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INTERIM OBSERVATIONS  
UP-ISSI ENTREPRENEURSHIP DEVELOPMENT PROGRAM

by

Ben E. James, Jr.

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Economic Development Laboratory  
ENGINEERING EXPERIMENT STATION  
Georgia Institute of Technology  
Atlanta, Georgia  
February 1976

**INTERIM OBSERVATIONS UP-ISSI ENTREPRENEURSHIP DEVELOPMENT PROGRAM**

**Ben E. James, Jr.**

**February 1976, 35 p.**

**Georgia Institute of Technology  
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Informal observations on an entrepreneurship development program conducted by the University of the Philippines Institute for Small-Scale Industries (UP-ISSI) at four locations between September 1974 and June 1975. These observations were based on field interviews of 41 of the 84 program participants. Informal but structured interviews were conducted in Davao, Cebu, Iloilo, and Tacloban. Each of the interviewees was asked to discuss such topics as why they took the training, how the training had benefited them, their likes and dislikes of the program, and how the program could be improved. Eleven major observations were listed and five recommendations were given.

INTERIM OBSERVATIONS  
UP-ISSI ENTREPRENEURSHIP DEVELOPMENT PROGRAM

Background

In order to enhance the capabilities of the Engineering Experiment Station at the Georgia Institute of Technology to conduct entrepreneur development activities, several of its staff members have attended various seminars and workshops where entrepreneur motivation, stimulation and training were discussed and studied. Actual observation of an entrepreneur development training program in the field, however, was a function which was lacking in the experience of the EES.

From July 1974 to June 1975, the University of the Philippines, Institute for Small-Scale Industries (UP-ISSI), together with two other government agencies, the National Manpower and Youth Council (NMYC) and the Development Bank of the Philippines (DBP), conducted eleven training programs on Entrepreneurship Development throughout the Philippines.<sup>1/</sup> These training programs were aimed at stimulating entrepreneurial activities in the rural areas of the country as a strategy for economic growth.

In order for the Engineering Experiment staff to gain this experience of observing actual results of entrepreneur training, the Institute for Small-Scale Industries at the University of the Philippines consented to an informal program of observation by EES staff.

Approach

Since less than four man-weeks of EES staff time could be devoted to the program of observation, it was decided during very early discussions to avoid any implication that this was to be a duplication of the program evaluation that was being conducted by the staff of UP-ISSI.<sup>2/</sup> It was made clear to both the UP-ISSI staff and EES staff that the program was to be a rather informal "interim observation." With this constraint in mind, and because of the time limitation, it was decided that program participants in four cities would be contacted and interviewed in order to acquire data

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<sup>1/</sup> Appendix 1.

<sup>2/</sup> Appendix 2.

on the entrepreneur development programs. The four cities selected included one of the first programs conducted and one of the latest programs conducted. In order to minimize travel time, the cities of Davao in Mindanao, Cebu City in Cebu, Iloilo City in Iloilo, and Tacloban in Leyte were chosen. Each of these cities had had entrepreneur development programs (EDP).

It was decided jointly by UP-ISSI staff and EES staff to use a very informal, semi-structured interview format in order to gain information from the participants. Both direct tape recording and note taking would be used. Participants would be stimulated to discuss the following main topics:

1. Why did they take the training?
2. How has the training affected their proposed projects?
3. How has the training affected their present businesses or jobs?
4. What is the status of their proposed projects?
5. What are the difficulties in completing their plans?
6. What did they like most about the training?
7. What did they like least about the training?
8. What should UP-ISSI do now to follow up this training?
9. How can this training program be improved?

It was also decided that a staff member of UP-ISSI would accompany the EES member so that the interviews could be conducted jointly.

#### Execution

##### Davao, Mindanao - Program conducted from April 23 to June 8, 1975.

There were 14 participants, of whom six were interviewed. Interviewers were Bert Capati of UP-ISSI and Ben James of EES. Interviews were conducted both at the participants' places of business and at the hotel of the interviewers. All of the interviews were individual interviews except for one in which two participants were interviewed jointly.

##### Cebu City, Cebu - Program conducted from March 20 to May 10, 1975.

There were 19 participants, of whom 11 were interviewed. Interviewers were Bert Capati of UP-ISSI and Ben James of EES. Interviews were conducted at participants' places of business, participants' homes, and "neutral" locations, such as coffee shops. All of the interviews were individual interviews, except for one in which two participants were interviewed jointly.

Iloilo City, Iloilo - Program conducted from June 3 to July 20, 1975.

There were 27 participants, of whom 15 were interviewed. Interviewers were Erwin Ramiscal of UP-ISSI and Ben James of EES. Interviews were conducted at participants' places of business and participants' homes. All of the interviews were individual interviews except for two in which two participants were interviewed jointly.

Tacloban, Leyte - Program conducted from September 9 to October 18, 1974.

There were 24 participants, of whom nine were interviewed. Interviewers were Erwin Ramiscal of UP-ISSI and Ben James of EES. Interviews were conducted at participants' places of business, their homes, and at the hotel of the interviewers. All of the interviews were individual interviews except for one in which two participants were interviewed jointly.

Observations

These observations are very informal and are based on recollections of the interviewers rather than a statistical treatment of the data that were gathered by tape recordings and notes.

1. Most of the interviewees seemed to have taken the EDP in order to expedite getting loans either through the IGLF or DBP.
2. Most of the interviewees seemed to think that "graduation" from the EDP did little or nothing to enhance their ability to get an IGLF or DBP loan.
3. A large percentage of interviewees felt that the lending institutions were unfair in that they took too much time to process loan requests and they did not keep the requestor informed as to the status of his loan request.
4. Most of the interviewees felt that the EDP had given them good training in developing their project feasibility studies.
5. Many of the interviewees seemed to be naive in thinking that just because they had completed a project feasibility study, the lending institutions should lend them money.
6. Most of the participants were already entrepreneurs.
7. Most of the interviewees indicated that the EDP training had been of considerable benefit to them in their present jobs or business.
8. The majority of interviewees indicated that the achievement motivation portion of the program had been most interesting.

