



**HOLY CROSS COLLEGE OF CALINAN, INC.  
DAVAO-BUKIDNON HIGHWAY, CALINAN POBLACION, DAVAO CITY**

**EXAMINING THE FACTORS AFFECTING THE BUSINESS  
PERFORMANCE OF SOLE PROPRIETORS IN CALINAN  
POBLACION**

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**May, 2024**

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A Research Paper  
Presented to the Basic Education Department  
of the Holy Cross College of Calinan, Inc.

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In Partial Fulfillment of the Requirements  
in Practical Research 1 and 2

By:

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## **APPROVAL SHEET**

In partial fulfillment of the requirements in Practical Research 1 and Practical Research 2, this study entitled **EXAMINING THE FACTORS AFFECTING THE BUSINESS PERFORMANCE OF SOLE PROPRIETORS IN CALINAN POBLACION**, prepared and submitted by **Leah Jasmin Silagan, Leah Lyn Hogaya, Aisha Lyn San Mateo, Gladys Mahumot, Ralph Alforque, Yasser Jammang, and Lorence Angelo Lopez** is hereby recommended for oral examination, approval and acceptance.

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## **PANEL OF EXAMINERS**

Approved by the panel of examiners, after the presentation of the study with the grade of **PASSED**.

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Date of Oral Examination: March 6, 2024.

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## ABSTRACT

This study is quantitative in nature, focusing on examining the factors that influence the business performance of sole proprietors in Calinan Poblacion, Market Area. This study was conducted in a descriptive and correlational manner, to describe and analyze the demographic profile of the respondents as well as the financial statements and performance of each business type with the use of frequency and percentage distribution. Furthermore, a correlational approach was used to identify whether there is a relationship between the sole proprietors and factors that are affecting business performance. Convenience sampling method was utilized, where 74 respondents participated. Based on the data collected, the factors affecting the business performance of sole proprietors in Calinan Poblacion and their business performance is high, which indicates that their business is performing well. The results of the regression analysis revealed a strong and direct relationship between the factors affecting the business and the business performance of sole proprietors. Furthermore, the factors that greatly affect the business performance the most are the entrepreneurial skills and management practices.

***Keywords: Business Performance, Financial Resources, Local Market, Competition, Entrepreneurial Skills, Management Practices***

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## **Chapter 1**

### **INTRODUCTION**

#### **Background of the Study**

The business performance of a sole proprietorship is the most ignored area of research (Sankar, 2019a). According to Salamah (2023a), company performance is very important in business world, and it is influenced by various factors such as strategy, human resource management, financial management, and business environment. Many individuals start businesses but face failure due to the inability to meet demand. Entrepreneurs should assess factors affecting business performance to identify strengths and weaknesses. A sole proprietorship is defined as an individual's sole ownership and management of an unincorporated business (Lip, 2023a). Sole proprietorship is the most prevalent and most accessible form of entrepreneurship to the general public. The commercial performances of such lone proprietors are influenced by a variety of circumstances, which differ from one business to the next and from one region to the next (Sankar, 2019).

On a global scale, statistics indicate that in the United States, there was a 2.6% increase in sole proprietorships across industries such as retail, construction, real estate, professional services, arts, technology, and science, as well as finance. However, the data shows that the most profitable industry for sole proprietors is the professional, scientific, and technical services field, which generated an overall profit of \$85 billion USD (Weltman, 2021a). According to Weltman (2020b), profits increased 0.8% year on year to \$348.5 billion in 2017. However, total earnings as a percentage of revenue were 21.9%, a modest decrease from 22.6% in 2017. Furthermore, in Malaysia, fostering small and

medium-sized enterprises (SMEs) has been accorded great importance, thus this has served as the foundation for economic expansion stated by Aman, Tahir, Majid, Aziz, and Rahmiati, (2011).

In the Philippines, the latest report published by the Philippine Statistics Authority in 2019 determined that there are approximately 1,000,506 micro, small, and medium business enterprises operating in the country, indicating market saturation and extreme competitiveness in most industries (Philippine Commission on Women, 2023). To outperform the competitors, sole proprietors must possess determination, and leadership skills, and make effective business decisions that are founded on competence and experience in the respective fields. MSMEs contributed a critical role in the development of the Philippine economy. They contribute to the reduction of poverty by creating jobs for the country's growing labor force. They animate financial improvement in-country and distant. They function as essential collaborators to large projects as providers and suppliers of assistance administrations.

Although no specific number of businesses and sole proprietorships were indicated in the 2020 census conducted in Calinan Poblacion, it was found that the total population amounts to 24,218. This shows that there is a potential market for sole proprietors in the area, and business prospects can be viewed in an optimistic perception. Despite the importance of sole proprietorships in the local economy. There is a significant study gap in Calinan Poblacion, Market Area that completely studies the multiple aspects influencing business performance. While there has been research on entrepreneurship and business performance, few have looked specifically at the obstacles faced by lone proprietors in this area. This study aimed to fill this gap by conducting a thorough examination of the

intertwined relationship between access to financial resources, local market conditions and competition, and entrepreneurial skills and management practices, ultimately contributing to the development of targeted strategies that can improve the success of sole proprietorships in Calinan Polacion, Market Area.

### **Statement of the Problem**

This study was conducted to find out if there is a significant relationship between the business performance of a sole proprietorship and the factors affecting it and to find out which of the factors affects the business performance of the business the most. Specifically, it seeks to answer the following questions:

1. What is the demographic profile of sole proprietors in terms of size of business?
2. What is the level of business performance of sole proprietors?
3. What is the level of influence of the following factors to the business performance of the sole proprietors?
  - 3.1 access to financial resources
  - 3.2 local market conditions and competition
  - 3.3 entrepreneurial skills and management practices
4. Is there a significant relationship between access to financial resources, local market conditions and competition, entrepreneurial skills and management practices and business performance of sole proprietors?
5. Which of the factors greatly affect the business performance of sole proprietors?

## **Hypotheses**

**H<sub>0</sub>:** There is no significant relationship between the access to the financial resources, local market condition and competition, entrepreneurial skills and management practice, and the business performance of sole proprietors.

**H<sub>a</sub>:** There is a significant relationship between the access to the financial resources, local market condition and competition, entrepreneurial skills and management practice, and the business performance of sole proprietors.

## **Review of Related Literature**

Determining the factors affecting the business performance of sole proprietorships requires sufficient evidence and studies to prove that it affects the business performance of sole proprietors.

### **Size of Business**

The study in Indonesia includes a sample of 352 small and medium-sized firms in Pekanbaru, consisting of 19 medium-sized enterprises and 333 small enterprises from a total population of 2887 small and medium-sized enterprises (Purwati, Budiyanto, Suhermin, & Hamzah, 2021). Additionally, the investigation conducted by Kamunge et al. (2014) investigated the factors influencing the performance of small and micro enterprises (SMEs) vendors in Limuru town market in Kiambu County, Kenya. It is descriptive in character, with a qualitative and quantitative design. The study's target group consisted of 965 licensed SMEs operating in the Limuru Market in 2014. The data for the study was gathered from a sample of 274 SMEs using a questionnaire.

On the other hand, a research was done in South Africa to investigate the extent to

which SMEs face certain obstacles or issues that have a detrimental impact on their company success. The questionnaire was created, and judgment sampling was utilized to collect responses from 81 SMEs (Cant & Wiid, 2013). Another study conducted by Lisjanto (2018), seeks to investigate further whether there are any variations in bookkeeping between sole proprietorship and partnership SMEs, given that both are non-legal entities and the majority of SMEs are in the latter. It was descriptive in nature and used quantitative approaches, which were conducted through questionnaires. The population is culinary SMEs in Greenville, Jakarta, with a total sample of 44 respondents (21 sole proprietorships and 23 partnership SMEs) selected using purposive sampling.

### **Business Performance**

Business performance holds great significance in the commercial realm. Numerous factors, including strategy, financial management, human resource management, and the business environment, contribute an impact on how well a company performs (Salamah, 2023). A business reaches a high level of performance when it generates a high level of profitability concerning its capital, finances, and other resources. Customer satisfaction has a beneficial impact on good word-of-mouth, purchase intention, and client retention. Similarly, customer happiness is a powerful indicator of future business performance, including market share, net operating cash flows, and annual sales growth (Zakari & Ibrahim, 2021).

In positive cash flow, if the proprietor wants to stay in business, the owner needs to maintain positive cash flow, which is the situation where it makes more money than it spends. The company can pay its debts on time and cover unforeseen expenses if the owner has good cash flow. Typically, cash flow is monitored throughout a set reporting period,

which could be one month, one quarter, or one year (McLeod, 2023). According to Mungal (2014), if the cash inflow exceeds the cash outflow, the firm has positive cash flow. A positive cash flow implies that the company has some cash monitoring measures in place, but it does not necessarily imply that effective cash management practices have been implemented. If the cash outflow exceeds the cash inflow, the firm has negative cash flow. This might be due to defective or expired goods, as well as insufficient collection of debtor payments. The key goal is to control the cash input and outflow so that the firm has enough cash not just for day-to-day operations but also to meet unexpected costs.

