the middle-aged bracket (35-54 years old). Specifically, the 35-44 age group constitutes the largest segment, estimated at 50% to 55% of all respondents, indicating that core entrepreneurial activities are sustained by individuals in the prime years of their careers. This demographic is strongly supported by the 45-54 age group, the second largest segment, representing roughly 20% to 25% of the participants, further emphasizing the dominance of experienced, established entrepreneurs. In contrast, the younger segment (25-34) makes up a moderate 15% to 20% of the total, while the 55 and above category accounts for a minimal 5% to 8%. Critically,

the youngest demographic (18-24) is virtually absent (less than 1%), suggesting a significant gap in youth participation. Ultimately, the majority of the MSME owners assessed are well-established, experienced adults, a key finding that necessitates that the subsequent Intervention Design phase tailors training programs to suit the specific learning styles and professional needs of this mature working population.

The dominance of middle-aged entrepreneurs in the Upper Tabuk Barangays aligns with findings from previous studies that highlight the role of individuals in their prime working years as key drivers of entrepreneurial activity.

According to Kelley et al. (2015), middle-aged individuals often possess the experience, networks, and financial stability necessary to sustain business ventures, particularly in resource-constrained environments. However, the lack of youth participation (18-24 years old) mirrors global trends where younger generations face barriers such as limited access to capital and entrepreneurial education (Chigunta, 2002). This gap underscores the need for targeted interventions to engage younger demographics, which could foster innovation and ensure the long-term sustainability of the tourism sector.

Gender

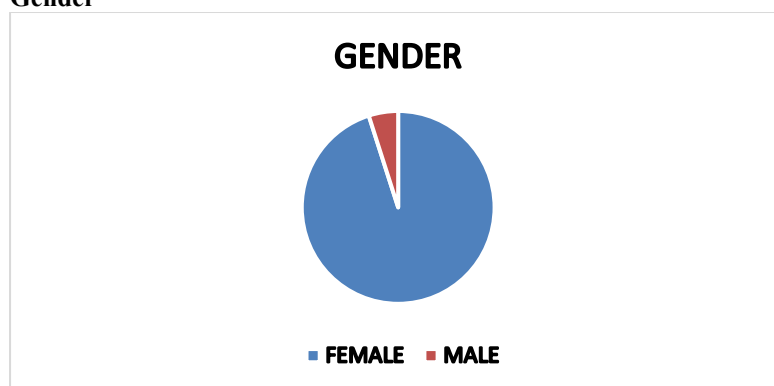


Figure 2 gender of respondents

Revealing an overwhelming female dominance in tourism-related entrepreneurship across the Upper Tabuk Barangays. The figure indicates that the Female segment accounts for an estimated 95% or more of the respondents, while the Male segment represents less than 5%. This significant disparity suggests that women are the primary business owners and key drivers in the local tourism entrepreneurial sector. Consequently, the planned training and extension programs (Intervention Design) must be highly tailored and gender-sensitive, ensuring that the solutions effectively meet the specific needs and challenges of this dominant female population to maximize the desired socio-economic impact in the community.

The findings align with global research emphasizing the critical role of women in entrepreneurship, particularly in developing economies. According to Brush et al. (2006), women entrepreneurs often face unique challenges, including limited access to resources and societal expectations, which necessitate gender-sensitive support programs. Similarly, Carter and Shaw (2006) highlight that empowering women entrepreneurs can lead to significant community-level benefits, including poverty reduction and improved gender equity.

Educational Attainment

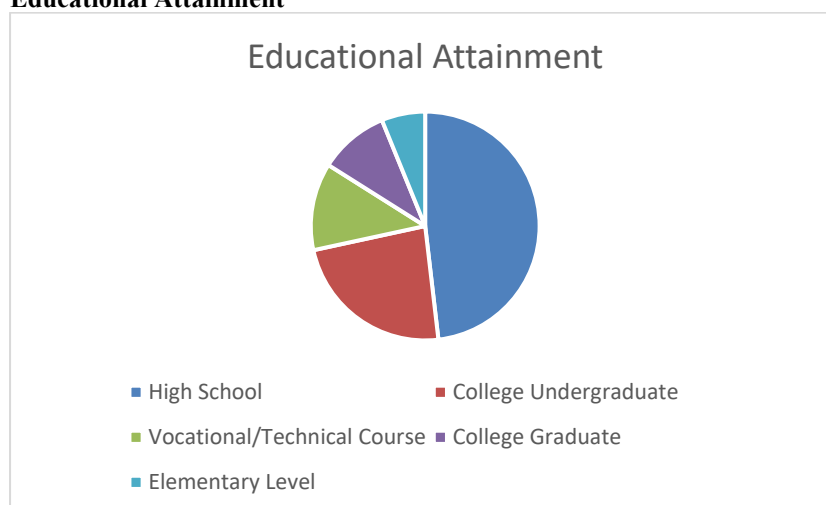


Figure 3 educational attainment of respondents

The largest segment of entrepreneurs, estimated at 45% to 50%, reports their highest attainment as High School Level. The next substantial group consists of individuals who reached the College Undergraduate level, making up approximately 25% to 30% of the sample. Smaller segments include those who completed a Vocational/Technical Course (around 10% to 12%) and College Graduates (around 10%), with the smallest fraction reporting only Elementary Level education (5% to 8%). This distribution suggests that nearly half of the entrepreneurs may lack the advanced formal background necessary for complex business functions, underscoring

the critical need for the planned Intervention Design to focus on foundational business concepts delivered through practical, accessible methods.

The findings align with research emphasizing the relationship between educational attainment and entrepreneurial success. According to Bates (1995), higher levels of education are positively correlated with business survival and growth, as education enhances problem-solving skills and the ability to adapt to market changes. Similarly, Van der Sluis et al. (2008) found that education significantly impacts entrepreneurial performance, particularly in areas such as financial management and strategic planning.

Occupation

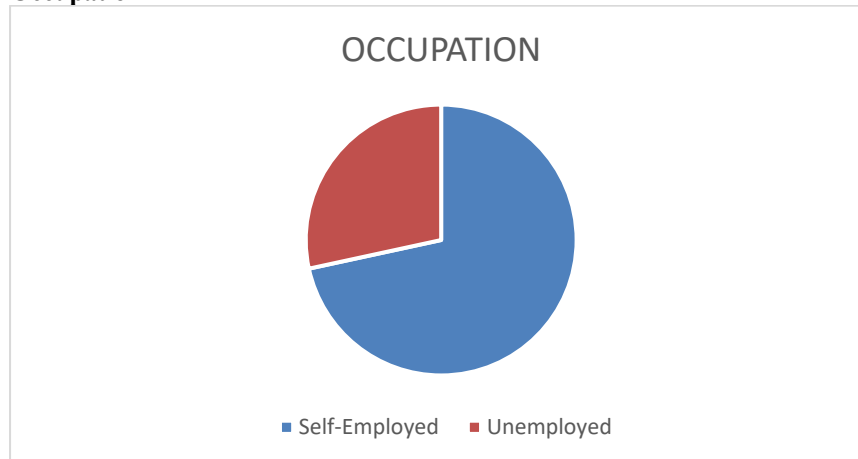


Figure 4 respondent's occupation

The vast majority, estimated at 70% to 75%, are currently Self-Employed, representing the MSME owners actively running tourism enterprises, which validates the assessment of their current competencies and skills. The remaining segment, estimated at 25% to 30%, is categorized as Unemployed, likely representing the potential entrepreneurs interested in starting tourism-related businesses. This balanced profile ensures the study's relevance to both established and emerging business owners, providing a clear focus for the Intervention Design to both strengthen existing businesses and facilitate new job creation.