9. "Goal setting" seemed to be the one topic most mentioned by the interviewees as helpful to them.
10. Further training in management subjects and influence by UP-ISSI to relax business loan requirements seemed to be equally important to the interviewees in discussing what UP-ISSI could do to follow up the EDP.
11. There did not seem to be a clear consensus on what was liked least about EDP training.

### Recommendations

The entrepreneur development program conducted by UP-ISSI seemed to be worth all the effort, time, money and resources used in it. During many of the interviews, it was observed that the volume of operations of the interviewee's business had increased or that a new business had been established. It was also observed that the interviewees had become more growth conscious and very much preoccupied with either project implementation or project planning.

In spite of the obvious socioeconomic gains resulting from the EDP, some improvements are still possible in some phases of the program. It is felt that the following recommendations might possibly result in some improvements in the effectiveness of the program.

1. Reword promotional material which implies or states that simply by taking entrepreneur development training, participants will get preferential treatment when applying for a project loan from IGLF or DBP. This has caused much disappointment and sometimes bitterness among EDP graduates when, because of naivete, wishful thinking, inexperience or a combination of all three, their loan requests are met with banker's demands for collateral, quality feasibility studies, and managerial experience.
2. Improve the process of selecting participants. Many participants were already skilled and successful entrepreneurs. Others seemed to have taken the training as substitutes for their husbands. Still others, who were either bank employees or government officials, seemed to have taken this training only as an academic exercise.
3. Improve the process of selecting and screening lecturers. Presentations of lecturers should be reviewed in a "dress rehearsal" by UP-ISSI staff prior to selection.

4. Review, coordinate and systematize all handout materials prior to the course. Publish this material and give the entire set of course material to the participants at the introductory session.
5. Initiate a formal program of follow-up for all EDP graduates. Ideally, this program would include periodic individual personal contact between UP-ISSI staff and the EDP graduate.

These recommendations may seem presumptuous in view of such a short study period. However, they are not entirely subjective. Prior to initiating this investigation, there was considerable concern over whether or not a foreigner and stranger could elicit spontaneous and frank response from the EDP graduates. This concern was unjustified, however, as the EDP graduates who were interviewed were very vocal and honest in their response. These recommendations are based on the stated desires and criticisms of those interviewees.

APPENDICES

Excerpts from a Program Evaluation Report  
Published by the University of the Philippines,  
Institute for Small-Scale Industries

## Appendix 1

### THE ENTREPRENEURSHIP DEVELOPMENT PROGRAM, 1974-1975

#### 1. Background of the Program

On June 7, 1974, the University of the Philippines Institute for Small-Scale Industries (UP-ISSI), the National Manpower and Youth Council (NMYC) and the Development Bank of the Philippines (DBP) entered into an agreement to conduct an Entrepreneurship Development Program (EDP) in the 11 regional areas of the Philippines.

The program had sought to develop entrepreneurial activities in the rural areas of the Philippines as a vehicle for economic growth and had specifically aimed to:

- a. Promote the development of small enterprises in the rural areas.
- b. Generate self-employment schemes for potential entrepreneurs and provide employment for others.
- c. Encourage and develop the processing of local materials into finished or semifinished goods for domestic consumption as well as for export.
- d. Promote the use of modern technology in small-scale manufacturing to enhance higher productivity.
- e. Develop entrepreneurial qualities and attitudes among potential entrepreneurs to bring about significant changes in the rural areas to promote the aims and objectives of the New Society.

The program, which was an integrated approach in the promotion and development of entrepreneurs in the rural areas, consisted of the following phases:

- a. Identification of potential entrepreneurs through a pre-determined recruitment and selection scheme;
- b. Training of these potential entrepreneurs to increase their motivation, and equip them with skills in management, feasibility study and project preparation, as well as to familiarize them with their business environment;
- c. Post-training assistance in the areas of management, financing, marketing and technology.

## 2. Organization and Administration

### 2.1 Staffing

The program staff consisted of:

#### a. UP-ISSI EDP organic staff:

Leon V. Chico -- Director  
Jaime M. Cortes -- Assistant Director  
Serenidad F. Lavador -- Program Chairman  
Susan Q. Clavano -- Training Specialist  
Erwin F. Ramiscal -- Training Specialist  
Alvaro O. Senturias, Jr. -- Training Specialist  
Alberto P. Capati -- Senior Training Assistant  
Corazon L. Antonio -- Research Assistant  
Chelito G. Agbisit -- Senior Clerk  
Erlinda G. Cafranca -- Clerk-Typist  
Praxedes V. San Juan -- Clerk

Each course was assigned an Officer-in-Charge who was responsible for the overall coordination and administration of the training in each area.

Following were the assignments of EDP Officers-in-Charge:

Butuan City	- Serenidad F. Lavador
Greater Manila (Trainer's Course)	- Serenidad F. Lavador
Tacloban City	- Susan Q. Clavano
Legazpi City	- Serenidad F. Lavador
Cebu City	- Alberto P. Capati
San Fernando, La Union	- Erwin F. Famiscal
Davao City	- Alberto P. Capati
Cabanatuan City	- Alvaro O. Senturias, Jr.
Tuguegarao, Cagayan	- Alvaro O. Senturias, Jr.
Iloilo City	- Erwin F. Ramiscal
Lucena City	- Alberto P. Capati
Zamboanga City	- Alvaro O. Senturias, Jr.

#### b. NMYC staff:

Alfredo de la Rosa -- Director, OMPD  
Paz Aurora Katon -- Program Director  
Lorna Ober -- Project Manager  
Other contractual employees

#### c. Lecturing staff

The lecturing staff was composed of the UP-ISSI technical staff members, practicing professionals and consultants from the government and the private sector.