According to Contreras (2023), financial stability is more than just a goal; it is a must, recognizing the signals of financial difficulty and taking early efforts to achieve stability, can put the business on track for long-term success. One of the most important effective performance measures is an enterprise's financial stability, or its independence from borrowed capital. In this regard, financial stability serves as the foundation for the organization's market stability and continued competitiveness. This indicator aggregates and systematizes information on the state of the company's financial resources, preserving the possibility of financial maneuvers and ensuring the continuation of present operations (Lurieva & Dolzhenkova, 2021). contends that factors that adversely affect financial stability include unsustainable high profit margins, inexperience, poor customer service, economic downturns, and a lack of cooperation among financial officers. These factors can also have a significant impact on SMEs' financial reporting and stability, which is typically determined by their financial performance. Therefore, SMEs can improve their financial performance and stability with strong leadership and qualified financial officers (Mbatha & Ngibe, 2017).



Small companies frequently encourage customers to purchase locally, and it appears that this strategy is getting through. Nearly half of Americans visit small businesses two or four times a week, and 91 percent do it at least once a week, according to research from the nonprofit organization SCORE. Local companies should also make a contribution to the development of communities and help in the creation of jobs as a result of these customers' purchases. When small firms engage in business-to-business (B2B) transactions within their local community, they can set an example for other businesses in the neighborhood (Post, 2024). According to Lesonsky (2019), more than eight in ten consumers (82 percent) now shop at local companies, and 48 percent want to do so even more frequently in the next year (less than 1% intend to utilize local companies less frequently). In reality, customers patronize local businesses more frequently than national chains. Local firms accounted for 56% of overall business use during the previous year, compared to 44% for national chains.

According to GoCardless (2022), Setting financial goals is an essential part of any strategy for a small business. These objectives provide as a guide to assist retain your company growing, regardless of whether you concentrate on monetary benchmarks or the actual acquisition of real estate. Businesses can make necessary adjustments to their effective strategy and make sure they're following it by defining targets for revenue, cash flow, and other financial measures. Over time, customer satisfaction tends to become a crucial component in determining client retention. The following aspects of customer service, such as convenience, customer care, transaction techniques and systems, pricing, products, and services, are typically targeted or sought after to achieve customer satisfaction. Furthermore, customer happiness is directly correlated with customer service

variables, making them an intervening variable for improving organizational performance. To improve organizational performance, small and medium-sized businesses in Nigeria are currently competing by offering as many client services as is practically feasible in order to increase customer satisfaction (KPMG, 2018).

According to Susanti, Sufiyati, and Susanto (2022), profitability is an important factor to consider in measuring a firm's business performance since it would be impossible to sustain the growth of a firm if it does not have profits to be used for reinvestment. An increase in profitability indicates that the performance of the business also increases. Businesses must comprehend and put into practice efficient marketing techniques in order to connect with and engage their target market, build brand awareness, and meet their financial and marketing objectives. For customers to be able to make wise judgments, businesses must give them clear and simple information about their goods and services. Excellent marketing techniques are an essential component of progressive growth for tiny businesses. Due to their inability to put effective marketing strategies into place, quite a few of small firms have failed (Rebecca & Maharani, 2018).

### **Access to Financial Resources**

A lack of financial resources might jeopardize business performance. According to White (2016), although small businesses have minimal assets, lenders frequently insist that the owners personally guarantee loans to their businesses. As a result, when small businesses collapse, they frequently file both corporate bankruptcy and personal bankruptcy. Thus, both personal and corporate bankruptcy procedures are critical for small firms.

A sole proprietorship is a type of business structure wherein the proprietor is the sole owner and operator of a business or enterprise. In this business structure, there is no legal separation between the owner and the business itself. The proprietor or owner has access to full control in all aspects of the business but is also deemed personally and lawfully responsible for all of the transactions, obligations, and contracts entered by the business such as its debts, loans, and any financial losses that may unfold. A sole proprietorship is considered to be a significant, the most common, and convenient as well as accessible structure of business for aspiring entrepreneurs. The business performance of a sole proprietorship is the most ignored area of research (Sankar, 2019c). Most entrepreneurs begin their businesses and enterprises through sole proprietorship as this is attributed to the fact that this form of business structure is generally managed by a single individual, thus, it is easier for an owner to oversee, monitor, regulate, and run their businesses as they see fit. Additionally, it also presents numerous advantages for new entrepreneurs, making it easier for individuals with no expertise in the field to enter the market and their business's respective industries.

Balaaji and Priyadharshany (2018) expound on the concept of sole proprietorship, focusing on the advantages and disadvantages of this form of business structure. In their study titled “*a study on risks and threats involved in sole proprietorship*” it was suggested that due to the limited law and government involvement in sole-proprietorship businesses, this structure is the easiest to implement for new entrepreneurs, and much easier to dismantle as the owner has the full authority and liability in relation to business operations. This has led sole proprietorship to become popular and common amongst self-contractual workers, specialists, and entrepreneurs. Unlike corporations, which has its own legal,

separate tax entity, a proprietorship funds its taxes from the owner as they are considered as a single account. Therefore, any profits or losses accounted by businesses under a sole proprietorship are reported on the proprietor's personal tax records and return; making it easier for small and medium local business owners to manage and upkeep the taxes and its associated legalities generated by the business. The study also enumerates the different challenges that sole proprietors may encounter such as having a restricted capital, absence of specialization, boundless risks, and constrained degrees and opportunities for growth as well as development.

Financial resources are deemed as one of the primary factors that may influence a business' performance. This is defined as the assets and funds that can be utilized by proprietors to fund and employ the enterprise's investments, activities, and day-to-day operations (University of York, 2022). The article acknowledges internal and external financial resources. Internal financial resources are resources that are acquired from the business itself such as profits, capital, liquid assets, and retained earnings. Meanwhile, external financial resources are otherwise termed as bank and credit loans. Having adequate and sufficient financial resources can elevate a business in a higher level, as they can be open to business opportunities and invest in improving the weak areas of their business.

However, a study by Owusu, et al. (2021), revealed that sole proprietary businesses are likely to be small and medium enterprises (SMEs), due to the fact that it is run by a single individual. Moreover, SMEs run by sole proprietors have a higher vulnerability to encountering financial obstacles and have more limited access to funds. At times, these challenges can compromise the performance and outcomes of sole proprietary SMEs, which is aggravated in developing economies. The performances of businesses related to

finances are also influenced by the risks and nature of the business itself, bank lending interests, as well as ownership and management structure. The study also suggests that previous studies indicate that many sole proprietary SMEs struggle to attain the funds and resources necessary to support their performance and provide a high-quality customer experience, which are essential to developing the business and promoting its growth.

Hossain, Yoshino, and Taghizadeh-Hesary (2020), insisted that the organization's financial resource availability of a business is determined by the efforts and attention allocated by the key stakeholders of a business towards the pursuit of accessing financial and capital resources. The study also suggested that local financial development promotes smaller firms' growth. There should be a minimum threshold level of financial development in order to support small and medium enterprises within the area. The financial development of an area can present itself in different forms. The primary being that there is an optimal number of bank branches in the area to ensure that businesses and proprietors within the region have convenient and a variety of access to financial resources.

Furthermore, Farida and Setiawan (2022), published a study regarding the role of performance and innovation in the formulation of business strategies and establishing a competitive advantage against other businesses in the field. This study emphasizes the importance of financial resources and business expertise in investing and implementing innovations that can place a business at an advantage over its competitors. In turn, innovations are likely to improve customer acquisition, the productivity and efficiency of a business, and overall, increase the sales, profit, and revenue of a business. Sole proprietors can then use the profits and cash flow to fund another innovation or seek a range of different opportunities to further develop and grow their business. Additionally,

this paper encourages local businesses to continuously employ assessments and discover new strategies to remain competitive and advantageous over other competitors.