The findings align with research on entrepreneurship and self-employment. According to Blanchflower (2000), self-employment is a critical driver of economic development, particularly in rural areas, as it fosters innovation and job creation. Similarly, Fairlie and Robb (2009) emphasize the importance of targeted training programs to address the unique challenges faced by self-employed individuals, such as limited access to resources and skill gaps.

Monthly Income

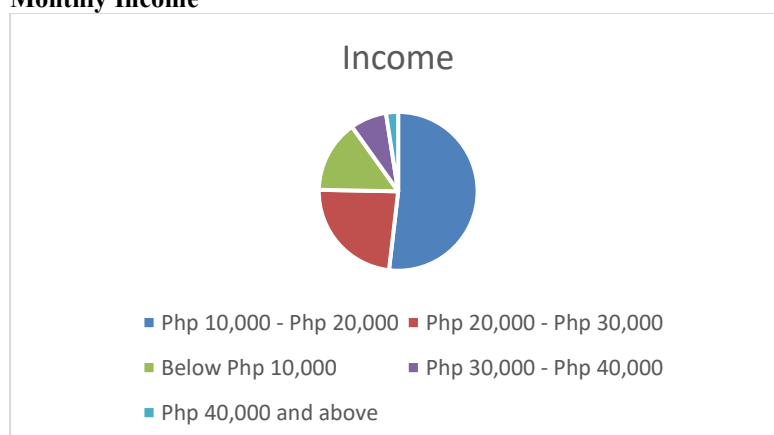


Figure 5 respondents monthly income

The dominant income bracket (Php 10,000 - Php 20,000) accounts for over half of the respondents (estimated at 50% to 55%), signifying limited capital for business reinvestment and expansion. The next major segment, earning Php 20,000 - Php 30,000, represents an estimated 20% to 25%. Crucially, a considerable portion (estimated at 10% to 15%) falls into the Below Php 10,000 bracket, suggesting significant financial precarity for those enterprises. Conversely, the highest income brackets (Php 30,000 and above) are minimally represented (under 10%). This financial profile strongly underscores the need for the planned Intervention Design to prioritize competencies that focus on revenue generation, improved profitability, and efficient financial management (Question 3) to ensure the viability and sustainable socio-economic impact of these MSMEs.

The findings align with research on the relationship between income levels and entrepreneurial success. According to Banerjee and Duflo (2011), low-income entrepreneurs often face significant barriers to scaling their businesses due to limited access to capital and financial knowledge. Similarly, Beck et al. (2005) emphasize the importance of financial inclusion and access to credit in fostering small business growth

Years of Business Operations

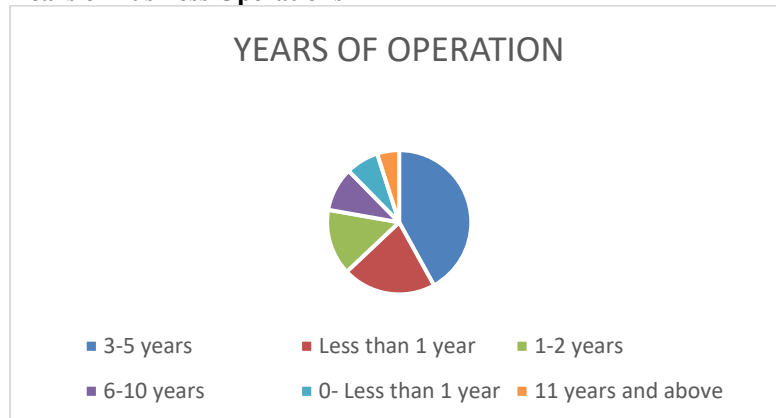


Figure 6respondent's years of business operation

The largest segment, estimated at 40% to 45%, consists of businesses operating for 3-5 years (dark blue), signifying a critical mass of enterprises that have successfully navigated the initial survival stage. Conversely, the start-up phase (Less than 1 year and 1-2 years combined) is also substantial, making up an estimated 30% to 35% (orange and dark green slices). This dual reality points to a dynamic environment with frequent new entrants alongside a sizable group achieving relative stability. The low representation of the 6-10 years (light blue) and 11 years and above (purple and small green slices) categories, totaling under 20%, suggests that while businesses are successfully established, sustained, long-term growth is a key challenge. This profile is crucial for the Intervention Design as it indicates a need for differentiated support: foundational guidance for the numerous start-ups, and advanced strategies (e.g., market expansion, finance, innovation) to help established enterprises (3-5 years) achieve long-term sustainability and scale.

The findings align with research on the life cycle of small businesses. According to Churchill and Lewis (1983), businesses in the early stages require support in survival strategies, while those in the growth stage need assistance in scaling operations and managing complexity. Similarly, Storey (1994) emphasizes the importance of tailored interventions at different stages of business development.

PERSONAL ENTREPRENEURIAL COMPETENCIES

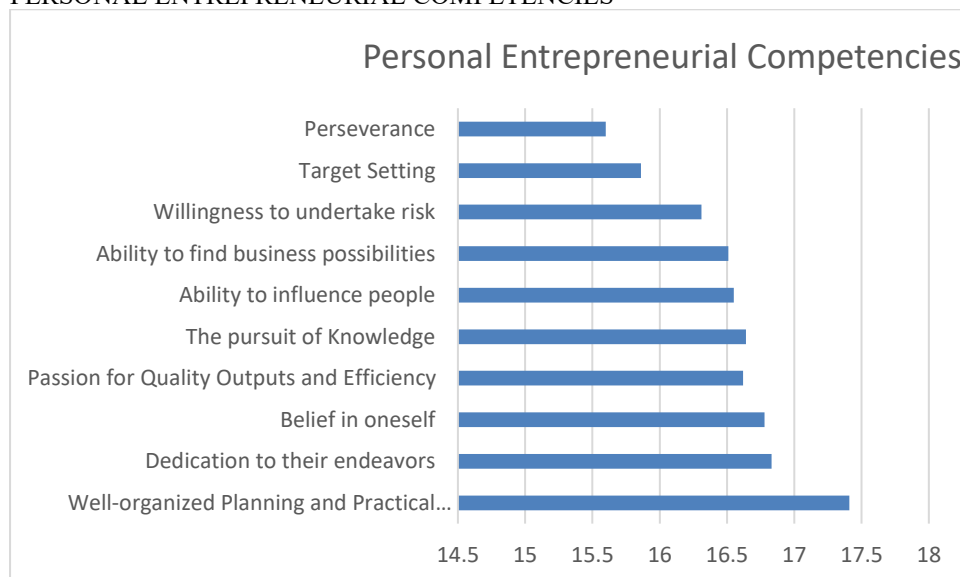


Figure 7respondents' personal entrepreneurial competencies (PEC's)