## 2.2 Program Venue

Within FY 1974-1975, 11 courses were conducted in the 11 regional areas of the country with a total number of 229 graduates. A special course, the Trainer's Course on Entrepreneurship Development, which was participated in by the staff of the Philippine Amanah Bank and the Mindanao State University, was also conducted in Greater Manila.

<u>Region</u>	<u>Training Site</u>	<u>Course Duration</u>	<u>No. of Graduates</u>
X	Butuan City	June 10-July 20, 1974	18
VIII	Tacloban City	Sept. 9-Oct. 18, 1974	24
	Greater Manila (Trainer's Course)	Sept. 16-Nov. 6, 1974	22
V	Legazpi City	Jan. 14-March 1, 1975	14
VII	Cebu City	March 20-May 10, 1975	19
I	San Fernando, La Union	April 15-May 30, 1975	15
XI	Davao City	April 23-June 8, 1975	10
III	Cabanatuan City	May 6-June 20, 1975	25
II	Tuguegarao, Cagayan	May 27-July 11, 1975	18
VI	Iloilo City	June 3-July 19, 1975	27
IV	Lucena City	June 17-Aug. 2, 1975	17
IX	Zamboanga City	June 30-Aug. 15, 1975	20

## 2.3 Program Logistics

To meet the program's logistical requirements, fund support had been given by the NMYC and the UP-ISSI. The NMYC allocated ₱450,000 of which ₱242,480 had been actually expended. The UP-ISSI had given a counterpart fund support of ₱205,812.

Control of the funds for the first four courses, which started on June 10, 1974 (Butuan, Tacloban, Legazpi and the Trainer's Course), was the responsibility of the NMYC. However, because of some administrative problems encountered as a result of such arrangement, the administration of the fund was transferred to the UP-ISSI on February, 1975.

On the average, the per capita training cost was approximately ₱3,500. Each participant paid ₱500. This amount, which represented the participant's equity in his training and development, was used to defray his live-in expenses during the Motivation Training phase of the course.

### 3. Promotions and Recruitment

The first step towards the conduct of the EDP was the promotions and recruitment process. Initial contacts with the training sites were usually made through the branch offices of the Development Bank of the Philippines and the local government. With the help of the DBP staff, the UP-ISSI communicated and met with the various government agencies and professional and trade organizations in the locality, such as the UP branches, the Department of Public Information, the DLGCD, the NEDA, the PROD, the MASICAP teams, the Jaycees, the Rotary, the Chambers of Commerce, among others.

These agencies and organizations helped in identifying target participants, i.e., potential beneficiaries of the DBP's countryside financing program and members of the trade and professional organizations. The local media announced the conduct of the training program in the respective areas by way of advertisements and press releases. Posters were placed in strategic places within the locality.

A basic and considered effective promotions and recruitment strategy was the holding of a symposium in each of the training sites. The staff of the three sponsoring agencies organized symposia introducing the EDP to the locality. These symposia were attended by the local business community and all other individuals interested in going into business. Brochures on the program were distributed during the symposium. Application forms for admission to the EDP were likewise given away.

Basically, the three to four-hour symposium had the following program of activities:

- Talks on the role of the Institute in the overall national development efforts, with emphasis on the EDP - by the UP-ISSI director and/or staff;
- Discussion of the DBP's financial assistance programs for small and medium industries - by the DBP representative;
- Presentation of NMYC's role in entrepreneurship development in the country - by the NMYC staff;
- Elaboration on the various government programs for economic development - by the local officials;
- Clarification on the administrative details of the program - by the EDP staff.

For the prospective applicants who were not able to attend the symposium, application forms were made accessible at the DBP branch offices and the local government.

Completed application forms were submitted either to the UP-ISSI staff immediately after the symposium or to the DBP and/or local government offices later.

Generally, the resources and facilities of the DBP branch offices were used in the promotions and recruitment stage of the program.

#### 4. Selection of Participants

Participation in the program was limited to a minimum of 15 and a maximum of 25 trainees per course.

To maximize the possibility that the prospective trainees who would undertake the training program were only those with entrepreneurial potentials, a selection process was adopted in the program.

Since the EDP was a relatively new program, it called for a continuous involvement of methodology in search for the most appropriate approach. Thus, two selection approaches -- both developed in collaboration with trained psychologists from Ateneo de Manila University and the University of the Philippines -- were adopted in the program.

##### 4.1 First approach

For the first four programs conducted in the cities of Butuan, Tacloban, Legazpi and Cebu, the following procedures comprised the selection scheme:

a. The applicants filled out application forms and questionnaires. The questionnaire was basically an instrument to gather economic information concerning the applicant.

b. The EDP staff analyzed and evaluated the completed application forms. In determining the acceptability of an applicant, the following considerations were taken into account:

(1) Type or kind of business enterprise he was or would be engaged in. Manufacturing venture was a priority;

(2) Credibility of his plans with regard to the project he proposed to establish;

- (3) Financial resources of the applicant;
- (4) Employment to be generated by his project;
- (5) Availability of raw materials within the locality where he had or planned to put up his project;
- (6) Availability of the applicant with regard to the schedule of the course.

c. Applicants who passed this initial selection process took a pre-arranged psychological test administered by a psychologist. The test instrument used was the Edwards Personal Preference Schedule (EPPS), which was aimed at measuring the applicant's achievement and endurance levels. The usual cut-off score was the 50th percentile.

d. Applicants who made it to the 50th percentile were then interviewed individually by the EDP staff. The purpose of the interview was to probe further into the applicant's motives and other characteristics in relation to his application for participation in the program.

It was also during the personal interview that the prospective participant received clarification on the details and other information about the program which were not clear to him before. Furthermore, the applicant's commitment to attend the program was finalized during the interview.