According to Tukamuhabwa (2021), small and medium enterprises (SMEs) play a fundamental role in the socio-economic growth and development of a nation. However, many SME proprietors are resource-constrained, making it difficult for many entrepreneurs to effectively manage and regulate supply chain, logistics integration, and capabilities, as well as to establish a competitive advantage in their chosen market. The study recognizes that SMEs, sole proprietors, and small-to-medium business owners often encounter supply chain deficiencies that harm their ability to be competitive against larger firms. This is because sole proprietors and entrepreneurs are vulnerable to supply chain disruptions, and operational constraints, and are most often faced with challenges in association to their limited resources to accommodate the needs and difficulties imposed upon their business. In Uganda, a developing country like the Philippines, many SMEs are determined to be less competitive and are forecasted to collapse within their first five years of operation, with that being said, only, 5-10% of businesses under this group reach maturity. The paper also provides evidence that entrepreneurial management practices including the formation of a strategic supplier partnership, customer relationships, and information sharing are vital for establishing a competitive advantage in the market. Competitive advantage can also be achieved by sole proprietors by developing and showcasing a unique variety of logistics practices and capabilities, it was reported that the efficiency as well as effectiveness of logistic practices have a significant influence on competitive priorities including cost, availability, smooth movement of goods and services, and services as well as a business's ability to meet the customer's expectations.

In support of the previous literature, Bagla Law Firm (2021), assessed the risks of sole proprietorship which is a common business structure employed by small to medium-sized business owners. Primarily, liability is considered one of the downsides of being a sole proprietor, as these individuals are personally responsible for any lawsuits, debts, and other obligations incurred by their business. In other words, sole proprietors may have to lose their assets, home, jewelry, and other personal belongings if faced with a lawsuit or the inability to comply with the terms of a contract entered by the business. Most sole proprietors also experience challenges in raising capital as investors are rarely interested in sole proprietorship due to the lack of protection and security that it has. It should also be noted that challenges in succession plans are also considered a disadvantage in sole proprietorships, as it was stated that if the sole proprietor dies, the business dies with the owner, as there is no legal separation and little distinction between the proprietor and the enterprise— which is another risk for investors. With this fact in consideration, sole proprietors are fully in charge of their business, meaning that they do not have the support or insights from experts when making business decisions. Therefore, sole proprietors are forced to make decisions that are not within their area of expertise, these could lead to results that may harm the business in the short or long-term aspect.

*“The Impact of Working Capital Management on Firms’ Profitability- Case of Selected Sole Proprietorship Manufacturing Firms in Adama City”* by Kasahun (2020) reported that working capital management significantly influences the profitability and healthiness of businesses using an explanatory research design involving 10 sole proprietary businesses as the respondents of the study. This is because businesses require an adequate supply of raw materials, cash funds to acquire resources and pay for the

business' expenditures and establish an adequate level of inventory to meet the demand of customers. In short, working capital management is essential in maintaining smooth business operations; and it involves the planning, monitoring, and controlling of the business' current assets and liabilities in order to mitigate the risks of not being able to meet short-term and long-term obligations. The primary objective of many proprietors is to maximize the revenue and profit of their businesses, and in order to achieve this, proprietors should rid themselves of inefficient management practices, and avoid excessive investments in certain areas of the business. Working capital management is an essential component in analyzing a business's performance in its daily operations, particularly in the aspects of liquidity and profitability.

### **Local Market Conditions and Competition**

The study of Zagorsek (2020), investigated and examined factors influencing local competition intensity as well as its impact on businesses in a study titled "*Factors influencing local competition intensity*". The study suggests that having a profound understanding of these factors allows businesses and proprietors to address any problems or concerns related to them and be prepared when competing with other businesses and enterprises in the industry. The conclusion of the study pointed towards foreign competition and intellectual property protection as having a positive impact on the intensity of local competition. However, research and development processes were discouraged as they were identified to be negative influences due to cost and high efforts. It also suggested that businesses can assess and utilize the number of local suppliers and the level of intellectual property protection implemented within the local area as indicators for the intensity of the market competition. Market condition and local competition introduces



several challenges as a saturated market can result in a decrease in market share and limits the niche customer base of a specific industry. A saturated market may also cause businesses within the area to lower their prices in order to stay competitive, resulting in a decrease in profit margins for sales and consequently, a lower profitability and revenue for businesses.

A flooded market is defined as a phenomenon wherein goods and products are overproduced causing excessive inventories and stocks (Screen Mobile, 2021). If this occurs, the stock may rise to unsustainable levels, wherein too much of the business' capital is anchored to goods and products that are not sold and left in storage. Hence, this can propagate insufficient funds that are supposedly for essential business operations such as purchasing a different variety of products, payroll for employees, and rent (if the business does not own their establishment). Although, the article also explores the advantages of competition, particularly for customers, wherein the additional options for demands will encourage businesses to improve their services, implement expansions, and optimize their marketing strategies to differentiate themselves from other competitors, and ultimately increase customer acquisition. However, this might result in higher fees and expenditures for firms and single proprietors, making things tougher for owners with limited money and access to financial resources. The study of Felix and Maggi (2019), describes the business and local market competitions as fundamental drivers towards productivity and high-quality outputs. A saturated market discourages new businesses from entering due to competitiveness and risks, potentially leading to job loss and a recession in the macro-economic aspect, as aspiring business owners face the potential loss of opportunities.

According to Corporate Exchange (2023), identified the various components of market conditions, these elements were interests and exchange rates— primarily due to the fact that many sole proprietors seek loans and credit debt to finance and support their business operations; competitors, which are both existing and rising businesses in the market; and; and new technologies and innovations that can significantly alter the market, resulting in an increase or decrease of customer demands for products and services offered by a particular business. Based on this article, it can be observed that changes in the market and business industry are inevitable, and thus, sole proprietors are encouraged to stay updated and aware of prospective changes and make the necessary amendments for forecasts/projections, to be prepared and responsive towards possible difficulties and avoid potential problems that may occur. The study of to Dye (2023), defined ‘market conditions’ as the state of an industry or an economy. Market conditions serve as important indicators that sole proprietors can utilize to their advantage in implementing business decisions and formulating strategies that aim to promote the growth and development of their businesses. Market conditions are also described to be volatile and unpredictable, and they are subject to rapid and abrupt changes. Hence, it is a sole proprietor’s responsibility to go beyond assessing present conditions but also undertake prospective measures and re-evaluation to prevent devastating losses and setbacks.

Based on Surban (2018), published a detailed research study pertaining to the implications and challenges of individuals operating a business as a sole proprietor. Furthermore, the study also focuses on sole proprietorship in the Philippines, wherein establishing a business has become an alluring alternative for individuals who are inclined to work and invest their skills, competencies, and talents, into their own pursuits. The

competitiveness of the Philippines' labor market has urged people to pursue entrepreneurship to generate a stable income. The literature used to support the study discussed that most small businesses in the Philippines initially began as sole proprietorships which is generally a result of the minimal governmental and capital necessary for this business structure, to make it easier and more convenient for aspiring entrepreneurs to operate a business, the Philippine House of Representatives approved the anti-red tape bill, otherwise referred to as '*An Act Establishing a National Policy on Ease of Doing Business*'. This act aims to foster a conducive and alluring business environment through the reduction of documentation procedures and processing of business permits. Upon implementation, the bill prescribed a maximum processing time of one (1) working day for simple business applications, and ten (10) working days for complex applications, given that all of the necessary documents have been submitted to the Barangay. It was also mentioned that one of the ways that businesses can expand and increase their potential is to enter the international market through indirect exporting in order to eliminate the risks of participating in a highly competitive and saturated market.

### **Entrepreneurial Skills and Management Practices**

In support of the literature above, indeed (2022), reiterated that it is crucial for entrepreneurs and business owners to make informed business decisions that can help them acquire higher revenue and profit for their enterprises. Staying informed can be achieved in various ways, but generally, surrounds one's understanding and comprehension of the different market features that can influence sales, recognition, and growth. Meanwhile, Astuti, et al. (2019) analyzed the correlation between entrepreneurial skills on business performance. According to the study, the 'performance' of a business is a construct that

can be utilized to measure the impact of an owner's strategy and marketing implementation. The performance of an enterprise can be determined by assessing several elements including sales, employee and customer satisfaction, profitability, as well as its market growth, other studies have also presented indicators such as financial investment and sales and capital growth to measure business performance from a financial perspective, while a non-financial perspective will involve indicators such as client experience and satisfaction. Particularly, for SMEs, performance is measured by the following components: growth, profitability, and productivity. The four dimensions of entrepreneurial skills consist of technical skills, managerial skills, entrepreneurial skills, and personal maturity skills.

The study conducted by Rice University (2018), stated that the success of sole proprietorships is completely dependent on the owner's skills and expertise. Hence, it is important that sole proprietors must possess a grasp of business expertise, given that their business exclusively relies on the efficacy and success of the proprietor's business endeavors. Sole proprietors should have a skill set that consists of strategic planning, financial expertise, and adept accounting capabilities, alongside a comprehensive understanding of their respective industries. They must also be proficient in negotiation practices, particularly with suppliers and clients, thus, it is imperative that sole proprietors have exceptional interpersonal communication skills. Methodical organization is equally crucial to ensure organized and effective task execution as well as adherence to commitments. Ultimately, the ability to execute and attain their business goals and vision depends on the abilities of sole proprietors, necessitating qualities such as creativity,

passion, strategic competencies, and the acquisition of effective marketing skills that are targeted at captivating and engaging their business's target market.