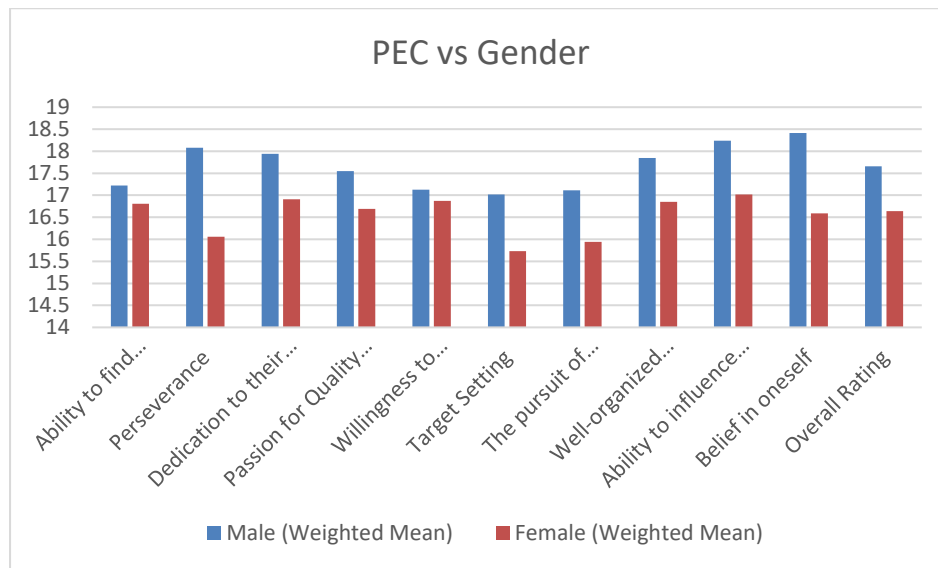


Figure 8 PECs vis a vis respondents' gender

Competency Trait	Male Score	Female Score	Intervention Implication
Belief in oneself	18.41 (Highest)	16.59	Males have high confidence, but females need confidence-building and assertiveness training.
Ability to influence people	18.24	17.02 (Highest for Females)	Both genders view this as a strength, suggesting good communication skills for networking and sales.
Target Setting	17.02	15.73 (Lowest)	The extremely low female score indicates a severe gap in the ability to define measurable business goals and strategies. Urgent training is needed.
Perseverance	18.08	16.06 (Low)	A major gap. Since the majority (female) score low, interventions should focus on resilience, crisis management, and long-term commitment strategies to avoid business failure.
The pursuit of Knowledge	17.11 (Low)	15.94 (Low)	This is a critical deficiency for both genders. The moderate overall PEC level is likely sustained by the low motivation to seek out new business, technology, or market information. Training must emphasize the value and practical sources of continuous learning.

Table 1 respondents' PEC with intervention implication

The study assessed the Personal Entrepreneurial Competencies (PEC) of respondents in the Upper Tabuk Barangays, revealing a moderate overall competency level. However, critical weaknesses were identified in strategic areas, particularly among the dominant female demographic (95% of respondents). Among the strengths, respondents scored highest in Well-organized Planning and Practical Monitoring, indicating a relative strength in organizing and monitoring business activities. This finding aligns with McClelland's (1987) emphasis on planning and monitoring as key entrepreneurial traits. Additionally, male respondents demonstrated high confidence in their abilities, as reflected in their scores for Belief in Oneself (18.41), which is consistent with Bandura's (1997) assertion that self-efficacy is a critical determinant of entrepreneurial success.

Despite these strengths, significant weaknesses were identified. Target Setting scored the lowest (15.73 for females), highlighting a severe gap in the ability to define measurable business goals and strategies. This finding is consistent with Locke and Latham's (2002) research, which underscores the importance of goal-setting as a fundamental driver of performance. Similarly, Perseverance scored low (16.06 for females), suggesting vulnerability to challenges and a lack of resilience, a trait that Duckworth et al. (2007) identified as essential for

overcoming obstacles in entrepreneurial ventures. Another critical weakness was observed in The Pursuit of Knowledge, which scored low for both genders (15.94 for females, 17.11 for males). This indicates a lack of motivation to seek new information, technology, or market intelligence, a finding that aligns with Shane's (2003) emphasis on the role of knowledge acquisition in identifying and exploiting entrepreneurial opportunities.

Gender disparities were also evident, with male respondents consistently scoring higher across all PEC traits, achieving an overall weighted mean of 17.66, compared to 16.64 for females. This disparity reflects broader trends in entrepreneurial ecosystems, where women often face additional barriers to skill development and confidence-building (Brush et al., 2009). The gender gap is particularly critical because the entrepreneurial sector in the Upper Tabuk Barangays is overwhelmingly female-led, meaning the majority of business operators self-assess their competencies at the lower end of the moderate scale.

The findings highlight the need for targeted interventions to address these competency gaps. First, the low scores in Target Setting and Perseverance among women underscore the importance of confidence-building workshops, goal-setting training, and resilience-building programs tailored to their needs. This recommendation aligns with Minniti and Naudé's (2010) advocacy for gender-sensitive entrepreneurial training. Second, the low scores in The Pursuit of Knowledge indicate a critical need to emphasize continuous learning. Training programs should include modules on market research, technology adoption, and business innovation to encourage proactive skill development, as Drucker (1985) noted that entrepreneurship thrives on continuous learning and adaptation. Third, the severe gap in Target Setting underscores the need for practical workshops on defining measurable business goals, strategic planning, and tracking progress, which aligns with Locke and Latham's (2002) findings on the importance of clear and challenging goals. Finally, the low scores in Perseverance suggest that entrepreneurs may struggle during challenging periods, highlighting the need for training in crisis management strategies and long-term commitment planning, as emphasized by Shepherd (2003).

Business Planning

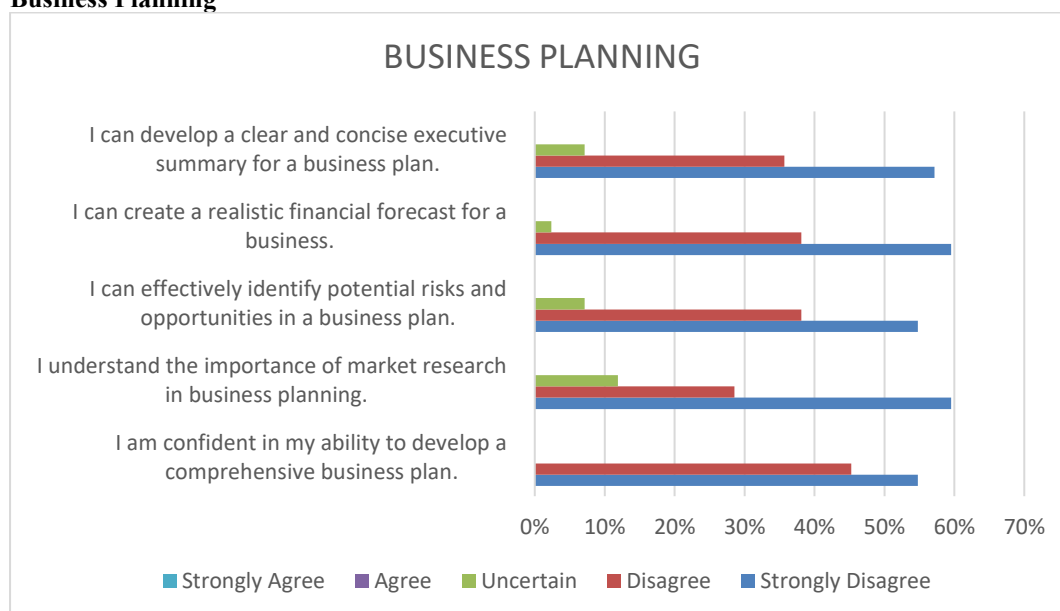


Figure 9 respondents' Business Planning skills

The study revealed significant deficiencies in business planning competencies among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays. Respondents demonstrated low confidence across all key areas of business planning, including the ability to develop a clear and concise executive summary, create realistic financial forecasts, identify potential risks and opportunities, and understand the importance of market research (Figure 9). The most pronounced gap was in market research, where a high percentage of respondents strongly disagreed with their ability to conduct it effectively. This indicates not only a lack of skill but also a limited understanding of its fundamental importance in defining viable tourism products. These findings align with Drucker's (1985) assertion that market research is a cornerstone of entrepreneurial success, as it enables businesses to identify customer needs, assess competition, and position their offerings effectively.