#### 4.2 Second approach

It was believed, however, that the first approach had been generally characterized by subjectivity and arbitrariness, thereby casting doubts on the validity of the selection result. Thus, a more intensive and scientific process was conceived and adopted in the selection of participants in the courses conducted in San Fernando, Davao, Cabanatuan, Tuguegarao, Iloilo, Lucena and Zamboanga. The following instruments were used:

a. Application Form-Questionnaire - administered to get the bio-data of the applicant as well as his general idea/plan for the enterprise he was putting up, the amount of his personal investment, and locality of enterprise. The applicant's character references were also included in the questionnaire.

b. Interview - the interview probed into the person's history, family background, motives for putting up a small business and other

entrepreneurial attempts and actions. The interview also aimed to obtain insights into the person's motivations for being an entrepreneur, as well as an idea of whether or not he has the entrepreneurial potential.

In connection with the above measures, the applicants were considered using the following factors as criteria:

- (1) Age
- (2) Relatedness of profession/occupation to business plan
- (3) Relatedness of work experience to business plan
- (4) Type of business plan
- (5) Capital requirement
- (6) Feasibility of business plan
- (7) Credibility
- (8) Concreteness
- (9) Definiteness
- (10) Determination

Points were assigned to each factor to facilitate scoring.

c. Psychological Tests and Measures - The major factors for determining whether or not the applicant had an entrepreneurial potential could be seen from his personality profile, which was obtained from psychological tests and measures.

On the basis of a review of literature on entrepreneurship, the traits considered necessary for entrepreneurial success were: risk-taking, organizational ability, innovativeness/boldness, perseverance and a certain IQ level. To tap these traits the following psychological tests and measures were used:

- (1) Purdue Non-Language Test (PNLT)
- (2) Raven's Standard Progressive Matrices (RSPM)
- (3) Choice Dilemma Questionnaire (CDQ)
- (4) Test of Self-Esteem
- (5) Enriquez's Multi-Dimensional Filipino Personality Scale ("Panukat ng Ugaling Pilipino" or PUP)

The first two tests were given to determine the person's IQ level. (It is hypothesized that a certain intelligence level is necessary for entrepreneurial work.)

The CDQ was a measure of risk-taking behavior, a trait considered to be very important for an entrepreneur. It is predicted that a moderate risk-taker will be a more successful entrepreneur than one who is a high risk-taker or a low risk-taker.

Dr. V. G. Enriquez's personality scale ("Panukat ng Ugaling Pilipino") measured the following personality characteristics: "matiyaga," "sariling pagpapasiya," "mausisa," and "walang hiya." These traits were considered on the basis of readings on the characteristics of a successful entrepreneur.

The Self-Esteem Measure was administered to gather data on how it might possibly relate to entrepreneurial success. It was therefore administered primarily for purposes of future research and was not considered in the current selection scheme.

The applicants underwent all the three phases: completing the application form-questionnaire, interview, and psychological tests and measures. The highest total number of points an applicant could receive was 60. The information from the application form and the interview was given 50% weight or 30 points. Risk-taking had a weight of 25%, personality - 16.6%, and IQ - 8.4%. From these weight assignments, the applicants were ranked and the first 25 applicants were admitted to participate in each course.

## 5. The Training Programme

### 5.1 The Course Content and Curriculum

The training program was a seven-week course composed of four distinct modules, namely:

#### a. Motivation Training

This module was aimed at providing the trainee with the proper psychological preparation with the view to developing the right attitude and behavior towards business undertakings.

b. Management Skills Training

This sought to provide the trainee with basic management and technical know-how to enable him to run his enterprise effectively and efficiently.

c. Feasibility Study and Project Preparation

This portion equipped the trainee with the fundamentals in actualizing his business idea.

d. Entrepreneurship in the Philippine Setting

This was meant to make the trainee understand the environment where he operates so he can relate the developments in his environment with his business.

5.2 Methodology of Training

The training method was a combination of:

- a. group dynamics
- b. lecture-discussions
- c. case studies
- d. actual preparation of project assignments
- e. workshop exercises

Except for the Motivation Training module, which was a three-day live-in program, the lecture sessions (two hours/session) were conducted daily from Monday to Saturday. The class schedule was as follows:

5:15 - 7:15 p.m. - Session

7:15 - 7:30 p.m. - Break

7:30 - 9:30 p.m. - Session

5.3 Variations in the Course Design

The EDP course was designed in a way that allowed for flexibility. The content and methodology were modified from time to time for adjustment to extraneous factors and conditions concerning the participants and the training locale.

Among the most salient modifications introduced were:

- a. The use of the Entrepreneurial Motivation Training (EMT) as an alternative approach to the psychological training of EDP trainees

This approach was used in the San Fernando, Cabanatuan, Tuguegarao, Lucena and Zamboanga programs.

This was undertaken in the light of two considerations, namely: the lack of validity of AMT and the lack of validity of McClelland's Measures, as applied to Philippine setting.

EMT utilized the group method, which consisted of group processes for uncovering the personal characteristics of the trainees and making them aware of these traits. The same method made them aware of how to properly utilize these characteristics or potentials in entrepreneurial activities. The basic techniques used were: simulation-feedback method, t-group, and group exercises.

Like the AMT, the EMT was also a three-day live-in seminar.

b. The change of methodology for the Feasibility Study and Project Preparation Module

The original design of this training module required the participants (in groups) to actually prepare project feasibility studies within one week's time. These project studies were later presented and evaluated in the class.