Additionally, the study by Urban (2021), conducted a study titled *“Factors of Entrepreneurial Success: A qualitative multiple case study of new small businesses”* which explores the several factors that influence entrepreneurial success. This paper emphasizes that successful entrepreneurs strive to innovate and are not afraid to differentiate their product/s and service/s from other competitors in the industry. Entrepreneurs are also not afraid of saturated or already occupied markets and formulate their marketing strategy based on their personal and professional experience. Aspiring or current business owners should also foster an understanding of the significance of leadership skills, and ensure that they surround themselves with a driven, and goal-oriented staff. The study also suggested that it is important for entrepreneurs to be able to handle constructive criticism, address the concerns of their clients, and understand the weaknesses of certain business innovations. It is an entrepreneur’s obligation to invest in their business not only financial-wise but also in time and effort; hence they should utilize a variety of professional external support.

Bernoste, et al. (2019), stated that established a correlation between entrepreneurial success and an individual’s characteristics, firm-specific attributes, and business environment characteristics. In this study, entrepreneurial success is measured by revenue growth indicators. On the other hand, the key aspects of the entrepreneurial process include opportunity recognition, acquisition of financial and human resources, development of broad social networks, and ability to respond effectively to high dynamic environments as well as the tolerance capacity of entrepreneurs for intense stressors. Another study conducted by Cheng (2019), assessed the correlation between personality traits, risk

perception, motivation, business strategies, and environmental factors and market awareness of entrepreneurs and a business' performance. The study emphasized that entrepreneurs should be 'market makers' and efficient information managers which is essential in forming business and marketing strategies. Proprietors should also be committed to innovation and be able to adapt to changes in their respective industries. An entrepreneur's ideas, products, and services, should be able to enhance, add, and create value to current and potential consumers. The results indicated that entrepreneurial personality traits do not have a significant impact on business performance, however, environmental factors and the business strategy employed have been found to have a significant impact on a business's performance.

The study *"Innovative Climate, a Determinant of Competitiveness and Business Performance in Chinese Law Firms: The Role of Firm Size and Age"* by Bibi, et al. (2020), expounds on the innovative climate as a determinant of competitive and business performance in Chinese businesses, particularly law firms. It examines the impact of an innovative climate on organizational learning as well as its implications on a business's competitiveness and performance. The results of the study indicated that organizational learning and innovative behavior have a positive impact on the competitiveness and performance of a business, which can also be applied to sole proprietary businesses due to their similar nature, in terms of having profitability and growth as an objective. Small entrepreneurs including sole proprietors often find themselves in a risky situation or environment as they are expected to undertake calculated risks when it comes to dealing with a new market or making an investment; this is because sole proprietors and local entrepreneurs have to utilize their limited resources in a competitive environment wherein

a return on their investment is not guaranteed. To overcome this, proprietors and entrepreneurs are encouraged to be innovative in their approach to business activities and be proactive when managing the business. This means business owners should be active when it comes to searching for new opportunities and ventures as well as be able to be prepared when faced with threats and have a plan imposed should problems arise (Rahaman, et al. 2021).

In relation to Ramahan's study, a proactive entrepreneur can successfully handle challenges, and turn changes in the market, industry, and environment into new opportunities, instead of experiencing downturns and losses. According to the 180 respondents of the study, employing a risk-taking attitude is essential in attaining profitability in their SME business. Most of the proprietors involved in the study also shared that the working capital of their businesses is derived from their personal finances and have refrained from acquiring credit and loans from banks or any other external investor. The results of the study showed that risk-taking behavior, innovativeness, and proactiveness of entrepreneurs and proprietors have a significant impact on a business or enterprise's performance. Moreover, Engidaw (2021), dived into internal business factors and their impact on business performance. The study consisted of 199 participants both consisting of SME business owners as well as sole proprietors, utilizing an explanatory design, the study implemented a descriptive and inferential statistical data analysis to determine the various factors that can affect the performance of businesses. The study revealed that financial factors, marketing factors, infrastructure factors, technological factors, work premise factors, management factors, as well as entrepreneurial factors have negated the efforts of businesses towards obtaining a high-performance rate, one of the

primary hindrances faced by SMEs and sole proprietors is their small size and limited resources.

In addition to this, they are also subjected to competition with other businesses in their field and are more commonly threatened by large corporations and enterprises that are also competing in the market. The study showed that businesses with owners who are active and passionate about their business endeavors are more likely to survive challenges experienced in the business field in comparison to owners with little to no motivation toward their work. Entrepreneur competencies are also considered a significant internal business factor that affects a business's performance. The paper presented literature wherein entrepreneurs who are organized and manage a business with a strong commitment and drive to generate earnings, profits, and returns on an investment positively direct the business to the road to success. Meanwhile, social norms and the culture of both business owners and clients are also stated to have affected the performance of businesses, particularly start-ups which are established in local communities. At the end of the study, the researcher recommended that sole proprietors and small business owners must undergo training in terms of enhancing their managerial skills and business plan preparation in order to increase their chances of creating and operating a successful, profitable business (Engidaw, 2021).

A study titled "*Early Joiners and Start-up Performance*" by Choi, et al. (2023), it was determined that small business owners and sole proprietors are inclined to experience failures in their start-ups, and only a selected portion of this demographic experiences outsized growth and success in the business. The evidence accumulated from previous studies suggests that business founders/owners play a critical role in determining the



performance of their business by establishing the initial vision as well as shaping the growth and performance of their business operations. According to Messineo (2023), the current state of the economy, politics, competitors, and customers, are considered as ‘uncontrollable’ factors that may affect the performance of a business or an enterprise. The article also stated that a company’s growth, strength, and financial success are dependent on the owners’ ability to recognize and respond to shifts in its external environment. Every business is inclined to conduct re-evaluations and re-assessments due to the constantly changing landscape and market conditions in the business industry, and it’s their ability to accommodate as well as adapt to these changes that determine their survival and potential to grow. The article suggested that business owners must conduct a regular environmental scan utilizing the PESTLE method as a guide: meaning that sole proprietors should constantly assess the political, economic, social, technological, legal, and environmental factors that are related to their business’ niche and operations.

According to Venture Lab (2021), adaptability is among the key factors which influence a business or an organization’s company performance. Essential traits that entrepreneurs must have when running a business is the ability of the proprietor to cope with change; optimism and their capability to react positively to changes and challenges; self-efficacy, which pertains to the entrepreneurs’ confidence in their own skillset and knowledge; the nature and effectiveness of the processes employed by business owners to arrive to major decisions pertaining to evoking change; the efficiency of the mechanisms utilized to implement management decisions; the internal methods applied to determine and monitor the organization’s objectives; the process of which information is obtained and verified; as well as the quality of training that staff or the owner undergoes in.

Additionally, sole proprietors must also be competent in terms of employing organizational change, strategic planning, and managing their knowledge in the industry. Based on APAC Insider (2021), the study identified seven important factors that significantly affect a business' growth and prospects. The article titled "7 Important Factors That Affect Your Business Growth" dives into the importance of social media marketing, and the openness of proprietors to new concepts, ideas, and innovation. The ability of entrepreneurs to effectively manage their budget, capital, and finances, as well as to facilitate investment opportunities. However, entrepreneurs must be cautious when investing in marketing campaigns, as not all marketing strategies are effective in terms of attracting new customers.

An article published by Jeeves (2019), states that business growth and development is difficult but particularly hard for SME owners and sole proprietors who have limited resources and support that they are expected to invest in their respective businesses. The article states that most of the problems encountered by businesses stem from their inability to adapt to the changing demand and market conditions. It was also reiterated that some of the issues encountered by small and sole proprietary enterprises are the poor utilization and employment of resources, poor online presence, and lack of employee motivation to perform and accomplish their responsibilities. In the study of Joseph (2019), explored that having a lesser-known risks associated with sole proprietorships, which is the time, physical, and emotional toll of solely running a business. It was asserted that if a sole proprietor takes even one or two days off from work, it can lead to serious hardships and challenges for the business, especially those who are already struggling to generate profit.

To avoid losing income, sole proprietors may be forced to continue working incessantly to develop their businesses and continue operations.

From the discussion of this paper, it became prominent that various researchers are concerned with the factors affecting the business performance of sole proprietors. Hence, multiple studies and surveys were conducted in relation to the research title. Furthermore, there are many factors that can affect the business performance of sole proprietors such as access to financial resources, local market conditions and competition, and entrepreneurial skills and management practices. The study aims to provide a thorough knowledge of the complex dynamics driving the success of small enterprises in the area by investigating these issues objectively.