The inability to create realistic financial forecasts and identify risks and opportunities further highlights a lack of strategic foresight among respondents. As noted by Shane (2003), effective business planning requires entrepreneurs to anticipate challenges and allocate resources efficiently. Without these skills, entrepreneurs are likely to face difficulties in managing cash flow, securing funding, and navigating the dynamic challenges of the tourism sector. Additionally, the low confidence in developing comprehensive business plans suggests that respondents lack the structured approach necessary for long-term business success. This aligns with the findings of McClelland (1987), who emphasized the importance of planning as a critical entrepreneurial competency.

Financial Management

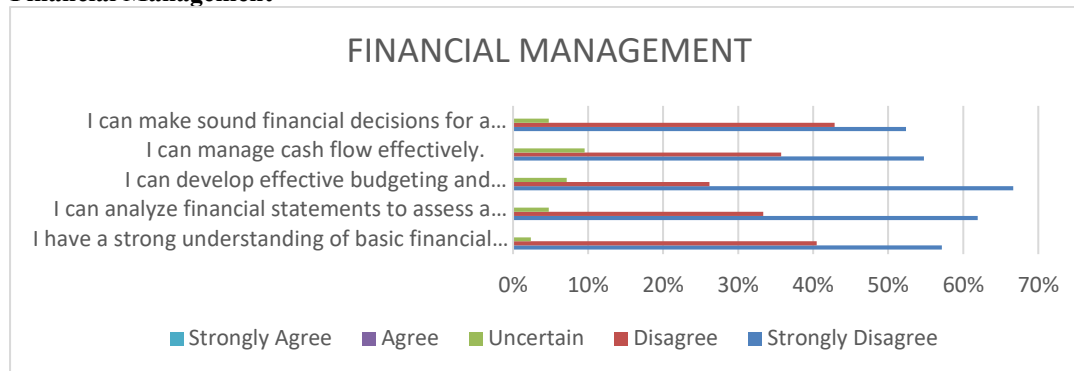


Figure 10 respondents' financial management skills

Financial Management Findings and Implications

The study revealed a critical and systemic lack of financial management skills among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays. Across all five metrics of financial management, the combined percentage of respondents who strongly disagreed or disagreed exceeded 80% to 90%, indicating widespread financial illiteracy (Figure 10). The most alarming deficiency was in the ability to "develop effective budgeting and forecasting techniques," which had the highest rate of strong disagreement (around 65%). This suggests that entrepreneurs are operating without the ability to plan expenses, allocate resources, or anticipate seasonal cash flow changes—essential skills for managing the financial health of a business.

Additionally, respondents demonstrated a significant inability to analyze financial statements, manage cash flow effectively, and make sound financial decisions. These gaps indicate that entrepreneurs lack the foundational knowledge required to interpret core business documents, diagnose performance issues, and make informed, data-driven decisions. As noted by Shane (2003), financial literacy is a cornerstone of entrepreneurial success, as it enables business owners to allocate resources efficiently, secure funding, and sustain operations. Without these skills, businesses are at high risk of financial instability and failure.

Marketing and Sales



Figure 11 respondents' marketing and sale skills

The study revealed severe deficiencies in marketing and sales competencies among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays. Respondents demonstrated a pervasive lack of confidence across all aspects of marketing and sales, with the most pronounced weakness in digital marketing. Over 50% of respondents strongly disagreed with their ability to use digital marketing tools to promote their businesses (Figure 11). This technological gap is a critical barrier, as modern tourism heavily relies on online visibility, social media, and e-commerce platforms to attract and engage customers.

Additionally, respondents showed significant weaknesses in identifying target markets and customer needs, developing effective marketing strategies, and creating persuasive sales presentations. These gaps indicate that entrepreneurs lack the foundational skills to understand their ideal customers, position their products effectively, and communicate value propositions. Furthermore, the inability to build and maintain strong customer relationships suggests that even when customers are reached, the likelihood of converting them into repeat clients is low. This aligns with Drucker's (1985) assertion that marketing is the lifeblood of any business, as it drives customer acquisition, retention, and revenue growth.

Operations Management

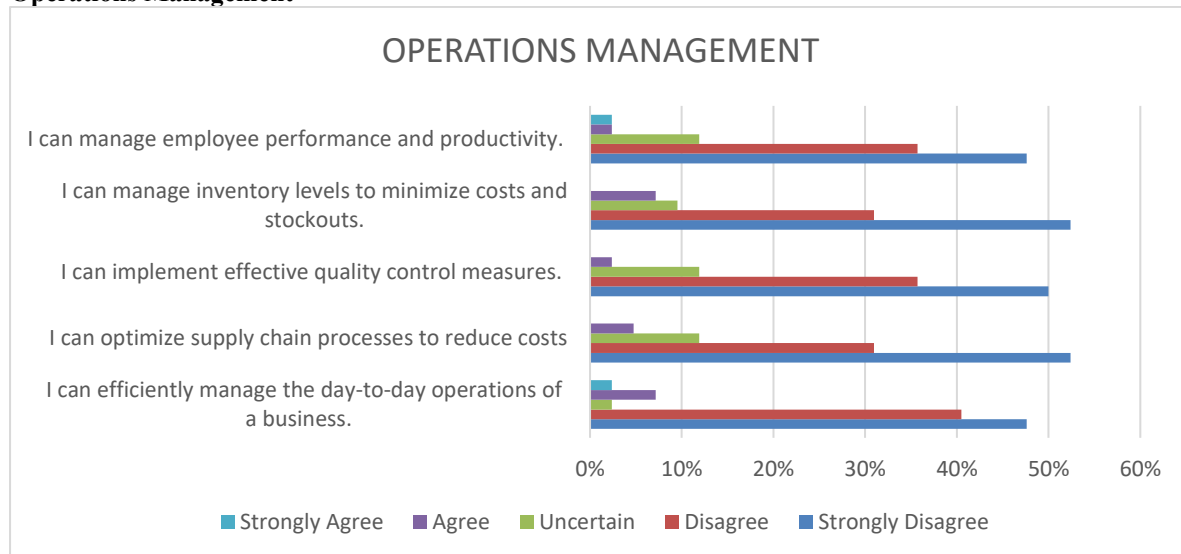


Figure 12 respondents' operations management skills

Operations Management Findings and Implications

The study revealed critical weaknesses in operations management among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays. Respondents demonstrated a pervasive lack of confidence across all key operational functions, including inventory management, supply chain optimization, quality control, and day-to-day business operations (Figure 12). The highest levels of strong disagreement were observed in inventory management and supply chain processes, indicating that entrepreneurs struggle to minimize costs, avoid stockouts, and manage logistics effectively. These deficiencies are particularly concerning for businesses in the tourism sector, where operational efficiency directly impacts customer satisfaction and profitability.