Because of time limitations and the scarcity of the needed project data in the regions where the training was being held, the methodology was changed. In the latter programs (starting from the Legazpi program), the trainees, also in groups, were given completed project studies for analysis. The groups' analyses were then presented in class with the presence of a panel of evaluators and moderators consisting of UP-ISSI staff members and resource persons from private industry and other government agencies.

c. Inclusion of an Integration Session in the course programme

This session served as a "catch-all," i.e., the topics discussed were usually subjects which were of interest to the trainees but were not included in the programme. Among the subjects discussed upon request of the participants were: the national policies affecting small industries, exporting procedures, and Islamic culture and economic development.

d. Inclusion of a forum with the members of the Commission on Small and Medium Enterprises (CSME) as resource persons

Towards the end of every course (starting from the Legazpi program), the participants had a dialogue with the CSMI members, headed by Undersecretary of Industry Concordio C. Diel. The agencies represented were: Department of Industry, UP-ISSI, Development Academy of the Philippines (DAP), Bureau of Domestic Trade (BDT), NMYC, Food Terminal, Inc. (FTI), DBP, Philippine International Trading Corporation (PITC), Design Center, Philippines, NEDA/CB Industrial Guarantee and Loan Fund (IGLF), National Cottage Industries Development Authority (NACIDA), and Department of Local Governments and Community Development (DLGCD).

e. The decrease in the number of lecture sessions

Starting from the Legazpi program, the course had 41 lecture sessions, while the two earlier programs had 49. This was made possible by grouping together overlapping and/or related subjects into major topics.

f. The variability of the number of sessions held daily

Depending on the nature of the topic discussed, two sessions or just one session was scheduled daily. This applied to the Legazpi program and all the subsequent EDP's.

#### 5.4 The Trainer's Course for Entrepreneurship Development

Studies so far have indicated that socio-cultural traditions, values, and beliefs have relevance to the development of entrepreneurship. In cognizance of this, a special training program for stimulating entrepreneurship in the Muslim areas was conducted. The program had the following objectives:

a. To train and develop a core of entrepreneurship trainers for prospective Filipino Muslim entrepreneurs.

b. To create and organize an entrepreneurship development delivery system to enhance understanding and acceptance of modern entrepreneurial activities in the Muslim areas of the Philippines.

c. To transfer the accumulated knowledge and expertise of the UP-ISSI via the above delivery system to the Mindanao State University and Philippine Amanah Bank to enable these institutions to pursue vigorously the development and promotion of small and medium industries in their areas of responsibility.

The course was composed of seven parts, namely:

a. Introduction to Entrepreneurship

This was a review of the major concepts and theories about entrepreneurship in general. It also surveyed Filipino social institutions and cultural values relevant to the development of entrepreneurial supply with special emphasis on Muslim socio-cultural institutions and values.

b. Achievement Motivation Training

This introduced the trainee to the concepts of achievement motivation.

c. Management Skills Training

It provided the participants with the basic management skills necessary to manage an enterprise.

d. Industry Profile and Plant Visits

This portion was intended to familiarize the trainees with some industry groups. Plant visits were conducted to reinforce the class discussions on each industry profile.

e. Techniques of Instruction

This part covered the teaching of instructional and training techniques. It was aimed at enabling the participants to acquire teaching skills.

f. Workshop Demonstration

Each trainee was required to present a subject/topic in class to demonstrate the knowledge and the skills acquired from the course.

Every part of the course was made up of lecture sessions, plant visits, demonstrations, workshops and practical exercises. Each session or class meeting was for two hours. The daily schedule was made up of three sessions. The entire training period had a duration of 26 working days excluding training activities which were undertaken on the participants' own time. The entire training period was approximately one and one-half months.

### 5.5 Certificate of Completion

Upon completion of the EDP course, each trainee was awarded a Certificate of Completion by the University at appropriate closing ceremonies.

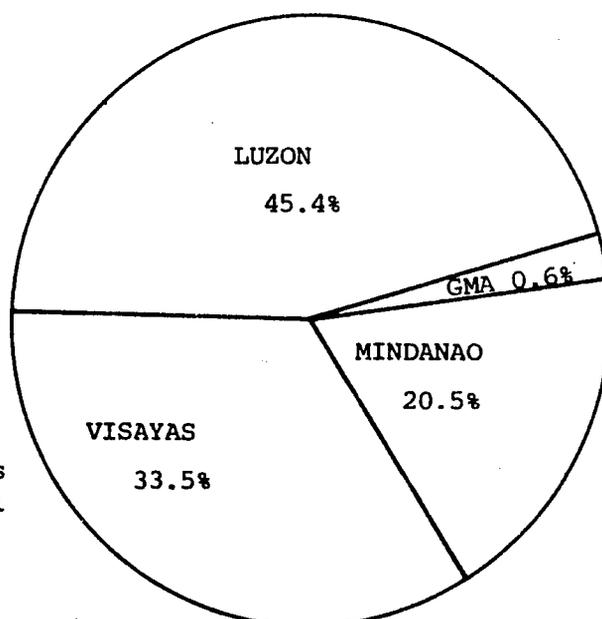
### 6. Some Economic Aspects of the Program

#### 6.1 Industry Dispersal

The information gathered from the questionnaire used in the selection process regarding the applicants' projects showed that the trainees were engaged in different industries. The following table shows the dispersion of these industries throughout the various areas in the country.

<u>Province/City</u>	<u>No. of Industries</u>	<u>%</u>
Greater Manila	1	0.6
Antique	1	0.6
Baguio	1	0.6
Quezon	14	7.9
Zamboanga	7	4.0
La Union	21	11.9
Davao	13	7.4
Cebu	24	13.6
Masbate	1	0.6
Albay	17	9.6
Palawan	1	0.6
Panay	1	0.6
Leyte	14	7.9
Agusan del Norte	16	9.1
Bacolod	1	0.6
Nueva Ecija	14	7.9
Tuguegarao	11	6.3
Iloilo	18	10.2
Total	176	100.0

EDP Trainees' Projects  
Geographical Dispersal  
FY 1974-1975



## 6.2 Support Programs for EDP

As an integrated program for developing entrepreneurship, the EDP, as mentioned earlier in this report, was made up of several components, one of which was the post-training assistance program made available to the trainees.

With the initiative and leadership of the Commission on Small and Medium Industries, various support programs were provided to promote and develop the trainees' entrepreneurial ventures.

The DBP and the IGLF were the principal sources of financial assistance. Similarly, several development and commercial banks were engaged in small and medium industries financing.