### **Theoretical Framework**

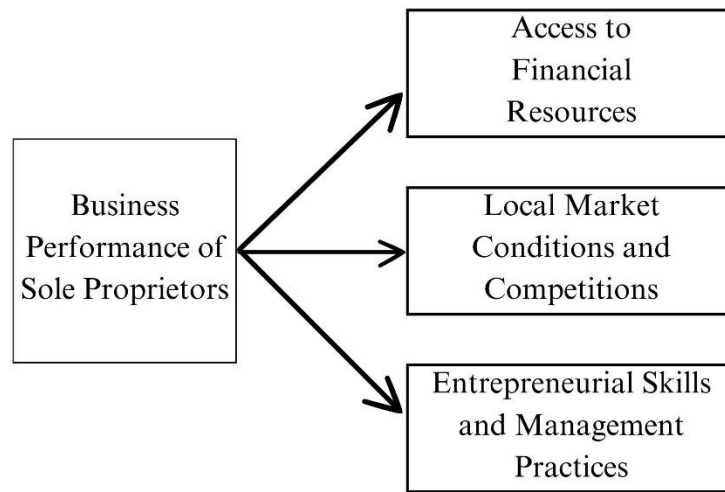
The resource-based view provides a conceptual framework to assess the strategic fit of resources originating from China in the context of the developing world. Originally proposed by Birger Wernerfelt (1984) and later developed and refined by Jay B. Barney (1991) and other scholars, the resource-based view of the firm has found considerable support in the business literature. listed four attributes of resources that can give rise to a firm's competitive advantage: value, rarity, imperfect imitability, and lack of substitutability. Valuable resources help a firm exploit opportunity and/or avoid threats in the environment (Kshetri, 2008).

The theory backs up the idea that an organization can gain a competitive advantage from a resource if it is valuable. The company is also able to assess possible resources that might be used to its advantage and help it succeed in new markets (Kozlenkova et al. 2014).

The resource-based approach also prompts the company to assess if its resources are valued to the anticipated degree. Additionally, this theory also examines the resources available within the company (Barney, 2001). The resource-based theory also starts evaluating the competitive advantages associated with the resources so that the company may identify which resource is special in nature and is not accessible to the firm's competitors. Because competitors won't be able to meet the same expectations that the firm sets in the market, non-substitutable resources can benefit the company more (Wernerfelt, 1995).

RBV was used in this study to help the researchers better understand how sole owners' access to capital, entrepreneurial prowess, and management techniques affect the success of their businesses. RBV allowed the study's backers to examine how these entrepreneurs' unique financial, personal, and organizational resources affect their capacity to gain a competitive edge and improve company outcomes. The mix of resources, abilities, and business practices that single entrepreneurs in Calinan Poblacion, Market Area possess causes variances in their business success, which the researchers explored using the RBV theory. This theory offered a framework for evaluating the degree to which these elements are uncommon, challenging to duplicate, priceless, and indispensable, all of which contribute to competitive advantage and ultimately have an impact on business.

## Conceptual Framework



**Figure 1. Conceptual Framework**

From the given theories, the concepts of this study are determined. Figure 1 shows the relationship between independent variables, which are the factors affecting the business performance, namely, access to financial resources, local market condition and competition, and entrepreneurial skills and management practices, and the dependent variable which is the business performance of sole proprietors in Calinan Poblacion, Market Area. Henceforth, the arrow that connects the independent variable to the dependent variable signifies a theoretical relationship between the two variables.

## Significance of the Study

This study explored the performance of the businesses of sole proprietors based on access to financial resources, local market conditions and competition, and entrepreneurial skills as well as management practices. It offers essential insights for aspiring and current

entrepreneurs, focusing on essential aspects of business management, including necessary skills and competencies for market success. This may help sole proprietors identify significant factors influencing business ventures and operations. Lastly, the findings of this study in assessing the risks and advantages of investing in sole proprietary enterprises and businesses are significant to potential investors as it also provides information on how these individuals can handle themselves in these kinds of investments.

This study is significant and may be used by potential investors when it comes to assessing the risks and advantages of investing in sole proprietary enterprises and businesses. For future researchers, this study may be used as a reference or basis in prospective studies involving sole proprietorships and in the assessment of different factors that may impact a business' performance as well as how this is measured.

### **Scope and Delimitation**

The focus of this study was to examine the factors influencing the business performance of sole proprietors in Calinan, Poblacion. The respondents of this study are the sole proprietors in Calinan Poblacion Market Area. This study focused on investigating the financial resources, local market conditions, and entrepreneurial skills and management practices in Calinan, Poblacion Market Area, focusing on business performance, competition, and entrepreneurial practices.

Furthermore, the study focused specifically on Calinan, Poblacion Market Area business environment, not generalizable to other regions or areas. The research focused on sole proprietors, excluding partnerships, corporations, or other business structures. The study did not delve into the broader economic conditions of the region but focused solely

on how access to financial resources affected sole proprietors in Calinan Poblacion Market Area.

### **Definition of Terms**

**Sole Proprietor** this refers to a person who is solely managing a small or medium sized business without any other owners mainly here in Calinan Poblacion Market Area. Researchers utilize the sole owners with the relationship between the access to financial resources, local market conditions, and entrepreneurial skills to the business performance of the proprietor.

**Market Condition** this refers to the state of a particular market here in Calinan, Poblacion Market Area, that looks at the competition and the condition of the competitors. This could help a sole proprietor to specifically have an idea of how to deal with and adapt to the conditions in the market.

**Capital** this concerns the funds that are generated by the sole owners and could help establish and grow the business. Capital measures one of the variables in this study which is the access to financial resources of a sole proprietor in Calinan, Poblacion Market Area.

**Entrepreneurs** these are aspiring individuals who are venturing into a business that could meet the people's needs here in Calinan,

Poblacion Market Area, and simultaneously generate revenue. Researchers purposely aim to provide entrepreneurs with the data and results of this study.

**Liabilities** this refers to financial obligations, responsibilities, and especially debts of a business in its operation in Calinan, Poblacion Market Area.

**Business performance** this refers to the overall performance of every business that is the sole proprietor to achieve its goals towards success in Calinan, Poblacion Market Area.

**Size of the business** this refers to a small or medium businesses that a sole proprietor manages, this may differ according to their profit they generate.

**Financial resources** these are the assets and funds that can be used by a proprietor to fund and employ the enterprise's investments, activities, and day-to-day operations. Thus, a sole owner who has access to the use of a bank/ formal or any financial service, having cash savings, loans, bank deposits or any record in relation to financial resources here in Calinan, Poblacion Market Area.

**Local Market** this refers to the condition of the industry or the economy here in Calinan, Poblacion Market Area. Researchers utilize this to examine if the sole proprietors believe that there is high



competition in the local market, product demands, and price changes.

**Entrepreneurial Skills** this refers to the skills and expertise that a sole proprietor possesses in handling a business. This could assess if an owner has the capability to find opportunities, to be able to make decisions, and know how to take advantage of their skills here in Calinan, Poblacion Market Area. Furthermore, it is an owner's strategy and marketing implementation. Influenced by an individual's competencies and skills that are complemented by the proprietor's personality, knowledge, and intellectual characteristics.

**Management Practices** This concerns the factors of the business that a sole proprietor is familiar with. This practice implements strategies and plans based on information about customers' requirements and the company's capacities, organization, preventing and dealing with occurrences in the business with an effective strategy, and the involvement of human resources management. Additionally, innovations, working methods, and initiatives that are efficiently used by managers or business owners to increase chances of creating and operating a successful, profitable business.

## **Chapter 2**

### **METHODS**

This chapter outlines the research design, including the inclusion and exclusion criteria for respondents, the sampling technique used, and the sample size. It also details the location of the study, the instruments employed for data collection, the data analysis methods, and the ethical considerations researchers must uphold.

#### **Research Design**

The researchers employed statistical measures such as frequencies, percentages, and averages to identify relationship, and analyzed it quantitatively (Nassaji, 2015). The current study used a quantitative approach, where structured data that can be represented numerically is collected and examined. The creation of precise and trustworthy measurements that enable statistical analysis is one of the main objectives (Goertzen, 2017). Moreover, the correlational research, links between two or more variables in the same population or between the same variables in two populations are established (Leedy & Ormrod 2010). The purpose of correlational research is to identify whether there is a relationship between the sole proprietors and factors that are affecting its business performance.

On the other hand, this study was conducted in a descriptive and correlational manner. The researchers used descriptive research design; to explain a phenomenon's features. Thus, with the help of the study's research design, the researchers were able to describe and analyze the demographic profile of the respondents as well as the financial statements and performance of each business type.