Additionally, respondents showed low confidence in managing employee performance and productivity, as well as implementing effective quality control measures. These gaps jeopardize the ability to deliver consistent, high-quality services, which are essential for building a positive reputation in the competitive tourism industry. The findings align with Drucker's (1985) assertion that operational inefficiencies can undermine even the best marketing and financial strategies, leading to poor customer experiences and business failure.

Innovation and Creativity

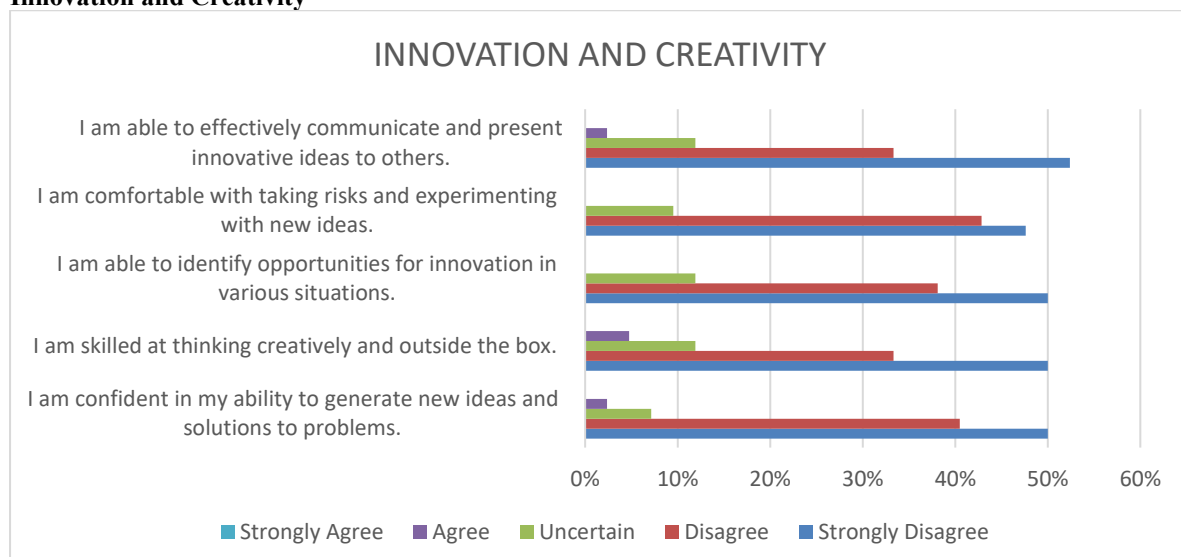


Figure 13 respondents' innovation and creativity skills

The study revealed significant deficiencies in innovation and creativity among MSME owners and potential entrepreneurs in the Upper Tabuk Barangays. Respondents demonstrated a pervasive lack of confidence in their ability to generate new ideas, think creatively, and identify opportunities for innovation (Figure 13). The most pronounced weakness was the inability to effectively communicate and present innovative ideas, which had the highest rate of strong disagreement. This suggests that even when entrepreneurs have creative concepts, they struggle to articulate and pitch these ideas effectively, stifling their potential for implementation.

Additionally, respondents showed high levels of discomfort with taking risks and experimenting with new ideas, indicating a deeply ingrained risk aversion. This reluctance to embrace change and novelty is a critical barrier to competitive differentiation, particularly in the tourism sector, where unique and innovative offerings are essential

for attracting visitors. The findings align with the broader observation that the inability to differentiate products and services (cited by 71.4% of respondents as a top challenge) is a direct consequence of low innovation and creativity.

Technology Adoption

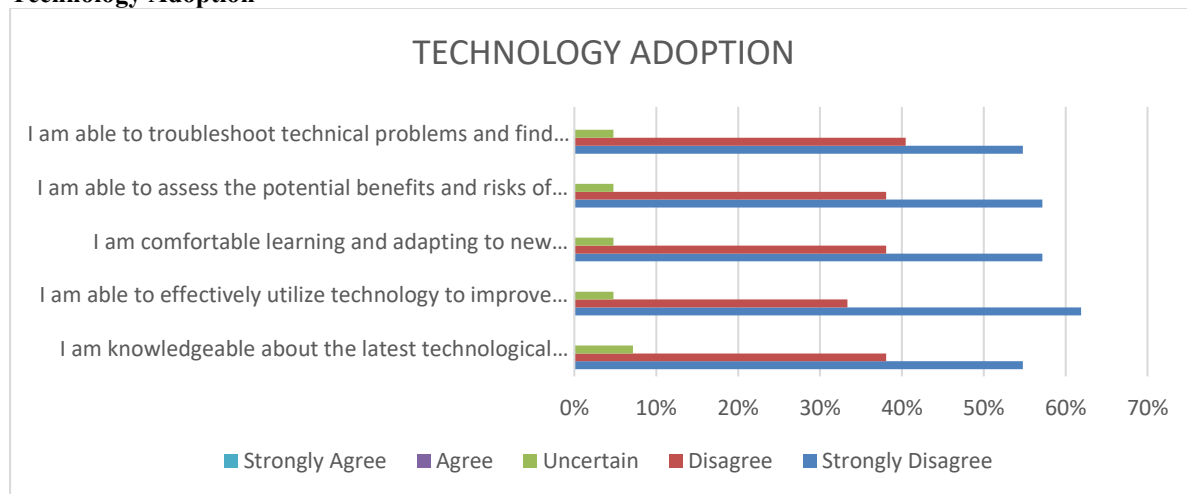


Figure 14 respondents' technology adoption skills

The Technology Adoption chart highlights a critical and overwhelming barrier to modernizing tourism services in the Upper Tabuk Barangays. The data shows an extremely high, consistent lack of confidence across all technology-related metrics, indicating that MSME owners and potential entrepreneurs are largely unable to leverage digital tools for efficiency, marketing, or expansion. The most severe gap lies in the ability to "effectively utilize technology to improve business operations" (highest Strong Disagree rate), which directly affects everything from managing bookings to streamlining daily operations. This operational inadequacy is compounded by a profound lack of technological literacy, as high combined disagreement rates confirm entrepreneurs are neither knowledgeable about the latest trends nor confident in their ability to troubleshoot technical problems. Furthermore, respondents express high discomfort with learning and adapting to new technologies and assessing their potential benefits and risks, signaling strong technophobia and risk aversion to digital tools. This pervasive technological stagnation will severely limit the competitiveness of local tourism ventures, making immediate, hands-on digital literacy training an absolute prerequisite for successful business development in the area.