Technical assistance was provided primarily by the DAP, NACIDA, NMYC, UP-ISSI and Department of Industry-MASICAP program.

The Bureau of Domestic Trade, Design Center, Philippines, FTI, NACIDA and PITC provided marketing assistance.

Furthermore, periodic consultations and monitoring of projects were being undertaken by the staff of the program's sponsoring agencies.

Appendix 2  
FINDINGS AND RECOMMENDATIONS

The EDP experience has revealed a number of critical areas which need to be considered to continually improve the program.

1. Organization and Administration

1.1 There is a necessity for the assignment of a full-time coordinator who shall stay in the training venue for the duration of the course. To insure the efficient conduct of each course, someone should attend to the multifarious administrative details of the program while it is being conducted in a specific locality. Physical arrangements, checking of participants, coordinating work between the area of training and the UP-ISSI, distribution of training materials and introduction of lecturers are just some of the responsibilities of a training coordinator which aptly justify his presence in the training area.

1.2 A briefing session is necessary before the start of the course. A majority of the participants felt that a short meeting with the members of the coordinating staff for final clarifications of various details of the program would be very beneficial.

1.3 The sponsoring agencies' commitment regarding their respective areas of responsibility should be strengthened. As stated in the program's memorandum of agreement, UP-ISSI, NMYC and DBP's primary areas of responsibility are the administration, the funding, and the promotion of the program, respectively. A stronger commitment to these areas of responsibility and closer coordination among these agencies shall redound to the operational efficiency and effectiveness of the EDP.

1.4 The administrative policies involved in the implementation of the program need to be reviewed. In general these policies, especially on fiscal matters, are a hindrance to the efficient functioning of the program. Policies on honoraria, on travel, on supplies, etc., in no way serve as incentives to the people involved in the program. Often, these people have had to make personal and financial sacrifices for the program. Consequently, it had not been too easy to secure the cooperation and support of the people necessary for the effective and efficient administration of the program.

## 2. Promotions and Recruitment

2.1 The time allotted for promotions and recruitment activities should be lengthened to ensure a well-prepared and exhaustive campaign.

2.2 The mass media should be used more extensively for wider dissemination of information about the program.

2.3 The DBP, under whose responsibility the promotion and recruitment functions fall, should develop an administrative system to ensure a more involved participation in the program which, hopefully, will result in a more effective recruitment campaign.

2.4 Statements which imply or state that simply by taking up EDP, the participants' loan application will be given priority by the JGLF or the DBP should be de-emphasized.

Such expectations have caused much disappointment among the EDP graduates when, because of their project inadequacies, their loan applications were not approved by the financing institutions.

## 3. Selection of Participants

As often emphasized, the EDP selection process, like the program itself, is a new area of interest in the country. Thus, research should be undertaken to evaluate the validity of the present system with the view to finding the most appropriate selection scheme and institutionalizing it for general application.

## 4. The Training Program

Immediately after completion of each course, feedback on the training program was gathered from the graduate-trainees through the course evaluation form which was completed by each of them.

Basically, the course evaluation form asks each graduate-trainee to comment and give recommendations on six major areas of the EDP course, namely:

a. The course in general - its strength and weaknesses; the parts which are most useful and of no use; and other subjects or discussions which the graduate thinks should be added to or deleted from the course.

b. Training materials - the adequacy and usefulness of the handouts, books, exercises and cases provided to the graduates during the conduct of the course.

c. Training facilities and program staff - the classroom facilities, ventilation, acoustics; the performance of the EDP organic staff in terms of service; and the canteen service.

d. The applicability of skills and knowledge gained to the graduate-trainees' present and future business activities.

e. Whether the EDP is recommendable to others.

f. Other observations not covered by the questionnaire.

Although the evaluation sheets were distributed to each graduate-trainee, not everyone completed the forms. Of the 207 participants in the 11 courses (excluding Trainer's Course), only 113 or 54% filled out and submitted the forms.

The following table shows the number of returned evaluation forms by region.

<u>Region</u>	<u>Venue</u>	<u>No. of Graduates</u>	<u>No. of Evaluation Sheets Returned</u>	<u>%</u>
I	San Fernando, La Union	15	8	52
II	Tuguegarao, Cagayan	18	8	44
III	Cabanatuan	25	19	76
IV	Lucena	17	4	24
V	Legazpi	14	4	29
VI	Iloilo	27	14	52
VII	Cebu	19	15	79
VIII	Tacloban	24	21	87
IX	Zamboanga	20	6	30
X	Butuan	18	11	61
XI	Davao	<u>10</u>	<u>3</u>	30
	Total	207	113	Average = 54%

Notwithstanding the less than 100% return of accomplished evaluation forms, the information gathered from those who replied is significant.

#### 4.1 The Course in General

##### a. Weakness of the course

A significant number of participants commented that there was not enough time to discuss extensively each topic presented in the entire course.

This was considered as the principal weakness of the course. This accounts for 36.3% of the total respondents. Some 32 participants or 28.3% did not mention any weakness or gave no comment. Some participants observed that some lecturers were ineffective, highly technical and theoretical.

With regard to the administration of the course, some participants commented that the materials, exercises and cases evaluated were inadequate; handouts were distributed late and some were poorly mimeographed.

b. Strengths of the course

The participants commented that the lecturers' expertise contributed the most to the strength of the course; this accounted for 28.3% of the total respondents. The motivation training helped the participants to gain more self-confidence and to become more achievement oriented. Others mentioned that the case evaluation and project feasibility preparation properly equipped them with the knowledge necessary in preparing their actual project studies. Some participants stated that most of the management sessions were comprehensive and the course was well-balanced. They were also given the opportunity for group organization, gaining better and new insights regarding entrepreneurship.

c. Most useful parts of the course

All parts of the course were considered useful by a majority of the respondents. Others considered the following as among the more useful portions of the course:

- (1) Case Evaluation and Project Feasibility Study Preparation;
- (2) Motivation Training;
- (3) General Management Sessions;
- (4) Marketing Management Sessions;
- (5) Financial Management Sessions;
- (6) Production Management Sessions.