## **Research Respondents**

A research respondent is a specific group of individuals or objects that researchers wish to study and make inferences about (Gulzar, 2023). In this study, convenience sampling was employed which involves choosing participants who are easily accessible and readily available for the researchers. A method adopted by researchers where they collect market research data from a conveniently available pool of respondents (Fleetwood, 2018). It is the most used sampling technique as it's incredibly prompt, uncomplicated, and economical. The respondents of this study were the selected sole proprietors in Calinan Poblacion. According to Akman (2023), Fraenkel Wallen defines correlational research as having a minimum acceptable sample size of 30. Furthermore, they say that data from samples less than 30 may not accurately indicate the degree of association.

## **Research Locale**

The study was conducted within Davao City, particularly the market area within Calinan Poblacion. There are numerous places in Calinan Poblacion where the researchers collected information that gave them assistance to the study, since there are a lot of establishments and businesses in Calinan Poblacion Market Area, where the proponents of this research gathered data for the study. This research endeavor offered a significant opportunity to thoroughly explore and investigate the impact of business performance of sole proprietorship situated in Calinan Poblacion, Market Area. Furthermore, Davao City's emerging reputation as an international hub for financial resources impacts business performance and entrepreneurial skills which made it a fitted location to investigate the factors affecting the business performance.



**Figure 2. Calinan Poblacion Market Area, Davao City Map**

### Research Instrument

An adapted survey questionnaire was utilized in this quantitative study to systematically collect data aimed at addressing the research questions. A self-made survey questionnaire was also formulated for the business performance of the sole proprietors which was stated in the statement of the problem number three. The questionnaire began with pre-determined demographic question which is the size of business of sole proprietors. The survey was then split into specific sections relevant to the variables stated in the problem statement based on the responses of the participants. For example, participants' access to financial resources was quantified, and the data was statistically examined in relation to their reported company performance. In this case, the survey's adaptability implies that respondents only saw questions that are relevant to their circumstance, decreasing survey duration and potential participant fatigue while ensuring the study objectives were accomplished.

This study seeks to apply an adapted survey questionnaire and a self-made survey questionnaire in a quantitative method to quantitatively analyze the relationships between

financial performance, resource access, entrepreneurial abilities, and other important aspects among sole proprietors in Calinan, Poblacion Market Area. This specific approach made sure that the quantitative data collection for the study is in line with the circumstances of each respondent, which could produce more precise and useful insights that helped us understand the factors affecting business performance in this situation better.

### **Data Gathering Procedure**

To ensure confidentiality, a data-gathering procedure was followed. Earlier in the data collection process, the researchers submitted a request form to the principal of the basic education department and the school president for approval to conduct a study outside of the school. Afterward, researchers began to search those areas that have a high percentage of examining the factors affecting the business performance of sole proprietors, then proceeded to distributing the research instruments. Upon searching for the said business owners, researchers followed safety protocols to ensure the protection and prevention of the recurring virus.

Furthermore, before distributing the survey questionnaire, researchers oriented and gave directions to the respondents for a better understanding of why they will participate, what benefits they will get, and how it will contribute to the business industry in the said research title. The data for this study was obtained physically since researchers seek outside the school and delivered a printed copy of the survey questionnaire.

### **Ethical Consideration**

To ensure the protection and well being of participants and to maintain the validity and reliability of the study, it is essential to adhere to ethical standards throughout the research process. This chapter discusses the ethical considerations that were made during

the research process, such as the choice of participants, informed consent, confidentiality, data collecting and analysis, and any conflicts of interest. Furthermore, ensuring ethical principles including objectivity, integrity, carefulness, openness, transparency, accountability, intellectual property, responsible publication, responsible monitoring, respect for colleagues, social responsibility, non-discrimination, competence, legality, and human subjects' protection (Resnik, 2020). Participants for this study was gathered in an ethical manner. By upholding the ideas of informed consent and voluntary participation, people were given the freedom to choose whether to engage. Researchers tracked and observed with secure modifications and responsibility to ethical principles. The objectives, procedures, risks, and benefits of the study were all fully disclosed to potential volunteers so that they can make an informed decision regarding whether to participate.

### **Data Analysis**

To effectively interpret the result, the use of statistical tools is essential to obtain accurate and precise data. To determine and analyze the demographic profile of the respondents in terms of size of business, the researchers used frequency and percentage distribution. A frequency and percentage distribution are a display of data that specifies the percentage of observations that exist for each data point or grouping of data points. Furthermore, utilizing frequency and percentage of the respondents was crucial in the study since it recorded the frequency of the small and medium enterprises, and the overall percentage of the respondents.

On the other hand, to address research question number 2 and 3, the researchers utilized mean as statistical tool in determining and analyzing to what extent and how the level of access to financial resources impact the business performance of sole proprietors,

and the perceived influence of entrepreneurial skills and management practices on the business performance of sole proprietors operating in Calinan Poblacion, Market Area. According to Frost (2022), mean summarizes an entire dataset with a single number representing the data's center point or typical value. It is one of the measures of central tendency and is often called the arithmetic average.

For our research problem 4 and 5, regression analysis was used to analyze the data. According to Gallo (2022), regression analysis is a mathematical method for determining which of those factors has an effect. In regression analysis, these components are referred to as "variables." The dependent variable is the key factor attempting to be understood or forecast. Then the independent variables, which are the elements assumed to influence the dependent variable.

Shown in the table below is the interpretation of the data from the respondents about their level of agreement with the statements measuring the business performance and the factors affecting it.

**Table 1. Table of Interpretation of factors affecting the business performance of sole proprietorship**

<b>Mean</b>	<b>Description</b>	<b>Interpretation</b>
1 - 1.80	Strongly agree	Very Low
1.81 - 2.60	Agree	Low
2.61 - 3.40	Neutral	Moderate
3.41 - 4.20	Disagree	High
4.21 - 5.00	Strong Disagree	Very High

The table 1 presents the interpretation of the factors affecting the business performance of sole proprietorship. The factors were evaluated using a Likert 5-point scale, ranging from low to high. This scale has five ranges: 1-1.80 for strongly agree and an interpretation of very low, 1.81-2.60 for agree and an interpretation of low, 2.61-3.40

for neutral and an interpretation of moderate, 3.41-4.20 for disagree and an interpretation of high, and 4.21-5 for strongly disagree and an interpretation of very high (Bhuiyan & Islam, 2023). This interpretation references the results of research questions two and three. It examines the level of business performance and the factors that influence it.



### Chapter 3

## RESULTS AND DISCUSSIONS

This chapter shows the presentation, tabulation, analysis, and interpretation of the data's collected throughout the course of this inquiry. The presentation was arranged in the order of the Problem Statements stated in Chapter 1.

***Research Question #1: What is the demographic profile of sole proprietors in terms of: size of business.***

**Table 2. Percentage and frequency distribution of size of business.**

Size of business	Frequency	Percentage
Small	49	66.22%
Medium	25	33.78%
Total	74	100%

Based on the results shown in the table above, from the 74 respondents, there are a total of 49 (66.22%) sole proprietors whose business is a small enterprise. On the other hand, for the medium enterprise, there are a total of 25 (33.78%). Based on the result of the survey on the respondents', it can be inferred that there are more small enterprises in the area compared to medium-sized enterprises.

Similarly, in a study held in Indonesia by Purwati, Budiyo, Suhermin, and Hamzah (2021), there are also a larger number of small enterprises than medium enterprises. Their study includes a sample of 352 small and medium-sized firms in Pekanbaru, Indonesia, consists of 19 medium-sized enterprises and 333 small enterprises from a total population of 2887 small and medium-sized enterprises.

***Research Question #2: What is the level of business performance of sole proprietors?***

**Table 3. Level of business performance of sole proprietors.**

	Mean	Description	Interpretation
1. I have a positive cash flow.	3.62	Agree	High
2. My small business is financially stable.	3.84	Agree	High
3. My small business is recognizable in the locality.	3.77	Agree	High
4. My small business is achieving its financial goals.	3.84	Agree	High
5. My customers are satisfied with my products/services.	4.19	Strongly Agree	Very High
6. My business profitability has improved over the past year.	3.87	Agree	High
7. Our marketing efforts effectively reach our target audience.	3.80	Agree	High
Overall Mean	3.85	Agree	High Level

Table 3 shows the level of business performance of sole proprietors. The result, which has a very high interpretation, is customer satisfaction with the owner's products and services, with a mean of 4.19, which clearly states that most of the sole proprietors strongly agree that their products and services satisfy the customer. Followed by the sole proprietor's business profitability improvement over the year with a mean of 3.87, interpreted as high as the owners agree that the business improved over the years. 3.84 is the mean of both statements 2 and 4, which means there is a high interpretation and a

description of agreeing that the owner's business is financially stable and achieving its financial goals.

The owner's marketing efforts effectively reach the target market, as agreed by 74 sole owners with a mean of 3.80, which clearly indicates the presence of high marketing efforts that effectively reach the target market of the business. The mean of 3.77 showed that there is a high recognizability in the locality where the owner's business is located. The slightest mean among all of the data is positive cash flow, but still, it is interpreted that the owner has a high positive cash flow in the sole business. By adding and then dividing all of the means of the indicators, the overall mean generates a high level of business performance with a mean of 3.85, the overall mean states that the sole proprietors have a high level of business performance.