Customer Service

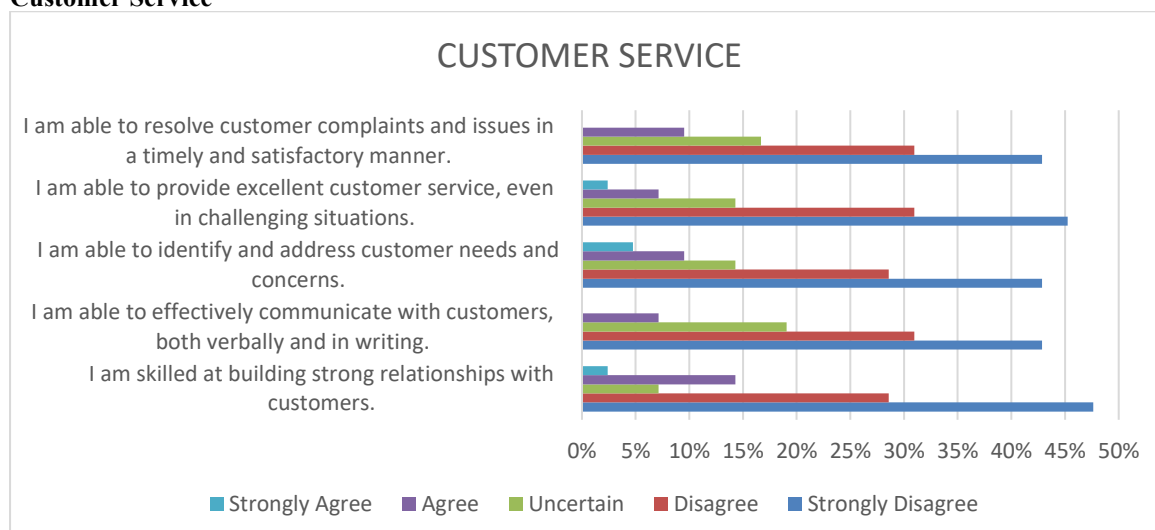


Figure 15 respondents' customer service skills

The Customer Service chart reveals a severe gap in service delivery skills, which presents a significant operational risk to the emerging tourism sector in the Upper Tabuk Barangays. The data shows uniformly high combined disagreement across all five metrics, indicating that entrepreneurs are largely unable to meet the high service standards required for positive guest experiences and reviews. The most pronounced deficiency lies in the ability to resolve customer complaints and issues in a timely and satisfactory manner and to provide excellent customer service, even in challenging situations, both registering the highest Strong Disagree rates (over 45%). This inability to handle conflict or deliver quality service under pressure is catastrophic for a tourism business. Furthermore, a major weakness exists in foundational communication, as high disagreement with the ability to

effectively communicate with customers, both verbally and in writing, undermines all sales and service efforts. Finally, the low confidence in building strong relationships with customers and identifying and addressing customer needs indicates that interactions will likely be transactional and passive, hindering repeat business and positive word-of-mouth. Consequently, the planned training program must feature intensive, scenario-based modules focused on conflict resolution, professional communication skills, and proactive service design to ensure the Upper Tabuk tourism experience is high-quality and sustainable.

Legal and Regulatory Compliance

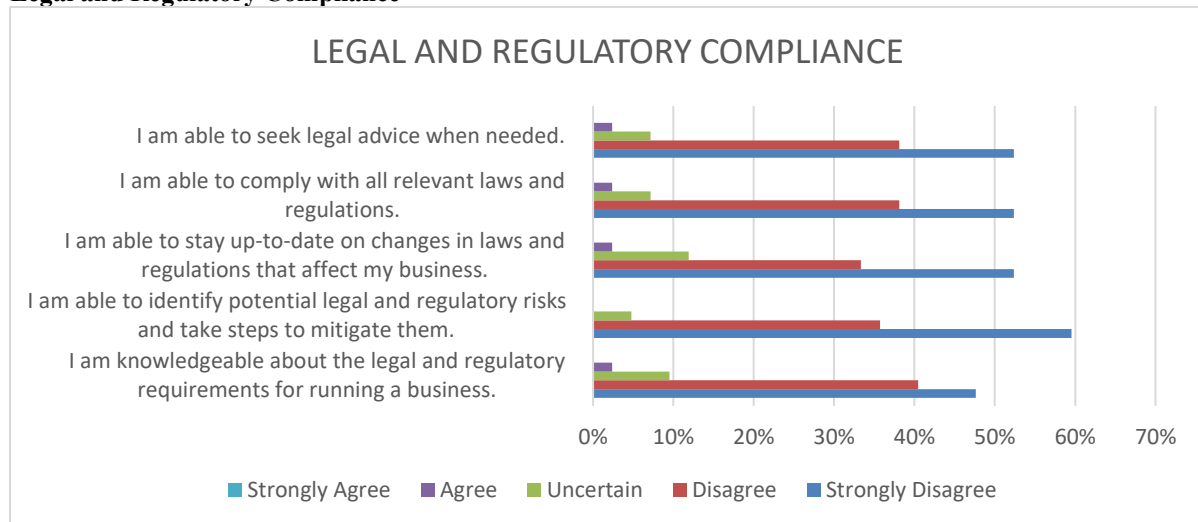


Figure 16 respondents' legal and regulatory compliance skills

The final chart on Legal and Regulatory Compliance reveals a critical and pervasive weakness in adherence to legal frameworks, which poses a significant existential risk to MSME stability and formalization in the Upper Tabuk Barangays. Across all five metrics, the combined disagreement rate is exceedingly high, demonstrating that entrepreneurs are ill-equipped to operate legally and mitigate risk. The most profound deficiency lies in the ability to identify potential legal and regulatory risks and take steps to mitigate them, registering the highest Strong Disagree rate (over 60%). This suggests entrepreneurs are largely unaware of the compliance pitfalls that could lead to fines, closures, or legal action. Similarly high rates of strong disagreement are seen in the ability to comply with all relevant laws and regulations and the knowledge about the requirements for running a business, confirming that this is not just an issue of strategy, but of fundamental ignorance regarding business law. Furthermore, the lack of confidence in staying up-to-date on changes and seeking legal advice indicates a passive, high-risk operational stance. The planned training intervention must therefore include mandatory, practical modules focused on business registration processes, local permitting requirements specific to the tourism sector, and simple strategies for risk identification and compliance tracking to ensure MSMEs can operate formally and sustainably.

Challenges in Starting or Running a Business

Rank	Challenge	Number of Respondents (out of 81)	Percentage (%)
1	Difficulty in differentiating products/services	58	71.40%
2	Difficulty in obtaining permits/licenses	56	69.00%
3	Inefficient production processes	54	66.70%
4	Ineffective financial management	52	64.30%
5	Intense competition from established players	48	59.50%
5	Supply chain issues and logistics	48	59.50%
7	Complex and time-consuming administrative requirements	44	54.80%
7	High taxes and fees	44	54.80%
9	High operating costs	42	52.40%

10	Challenges in acquiring new technologies	40	50.00%
11	Limited knowledge of market trends and consumer behavior	39	47.60%
12	Poor understanding of business law	33	40.50%
13	Insufficient capital to start or expand	31	38.10%
13	Difficulty in hiring and retaining qualified employees	31	38.10%
15	Difficulty in securing loans or credit	21	26.20%