The sessions on How I Started My Business and What It Takes to Start a Business by successful guest lecturers/entrepreneurs were, to some participants, equally useful. To hear their stories/case histories provided enough motivation.

The forum with CSMI members was also considered very important by the participants.

Among the subjects recommended by the participants to be added in the course, a lecture/discussion on taxation was considered most necessary. Other relevant subject matters suggested were sessions on industry potentials on regional levels and the preparation and presentation of actual project studies. Some mentioned that more sessions on the following should be added: (1) Cost Accounting, (2) How I Started My Business (by successful entrepreneurs) (3) Budgeting and Finance, (4) Case Evaluation, (5) IGLF Financing, and (6) Group Dynamics.

Several participants also suggested the inclusion of the following topics in the course: (1) Laws and Presidential Decrees Affecting Small Business, (2) Export Procedures, (3) Business Psychology and Business Ethics, (4) Salesmanship, (5) Warehousing, (6) Agri-business, (7) On-the-job Training, (8) How to Start an Enterprise, (9) Low-Cost Automation, and (10) Current Events Affecting Business.

#### d. Training Materials

The training materials or handouts distributed to the participants were considered adequate by 76 of the total number of participants or 68.1% of the total number of respondents. Moreover, several stated that they were more than adequate. Very few said that they were inadequate. To the majority of the total number of respondents, the training materials were very useful. Forty-five (45) respondents commented they were useful enough.

The participants, however, recommended that they should be provided with copies of visual aids presented. They also suggested that more examples of project studies should be distributed. Some mentioned that handouts on governmental guidelines and policies and a list of exportable items should be included as handouts, while others mentioned industry profiles and economic surveys.

#### e. Training Facilities/Staff

The participants generally found the classroom accommodations very satisfactory. Less than one half, however, rated them "good enough" and others rated them "fair."

A majority of the respondents observed that the EDP staff service was very good and only a few said that it was merely good enough.

#### f. Applicability

The participants were almost unanimous in stating that the new skills and knowledge gained would be applicable to their present and future jobs. They were likewise altogether positive in recommending the course to others.

Other observations mentioned were the tardiness of participants in attending sessions and that some lecturers were not prepared.

Among the recommendations given, the following are the most noteworthy:

(1) The open forum with the CSMI members was considered a very interesting and useful part of the course. However, the participants observed that the time allotted for this was rather short. A longer period for the forum, therefore, is recommended:

(2) To provide post-course assistance and follow-up.

(3) To give more exercises and group work.

(4) To schedule and include plant visits.

(5) To impose discipline by requesting that participants come on time and refrain from smoking.

(6) To serve dinner and consequently increase fees to defray additional cost.

(7) To include more panel discussions.

(8) To allow more time for project evaluation.

#### 4.2 The Motivation Training

##### a. Venue of Training

The two behavioral approaches to motivational training for Filipino entrepreneurs have confided the importance of the live-in nature of the training. In connection with this consideration, two things should be taken into account. First, the place should be far away from the homes and offices of the participants so as to prevent them from going home during their free time and also minimize obstructions from their daily work. Second, since the program is composed of intensive sessions, it requires active participation;

hence, it must be conducted under optimal physical conditions of comfort and privacy. Adequacy of physical facilities - both accommodations and classroom facilities - must be a major consideration in selecting future training sites.

b. Attendance

Both participants and observers in the training must be present from the start of the seminar up to the end. They should also be punctual. The motivation training program is composed of associative links with each aspect having a very significant relationship to the next session. It is necessary, therefore, for the participant to attend all the sessions to benefit maximally from the program.

Observers, on the other hand, are requested to attend the session from the start so they are not viewed as threatening or obstructing variables by the participants. Participants should not be allowed to leave the site of training and they should not be allowed to have some other person stand in for them in any session.

c. Size of Group

The number of participants should be kept small, ideally less than 20. With this manageable number, more attention can be given to each participant and more participation from individual members of the group is possible.

d. Length of Training

The limited time for the program resulted in various consequences. Firstly, discussions among participants and/or with trainers, which could help in internalizing the concepts learned and increase the amount of personal insights, are very minimal. Secondly, the period for individual counselling of participants, which is potentially very valuable for self-insight, has been sacrificed. The participants have expressed their desire to talk with the staff about personal matters which presented, in one way or another, a block in the progress of the ventures they were working on. Thirdly, a relaxed time schedule (8:00 a.m. to 5:00 p.m.) is recommended to avoid fatigue and boredom among the participants and trainers alike. Moreover, for sheer lack of time, some of the latter exercises could not be processed thoroughly and fed back. The free time could be constructively used by the participants in socializing or supporting interpersonally their entrepreneurial plans and activities.

e. Coordination/Administration

The participants should be informed and briefed about administrative policies before or at the start of the seminar so as to avoid distraction of the participants and trainers while the training is going on. Hence, an EDP coordinator should be present during the whole duration of the training to constantly implement the program's rules and regulations.

f. Evaluation and Follow-Up

Results have indicated the urgent necessity for an evaluation program that will measure the impact of the motivation training on the participants.

An experimental procedure should be employed wherein the EDP participants will be divided into an experimental group (those who would undergo the motivation training) and a control group (those who would not go through with the motivation training).

Experience also indicates a need to continually develop a motivational training with the appropriate training materials and conceptual content that is suitable to the Filipino entrepreneur.

5. The Post-Training Assistance Program

The follow-up of the program is a much-needed phase. The support given by the members of CSMI after the training is considered indispensable to the graduate-trainees.