According to Mungal (2014), If the cash inflow exceeds the cash outflow, the firm has positive cash flow. In the first indicator, positive cash flow, its results is pivotally related to the study of McLeod (2023), in positive cash flow, if the proprietor wants to stay in business, the owner needs to maintain positive cash flow, which is the situation where it makes more money than it spends. The company can pay its debts on time and cover unforeseen expenses if the owner has good cash flow. In the second indicator, which states that the business is financially stable, the result is in-line with Contreras (2023), financial stability is more than a goal; it is a must, recognizing the signals of financial difficulty and taking early efforts to achieve stability can put the business on track for long-term success. One of the most important effective performance measures is an enterprise's financial stability, or its independence from borrowed capital. In this regard, financial stability serves as the foundation for the organization's market stability and continued competitiveness.

Therefore, SMEs can improve their financial performance and stability with strong leadership and qualified financial officers (Mbatha & Ngibe, 2017).

The result in business indicator three is counterpart to the study of Post (2024), which says that small companies frequently encourage customers to purchase locally, and it appears that this message is getting through. Nearly half of Americans visit small businesses two or four times a week, and 91 percent do it at least once a week, according to research from the nonprofit organization SCORE. Local companies should also make a contribution to the development of communities and the creation of jobs as a result of these customers' purchases. When small firms engage in business-to-business (B2B) transactions within their local community, they can set an example for other businesses in the neighborhood.

The result of the study of GoCardless in 2022 corresponds to the result of business indicator four, where the owner is achieving its financial goals. In his study, GoCardless states that, financial goals is an essential part of any strategy for a small business. These objectives provide as a guide to assist retain your company growing, regardless of whether you concentrate on monetary benchmarks or the actual acquisition of real estate. Businesses can make necessary adjustments to their effective strategy and make sure they're following it by defining targets for revenue, cash flow, and other financial measures.

The results of the fifth indicator, which states customer satisfaction with the business products and services, correspond to the study of KPMG (2018), following aspects of customer service, such as convenience, customer care, transaction techniques and systems, pricing, products, and services, are typically targeted or sought after to achieve customer satisfaction. Furthermore, customer happiness is directly correlated with

customer service variables, making them an intervening variable for improving organizational performance. To improve organizational performance, small and medium-sized businesses in Nigeria are currently competing by offering as many client services as is practically feasible in order to increase customer satisfaction.

The result of the indicator six is aligned with study of Susanti et al. (2022), which highlights that profitability is an important factor to consider when evaluating a firm's business performance since it would be impossible to sustain the growth of a firm if it does not have profits to be used for reinvestment. An increase in profitability indicates that the performance of the business also increases. The last indicator, which states, “Our marketing efforts effectively reach our target audience” reflects the study of Rebecca and Maharani (2018), businesses must comprehend and put into practice efficient marketing techniques in order to connect with and engage their target market, build brand awareness, and meet their financial and marketing objectives. For customers to be able to make wise judgments, businesses must give them clear and simple information about their goods and services. Excellent marketing techniques are an essential component of progressive growth for tiny businesses. Due to their inability to put effective marketing strategies into place, quite a few of small firms have failed.

Business performance holds great significance in the commercial realm. Numerous factors, including strategy, financial management, human resource management, and the business environment, have an impact on how well a company performs (Salamah, 2023). According to Zakari & Ibrahim (2021), a business reaches business performance when it generates a high level of profitability concerning its capital, finances, and other resources.

***Research Question # 3: What is the level of influence of the following factors on the business performance of the sole proprietors?***

***3.1 access to financial resources***

***3.2 local market conditions and competition***

***3.3 entrepreneurial skills and management practices***

**Table 4. Level of influence of the following factors on the business performance of the sole proprietors.**

<b>Indicators</b>	<b>Mean</b>	<b>Description</b>	<b>Interpretation</b>
1. Access to financial resources	3.43	Agree	High
2. Local market conditions and competition	3.88	Agree	High
3. Entrepreneurial skills and management practices	3.83	Agree	High
Overall Mean	3.71	Agree	High

Table 4 shows the influence of business performance indicators on sole proprietors in terms of access to financial resource, local market conditions and competition, and entrepreneurial skills and management practices. As shown in the table, the sole proprietors accumulated a mean score of 3.43 in terms of access to financial resources. This result signifies that access to financial resources have a high level of influence to the business performance of the sole proprietors. In terms of local market conditions and competitions, results showed that the sole proprietors have a mean score of 3.88. This suggest that local market conditions significantly influence the business performance of sole proprietors. On the other hand, in terms of the entrepreneurial skills and management practices, the sole proprietors have a mean score of 3.83 which means that entrepreneurial skills and management practices have a high level of influence to the business performance of the sole proprietors. Furthermore, the overall mean of the factors is 3.71 which signifies that

there is a high level of influence of the factors to the business performance of sole proprietors.

The result in access to financial resources is parallel to the study of University of York (2022), which implies that financial resources are deemed as one of the primary factors that may influence a business' performance. This is defined as the assets and funds that can be utilized by proprietors to fund and employ the enterprise's investments, activities, and day-to-day operations. In addition, the results are also align with the study of Farida and Setiawan (2022) that states financial resources and business expertise is important in investing and implementing innovations that can place a business at an advantage over its competitors.

The second indicator, local market conditions and competition, its result finds agreement to the study of Zagorsek (2020), that aims to investigate and examine the factors influencing local competition intensity as well as its impact on businesses. The study suggests that having a profound understanding of these factors allows businesses and proprietors to address any problems or concerns related to them and be prepared when competing with other businesses and enterprises in the industry. In fact, as the result shown above, it has the highest level of influence among any other business performance indicators to the sole proprietors. This implies that business owners are aware of the competitive conditions in the local market.

Over and above, its results are in harmony with the study of Indeed (2022), whereas the study reiterated that it is crucial for entrepreneurs and business owners to make informed business decisions that can help them acquire higher revenue and profit for their enterprises. Staying informed can be achieved in various ways, but generally, surrounds

one's understanding and comprehension of the different market features that can influence sales, recognition, and growth. Moreover, its results is in range with the study of Astuti, et al. (2019), states that the 'performance' of a business is a construct that can be utilized to measure the impact of an owner's strategy and marketing implementation. The results shows that entrepreneurial skills and management practices have a high level of influence (3.83) to the business performance of sole proprietors. This means that business owners have the capabilities to run a business with their entrepreneurial skills and management practices. Overall, according to Contreras (2023), financial stability is more than a goal; it is a must, recognizing the signals of financial difficulty and taking early efforts to achieve stability can put the business on track for long-term success.

***Research Question # 4: Is there a significant relationship between access to financial resources, local market conditions and competition, entrepreneurial skills and management practices and business performance of sole proprietors?***

**Table 5. Regression Statistics.**

<i>Regression Statistics</i>	
Multiple R	0.657846033
Significance F	0.00108825

Shown in the table above are the results of the regression analysis. Based on the result, there is a significant relationship between access to financial resources, local market conditions and competition, entrepreneurial skills and management practices and business performance of sole proprietors since the value of significance F is 0.00108825 which is less than the p-value 0.05. It can also be seen on the table that the business performance has a strong relationship with the factors affecting it, namely: access to financial resources, local market conditions and competition, and entrepreneurial skills and management practices since the multiple r value is 0.657846033 which means that there is a strong



relationship between the variables. Moreover, the results shows that the variables have a direct relationship since the result is positive.

It can be inferred from the results that the dependent variable, which is business performance, is dependent on the independent variable, which is the factors affecting the business performance of the business. These factors affect the business performance of sole proprietors positively. Additionally, when the factors affecting the business performance of the business increases, the business performance of the business will also increase. Subsequently, when the factors affecting the business performance of the business decreases, the business performance of the business will also decrease. Therefore, the business should assess these factors to maintain the growth of their business.

This is in line with the study of Engidaw (2021), who dived into internal business factors and their impact on business performance. The study revealed that financial factors, marketing factors, infrastructure factors, technological factors, work premise factors, management factors, as well as entrepreneurial factors have negated the efforts of businesses towards obtaining a high-performance rate and one of the primary hindrances faced by SMEs and sole proprietors is their small size and limited resources. In addition to this, they are also subjected to competition with other businesses in their field and are more commonly threatened by large corporations and enterprises that are also competing in the market.

According to University of New York (2022), having adequate and sufficient financial resources can elevate a business in a higher level, as they can be open to business opportunities and invest in improving the weak areas of their business.