Table 2Challenges in Starting or Running a Business

The study identified a range of challenges faced by MSME owners and potential entrepreneurs in the Upper Tabuk Barangays, which are both internal (skill-based) and external (regulatory and market-driven). The most significant challenge, cited by 71.4% of respondents, is the difficulty in differentiating products and services. This issue stems from a lack of innovation, creativity, and market research skills, which prevents entrepreneurs from creating unique offerings that stand out in the competitive tourism market. Additionally, 69.0% of respondents reported difficulty in obtaining permits and licenses, highlighting bureaucratic hurdles and a lack of knowledge about legal and regulatory compliance. Inefficient production processes (66.7%) and ineffective financial management (64.3%) further compound the internal weaknesses, as entrepreneurs struggle with operational inefficiencies, poor inventory management, and limited financial literacy. External challenges, such as intense competition from established players (59.5%) and supply chain issues (59.5%), exacerbate the situation, making it difficult for MSMEs to sustain and grow their businesses. High operating costs (52.4%), complex administrative requirements (54.8%), and challenges in acquiring new technologies (50.0%) further highlight the systemic barriers to success. These findings underscore the urgent need for targeted interventions to address both internal skill deficits and external barriers. To tackle the difficulty in differentiating products, training programs should focus on market research, creativity, and innovation to help entrepreneurs develop unique tourism offerings. Simplified legal and regulatory compliance workshops are essential to guide entrepreneurs through the permitting and licensing process, reducing bureaucratic strain. Operational efficiency can be improved through practical training on inventory control, supply chain management, and quality assurance, addressing inefficiencies in production processes. Financial literacy workshops on budgeting, cash flow management, and financial forecasting are critical to improving financial stability and decision-making. Digital marketing and e-commerce training will enable entrepreneurs to promote their businesses online, reach wider audiences, and compete with established players. Technology adoption training should focus on using modern tools to streamline operations and improve customer service. Mentorship programs and networking opportunities with successful entrepreneurs can provide personalized guidance and foster collaboration. Finally, advocacy for policy support, including simplified administrative requirements and reduced taxes and fees, can create a more enabling environment for MSMEs. By addressing these challenges through targeted interventions, the program can empower entrepreneurs to overcome barriers, formalize their businesses, and achieve sustainable growth in the tourism sector. These recommendations align with the findings of Drucker (1985), who emphasized the importance of innovation and entrepreneurship in driving economic growth. Additionally, the study echoes the principles outlined in the Philippine National Tourism Development Plan (NTDP), which prioritizes community-based initiatives and MSME development as key drivers of sustainable tourism. The importance of financial literacy and operational efficiency is further supported by research from Gibb (2002), who highlighted the role of entrepreneurial competencies in business success. Moreover, the need for digital marketing and e-commerce training aligns with global trends in tourism, as noted by Buhalis and Law (2008), who emphasized the transformative impact of technology on the tourism industry. By integrating these insights into the intervention program, the Upper Tabuk Barangays can unlock their full potential for inclusive and resilient economic development.

Training or Support That Would Be Most Helpful to The Respondents

Rank	Training/Support Topic	Number of Respondents (out of 81)	Percentage (%)
1	Digital marketing and e-commerce	54	66.70%
2	Cash flow management	52	64.30%
2	Loan application and processing	52	64.30%
4	Inventory control and management	50	61.90%
5	Financial literacy and management skills	48	59.50%

6	Sales techniques and customer relations	46	57.10%
7	Branding and marketing strategies	44	54.80%
7	Quality control and assurance	44	54.80%
9	Financial analysis and reporting	42	52.40%
10	Supply chain management and logistics	40	50.00%
10	One-on-one mentoring from successful entrepreneurs	40	50.00%
10	Employee training and development	40	50.00%
10	Contract law and dispute resolution	40	50.00%
10	Investment pitching and funding strategies	40	50.00%
15	Understanding and complying with business law	39	47.60%
15	Intellectual property protection	39	47.60%
17	Performance management and evaluation	35	42.90%
17	Recruitment and selection	35	42.90%
19	Business coaching and advisory services	33	40.50%
19	Conducting market research	33	40.50%
21	Setting clear business goals	31	38.10%
22	Networking opportunities with industry leaders	29	35.70%
22	Budgeting and forecasting	29	35.70%
24	Developing a comprehensive business plan	6	7.10%

Table 3 Training or Support That Would Be Most Helpful to The Respondents

The ranking of desired training and support provides a critical roadmap for the intervention program, as it directly mirrors the skill deficits and operational challenges identified across the survey. The most urgent needs are clustered around a dual crisis in Digital Literacy and Financial Health, with Digital marketing and e-commerce ranking first at 66.7% and Cash flow management and Loan application and processing tied for second at 64.3%. These requests confirm that entrepreneurs are acutely aware they must move their tourism ventures online and gain mastery over their finances to secure capital and survive in a modern economy. This is followed closely by requests for Inventory control and management (61.9%) and Financial literacy and management skills (59.5%), underscoring the severe operational and financial vulnerabilities found in the preceding charts. Notably, while the general confidence in business planning was extremely low, the specific request for Developing a comprehensive business plan ranked last (7.1%). This paradox suggests that entrepreneurs do not value the formal planning document itself, but rather the individual, practical component skills that make it up, reinforcing the need for a training program focused on modular, hands-on application rather than a purely academic planning exercise. The training must, therefore, be highly practical, integrating digital, financial, and quality assurance skills to address the entrepreneurs' most pressing needs for growth and stability.

SUMMARY

The pre-intervention study definitively establishes that sustainable tourism development in the Upper Tabuk Barangays is critically threatened by widespread entrepreneurial skill deficits, particularly among the dominant demographic. The sector is overwhelmingly led by middle-aged women (95%+ female, 35-54 age bracket), most of whom possess only a High School education and operate under severe financial constraints (majority income Php 10,000 - Php 20,000). While these entrepreneurs demonstrate moderate innate abilities, core strategic competencies like Target Setting, Perseverance, and The Pursuit of Knowledge are significantly lacking. This moderate base is undermined by systemic weaknesses across all technical skills: an acute Financial Management crisis (especially in budgeting and cash flow), pervasive lack of confidence in Business Planning (e.g., market research and differentiation), severe deficits in Technology Adoption and Digital Marketing, and critical failures in Operations Management (inventory and supply chain). These internal skill gaps directly fuel their top challenges—primarily the difficulty in differentiating products (71.4%) and inefficient production (66.7%). However, these internal hurdles are compounded by high external barriers, such as the difficulty in obtaining permits and licenses (69.0%) and a high risk of non-compliance with Legal and Regulatory frameworks. Consequently, the entrepreneurs are urgently requesting highly practical training, with Digital marketing (66.7%), Cash flow management (64.3%), and Loan application processing (64.3%) as the top priorities, directly

confirming the necessary focus of the intervention must be on building financial stability, digital presence, and operational efficiency to move the local tourism sector toward sustainable growth.

CONCLUSION

The pre-intervention study on tourism entrepreneurship in the Upper Tabuk Barangays unequivocally establishes a critical and systemic need for a highly focused and practical development intervention. The local entrepreneurial ecosystem, though active and primarily driven by middle-aged women operating under financial constraints, is profoundly vulnerable due to deep-seated skill deficits.

The core conclusion is that internal competency gaps are the primary barrier to sustainable growth. Entrepreneurs demonstrated pervasive weaknesses across every critical business function, particularly in Financial Management, Technology Adoption (Digital Marketing), and Strategic Planning (Market Differentiation). The most severe challenges cited by the respondents—Difficulty in differentiating products (71.4%), Inefficient production (66.7%), and Ineffective financial management (64.3%)—are all direct manifestations of these internal skill deficits.

Consequently, the planned intervention must be meticulously designed around the entrepreneurs' prioritized needs: urgent training in Digital Marketing and e-commerce and Cash Flow Management, alongside support for Loan application and processing. By prioritizing these practical, high-impact skills, the program will simultaneously address the largest internal skill gaps and provide the tools necessary to navigate the significant external hurdles of bureaucracy, competition, and compliance. Ultimately, the success of the tourism sector hinges on moving beyond the current state of moderate competence to one of high functional capacity, thereby ensuring the economic viability and resilience of MSMEs in the Upper Tabuk area.