Among others, financial assistance has been found to be the most needed by the graduate-trainees. In view of this, the DBP's commitment to the program in terms of financial support should be strengthened. As provided for in the program's memorandum of agreement, the DBP shall give preferential treatment in granting loans to viable projects submitted by the EDP participants. Towards this end, a system of an administrative mechanism should be devised. In short, to make this commitment more meaningful and realistic, it should be institutionalized.

The periodic consultations and monitoring of the projects of the participants should be an integral part of the program.

## CONCLUSION

### Economic Significance of the Program

The program is no doubt still in its infant stage; thus, to evaluate it requires a considerable amount of time. One indication, however, of the impact of the program is the entrepreneurial performance of the trainees.

In an attempt to examine the actual establishment of their enterprises -- asking how, from what sources, and by what means the graduate-trainees attained control of the "factors of production" and combined them to bring their projects into existence -- a survey was conducted by the UP-ISSI. The survey, however, was not conceived as a conclusive study of the effect of the program, for only a limited amount of information was obtained from it. Nevertheless, some indicators or patterns emerge which, particularly in the light of what has gone before, appear to be meaningful.

The survey was conducted through mailing of questionnaires. Basically, the questionnaire sought information on the specific projects that the graduates planned to embark on after completing the EDP course, the status of their projects, the problems they are presently encountering, and the types of assistance they need.

Since most of the EDP courses had been completed just recently, the survey was limited to the graduates of the five (5) least recent courses, namely:

Table I  
EDP Course Graduates Surveyed

<u>Venue</u>	<u>Completion Date</u>	<u>No. of Graduates</u>
San Fernando, La Union	May 30, 1975	15
Cebu City	May 10, 1975	19
Legazpi City	March 1, 1975	14
Tacloban City	October 18, 1974	24
Butuan City	July 20, 1974	<u>15</u>
	Total	87

A total of eighty-seven (87) questionnaires were sent and forty (40) or 45% were completed and returned.

An analysis of the feedback information gathered from the survey indicates the positive effects of the EDP. Among others, the most significant findings are:

1. Increase in the number of operating entrepreneurs

There has been a 15.4% increase in the number of operating entrepreneurs. Before the courses started, the respondent group consisted of 14 prospective entrepreneurs and 26 operating ones. As of September 1, 1975, the number of prospective entrepreneurs decreased to 10 and the number of those operating increased to 30. See table below.

Table II  
Composition of Respondent Group  
Before and After the Conduct of EDP Course

	<u>Prospective Entrepreneurs</u>	<u>Operating Entrepreneurs</u>	<u>Total</u>
Before	14	26	40
After	10	30	40
Percentage increase/ decrease	(28.5%)	14.4%	

2. Increase in the number of businesses which are operational

Before the conduct of the EDP courses, the group were operating a total of thirty-two (32) businesses. As of September 1, 1975, this number has increased to fifty-three (53), including those established by the four new entrepreneurs - an increase of twenty-one (21) businesses or 65%.

**Table III**  
**Business Being Operated by Respondents**  
**Before and After the Conduct of EDP Courses**

<u>Type</u>	<u>Before</u>	<u>After</u>	<u>% Increase</u>
Agro-industrial*	4	12	200
Marketing/Trading	11	11	-
Service	11	15	36
Manufacturing	6	14	133
Real Estate Development/ Housing	<u>-</u>	<u>1</u>	100
	32	53	Average = 65.6%

\* Agro-industrial businesses include farming, tree-planting, fish culture, deep-sea fishing, and other related ventures.

Aside from operating an increased number of businesses, the respondents are also in the process of actualizing a total of thirty (30) projects. These projects are now in various stages, as seen in Table IV below.

**Table IV**  
**Various Projects Being**  
**Proposed by the Respondents**

<u>Type</u>	<u>Status*</u>			<u>Total</u>
	<u>I</u>	<u>II</u>	<u>III</u>	
Agro-industrial	5	2	1	8
Marketing/Trading	2	-	-	2
Service	5	1	-	6
Manufacturing	8	2	2	12
Real Estate/Housing	<u>1</u>	<u>1</u>	<u>-</u>	<u>2</u>
Total	21	6	3	30

- \* I - Preparation of project feasibility study
- II - Project feasibility study submitted to financial institutions for funding
- III - Negotiations for the acquisition of land and/or machineries and equipment

### 3. Problems being encountered by respondents

While significant changes have been noted since the respondents graduated from the EDP courses, a number of the respondents are hindered by various constraints in the pursuit of their business goals. The most common of these problems, which is being encountered by 25% of the respondents, is the lack of collateral, which causes the disapproval of their loans. The next table shows the different problems being encountered by the respondents.

Table V  
Problems/Constraints of Respondents

<u>Types</u>	<u>Frequency</u>	<u>%</u>
Lack of collateral	10	25.0
Organizational	5	12.5
Marketing finished products	5	12.5
Lack of technical know-how	5	12.5
Data gathering for project feasibility study	4	10.0
Lack of equity	3	7.5
Product design	2	5.0
Acquisition of space for project site	2	5.0
Acquisition of machineries and equipment	2	5.0
Lack of skilled labor in the area	2	5.0
Power shortage in the area	2	5.0
No problem	9	22.5

It might be necessary to reiterate at this point that the results of the survey should not be regarded as conclusive. Indeed, significant changes have been observed - changes that have occurred since the respondents graduated from the course. However, nothing yet can be safely concluded, not only because these changes may be attributed to so many factors or variables, but also because the survey itself has its own limitations. For one, the observed change in the number of businesses operated by the respondents before and after the conduct of the EDP courses is no more accurate than what the respondents stated in their application forms and the follow-up questionnaires. Secondly, the number of respondents does not necessarily constitute an unbiased sample. It is possible that those who did not mail back the questionnaires were inactive as far as pursuing their business goals is concerned. And thirdly, the sample

size is very small, so much so that observations from this sample may not be truly representative of the entire number of graduate-trainees.

Although the initial information gathered indicates that the program is achieving its objectives and therefore justifies its continuity, a scientific and exhaustive study to assess its economic impact is necessary.