RECOMMENDATION

The intervention program must be a highly focused, modular, and practical training initiative designed to directly counter the severe skill deficits and structural challenges facing tourism entrepreneurs in the Upper Tabuk Barangays.

The core recommendations are to prioritize digital, financial, and compliance capabilities:

1. Implement mandatory training in Digital Marketing and E-commerce to overcome the severe technology barrier and enable MSMEs to successfully promote and differentiate their products online.
2. Dedicate intensive, hands-on workshops to Cash Flow Management and Loan Application and Processing to address the financial illiteracy crisis and empower entrepreneurs to secure and efficiently manage capital.
3. Roll out practical modules on Inventory Control and Management and Quality Control and Assurance to directly correct the highly-cited problems of inefficient production and poor operational execution.
4. Integrate training on Strategic Goal Setting and Market Research into the practical modules to help entrepreneurs develop unique tourism offerings and move beyond the low competency levels observed in the study.
5. Conduct mandatory, simplified sessions on Business Law and Regulatory Compliance to help entrepreneurs navigate the complex permitting and licensing environment (the second-highest challenge) and mitigate the high legal risk identified in the assessment.
6. Establish a One-on-One Mentoring program to provide personalized guidance and foster business resilience, particularly among the dominant female entrepreneurial segment.

In essence, the program must move beyond theoretical learning to practical application that solves the entrepreneurs' most urgent business problems, ensuring they have the technical, strategic, and legal foundation necessary for sustainable tourism growth.

REFERENCES

1. Alusen, R. (2016). Entrepreneurial competencies and business success: A study of small and medium enterprises in the Philippines.
2. Bandura, A. (1997). Self-efficacy: The exercise of control. W.H. Freeman.
3. Banerjee, A. V., & Duflo, E. (2011). Poor economics: A radical rethinking of the way to fight global poverty. PublicAffairs. <https://www.publicaffairsbooks.com>
4. Bates, T. (1995). Self-employment entry across industry groups. *Journal of Business Venturing*, 10(2), 143-156. [https://doi.org/10.1016/0883-9026\(94\)00018-P](https://doi.org/10.1016/0883-9026(94)00018-P)
5. Beck, T., Demirgüç-Kunt, A., & Maksimovic, V. (2005). Financial and legal constraints to growth: Does firm size matter? *The Journal of Finance*, 60(1), 137-177. <https://doi.org/10.1111/j.1540-6261.2005.00727.x>
6. Blanchflower, D. G. (2000). Self-employment in OECD countries. *Labour Economics*, 7(5), 471-505. [https://doi.org/10.1016/S0927-5371\(00\)00011-7](https://doi.org/10.1016/S0927-5371(00)00011-7)
7. Brush, C. G., de Bruin, A., & Welter, F. (2006). Women entrepreneurs: A research agenda and implications for practice. *Entrepreneurship Theory and Practice*, 30(5), 585-593. <https://doi.org/10.1111/j.1540-6520.2006.00137.x>

8. Brush, C.G., de Bruin, A., & Welter, F. (2009). A gender-aware framework for women's entrepreneurship. *International Journal of Gender and Entrepreneurship*, 1(1), 8-24.
9. Buhalis, D., & Law, R. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the Internet—The state of eTourism research. *Tourism Management*, 29(4), 609–623. <https://doi.org/10.1016/j.tourman.2008.01.005>
10. Carter, S., & Shaw, E. (2006). Women's business ownership: Recent research and policy developments. Small Business Service Research Report. Retrieved from <https://www.gov.uk>
11. Chigunta, F. (2002). Youth entrepreneurship: Meeting the key policy challenges. Education Development Center, Inc. Retrieved from <https://www.edc.org>
12. Churchill, N. C., & Lewis, V. L. (1983). The five stages of small business growth. *Harvard Business Review*, 61(3), 30-50. <https://hbr.org>
13. Creswell, J. W., & Creswell, J. D. (2018). Research design: Qualitative, quantitative, and mixed methods approaches (5th ed.). SAGE Publications.
14. Department of Tourism. (2016). Philippine National Tourism Development Plan 2016-2022. Department of Tourism, Republic of the Philippines. Retrieved from <https://www.tourism.gov.ph>
15. Drucker, P. F. (1985). Innovation and entrepreneurship: Practice and principles. Harper & Row.
16. Duckworth, A.L., Peterson, C., Matthews, M.D., & Kelly, D.R. (2007). Grit: Perseverance and passion for long-term goals. *Journal of Personality and Social Psychology*, 92(6), 1087-1101.
17. Fairlie, R. W., & Robb, A. M. (2009). Race and entrepreneurial success: Black-, Asian-, and White-owned businesses in the United States. MIT Press. <https://mitpress.mit.edu>
18. Gibb, A. A. (2002). In pursuit of a new “enterprise” and “entrepreneurship” paradigm for learning: Creative destruction, new values, new ways of doing things, and new combinations of knowledge. *International Journal of Management Reviews*, 4(3), 233–269. <https://doi.org/10.1111/1468-2370.00086>
19. Kelley, D. J., Singer, S., & Herrington, M. (2015). Global Entrepreneurship Monitor 2015/16 Global Report. Global Entrepreneurship Research Association. Retrieved from <https://www.gemconsortium.org>
20. Locke, E.A., & Latham, G.P. (2002). Building a practically useful theory of goal setting and task motivation. *American Psychologist*, 57(9), 705-717.
21. Man, T. W. Y., Lau, T., & Chan, K. F. (2002). The competitiveness of small and medium enterprises: A conceptualization with focus on entrepreneurial competencies. *Journal of Business Venturing*, 17(2), 123–142. [https://doi.org/10.1016/S0883-9026\(00\)00058-6](https://doi.org/10.1016/S0883-9026(00)00058-6)
22. McClelland, D. C. (1987). Characteristics of successful entrepreneurs. *Management Systems International*.
23. McClelland, D.C. (1987). Human Motivation. Cambridge University Press.
24. Minniti, M., & Naudé, W. (2010). What do we know about the patterns and determinants of female entrepreneurship across countries? *The European Journal of Development Research*, 22(3), 277-293.
25. Philippine Department of Tourism. (2016). Philippine National Tourism Development Plan 2016–2022. Department of Tourism.
26. Shane, S. (2003). A General Theory of Entrepreneurship: The Individual-Opportunity Nexus. Edward Elgar.
27. Shepherd, D.A. (2003). Learning from business failure: Propositions of grief recovery for the self-employed. *Academy of Management Review*, 28(2), 318-328.
28. Storey, D. J. (1994). Understanding the small business sector. Routledge. <https://www.routledge.com>
29. United Nations World Tourism Organization (UNWTO). (2018). Tourism and the Sustainable Development Goals – Journey to 2030. UNWTO. Retrieved from <https://www.unwto.org>
30. United Nations. (2015). Transforming our world: The 2030 Agenda for Sustainable Development. Retrieved from <https://sdgs.un.org/2030agenda>
31. United Nations. (2015). Transforming our world: The 2030 agenda for sustainable development. United Nations. <https://sdgs.un.org/>
32. Van der Sluis, J., Van Praag, M., & Vijverberg, W. (2008). Education and entrepreneurship selection and performance: A review of the empirical literature. *Journal of Economic Surveys*, 22(5), 795-841. <https://doi.org/10.1111/j.1467-6419.2008.00550.x>