In terms of local market conditions and competition, Felix and Maggi (2019), stated that the business and local market competitions are fundamental drivers towards productivity and high-quality outputs. Dye (2023), considered market conditions as one of the factors that may influence a business stakeholder's business and marketing decisions and can significantly impact the performance and quality of a business or enterprise. Market conditions serve as important indicators that sole proprietors can utilize to their advantage in implementing business decisions and formulating strategies that aim to promote the growth and development of their businesses.

According to a study conducted by Engidaw (2021), entrepreneurs who are organized and manage a business with a strong commitment and drive to generate earnings, profits, and returns on an investment positively direct the business to the road to success. At the end of the study, the researcher recommended that sole proprietors and small business owners must undergo training in terms of enhancing their managerial skills and business plan preparation to increase their chances of creating and operating a successful, profitable business.

***Research Question # 5: Which of the factors greatly affect the business performance of sole proprietors?***

**Table 6. State. t Stat and P-value.**

	<i>t Stat</i>	<i>P-value</i>
Average for access to financial resources.	0.708741599	0.48083858
Average for local market conditions and competition.	1.861336792	0.066895698
Average for entrepreneurial skills and management practices	3.455409596	0.000937609

Based on the table above, the factor entrepreneurial skills and management practices has a significant relationship with the dependent variable which is business performance with the p-value of 0.000937609 which is less than 0.05. Entrepreneurial

skills and management practices also has the highest t-statistics, 3.455409596 which means that it is the factor that affects the business performance the most as according to Bobbitt (2021), a higher t-statistics indicates a stronger relationship between the dependent variable and the independent variable. It can be inferred in the results of the regression analysis that it is important for sole proprietors to look closely into their entrepreneurial skills and management practices as not giving it enough attention might jeopardize the success of their business and might affect their business performance negatively.

According to Rice University (2018), the success of sole proprietorships is completely dependent on the owner's skills and expertise. Hence, it is important that sole proprietors must possess a grasp of business expertise, given that their business exclusively relies on the efficacy and success of the proprietor's business endeavors. Sole proprietors should have a skill set that consists of strategic planning, financial expertise, and adept accounting capabilities, alongside a comprehensive understanding of their respective industries. They must also be proficient in negotiation practices, particularly with suppliers and clients, thus, it is imperative that sole proprietors have exceptional interpersonal communication skills.

According also to a study conducted by Engidaw (2021), entrepreneurs who are organized and manage a business with a strong commitment and drive to generate earnings, profits, and returns on an investment positively direct the business to the road to success. At the end of the study, the researcher recommended that sole proprietors and small business owners must undergo training in terms of enhancing their managerial skills and business plan preparation to increase their chances of creating and operating a successful, profitable business.

## **Chapter 4**

### **CONCLUSIONS AND RECOMMENDATIONS**

This chapter served as the study's conclusion and recommendations with reference to its results and suggestions.

#### **Conclusions**

Business performance has always been a critical concern for sole proprietors as it plays a vital role in the sustainability of their entity. The results of this study indicate that the success and the business performance of a business is largely dependent on its access to financial resources, the local market conditions and competition, and the owner's entrepreneurial skills and management practices so the business should regularly assess these factors to regulate the performance of the business. Specifically, the result suggests that the owner's expertise in business operations and their implemented management practices is very important as this factor significantly influences the performance of the business. However, the result of this study also shows that the business performance of sole proprietors in Calinan Poblacion is high which means that the business owners have enough access to financial resources, have a competitive advantage, can compete with other businesses, and have the capabilities to run a business with their entrepreneurial skills and management practices.

To conclude, the null hypothesis is rejected, and the alternative hypothesis is accepted, which states that there is a significant relationship between access to financial resources, local market conditions and competition, entrepreneurial skills and management practices, and the business performance of sole proprietors.

## **Recommendations**

Based on the findings produced in this study, the factors that affect the business performance of sole proprietors the most is entrepreneurial skills and management practices. The following recommendations are suggested.

For sole proprietors, since their business performance is already high, they should create policies to strengthen their company allowing it to maintain the growth of their business and for their business performance to increase more in the future.

Aspiring business owners may engage themselves in seminars, workshops, and trainings to give them valuable insights on business, to know what to do during and after starting business, and for them to develop their expertise in running a business. This will help them acquire skills needed before they can put up their future business.

Investors may invest more on sole proprietorship as the result of this study shows that their business performance is high and their business is performing well. Through this, they can secure that they will have a high return on investment (ROI).

Business bureau may give more assistance to sole proprietors in terms of business requirements compliance, such as renewing business permit and licenses. Business bureau may also help sole proprietors by maintaining their business ratings and reviews, which can increase the customers trust on their business.

Local Government Unit (LGU) may implement policies for SME's under sole proprietorship based on their development and new growth industries, such as migration; investment and credit firms such as private sector banks and donor organizations, and they can also lower the requirements for their investments. Furthermore, LGU should protect

the businesses by creating favorable policies and regulations that are advantageous to businesses and encourage stable, secure enterprises within the community.

Government should ensure that sole proprietors are able to access finance when needed and have the resources they need to stay competitive and meet their obligations. They should also ensure that sole proprietors remain part of the global economy and contribute to economic growth. To encourage the expansion and development of particular business sectors, governments may offer subsidies. This can help businesses reduce costs, improve efficiency, and increase their competitiveness.

Future researchers may conduct a study about the other factors affecting the business aside from the factors mentioned in this study. They may also widen their scope and be precise in choosing their respondents. Researchers may consider owners of other business organization as respondents/participants.

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## Appendix 1: Letter for Permission



**HOLY CROSS COLLEGE OF CALINAN, INC**  
 Davao- Bukidnon Highway, Calinan Poblacion, Davao City

January 10, 2024

Sr. Cherie Eloisa Garrote, PM  
 School President  
 Holy Cross College of Calinan, Inc.

Dear Sister Garrote,

Good day!

We are writing this letter to inform you that we will be conducting a research study entitled: **EXAMINING THE FACTORS AFFECTING THE BUSINESS PERFORMANCE OF SOLE PROPRIETORS IN CALINAN POBLACION** as the major requirement in our Practical Research 1 and 2. The objective of our study is to assist those who wish to start a new business by providing insight on what sole means. Questionnaires will be used to gather data from sole proprietors in Calinan Poblacion. The results of the study will be part of our contribution to improving and strengthening enterprises' performance, as well as expanding information on how to manage their businesses.

In line with this, we would like to ask permission to conduct a survey among the sole proprietors in Calinan Poblacion and administer the questionnaire on sole proprietors. The information obtained is assured as there will be no other individuals who have access on them except the researchers and their research adviser.

Participation in this study is completely voluntary, therefore participants are free to withdraw from the study at any time without moral obligation to the researcher and the school. Further the participants have the right to verify the data to be included in the final manuscript.

Should you wish to know more about the study, please feel free to contact:


**Leah Jasmin Silagan, [silaganleah@gmail.com](mailto:silaganleah@gmail.com), 09215851389**

Thank you very much.

Very truly yours,

  
 Leah Lyn Hogaya  
 Researcher


  
 Leah Jasmin Silagan  
 Researcher

  
 Aisha Lyn San Mateo  
 Researcher


  
 Gladys Mahumot  
 Researcher



**Ralph Alforque**  
Researcher



**Lorence Angelo Lopez**  
Researcher




**Yasser Jammang**  
Researcher

Noted by:



**June Nillyn B. Torres**  
Research Adviser

Approved by:



**Sr. Cherie Eloisa Garrote, PM**  
School President

**Complaints about this research:**

The Holy Cross College of Calinan requires that all the participants are informed and if they have complaints regarding the manner in which the research is conducted, it may be given to the researcher, or if an independent person is preferred, to the Research and Publication Head, Research Office, Holy Cross College of Calinan with the following numbers: 295-0797 or 09491985644.



## Appendix 2a: Letter to the Validator



**HOLY CROSS COLLEGE OF CALINAN, INC**  
**Davao- Bukidnon Highway, Calinan Poblacion, Davao City**

December 15, 2023

Mr. Cris Dan R. Makiling, LPT  
 Araling Panlipunan Coordinator/Internal Quality Assurance Officer  
 Holy Cross College of Calinan, Inc.

Dear Mr. Makiling,

Greetings of peace and solidarity!

We, Leah Jasmin Silagan, Leah Lyn Hogaya, Aisha Lyn San Mateo, Gladys Mahumot, Lorence Angelo Lopez, Ralph Alforque, and Yasser Jammang, enrolled in the class of Grade 12 – Our Lady of Guadalupe and conducting research entitled: **EXAMINING THE FACTORS AFFECTING THE BUSINESS PERFORMANCE OF SOLE PROPRIETORS IN CALINAN, POBLACION**. This study aims to know if there is a significant relationship between the business performance of a sole proprietorship and will attempt to gather the responses from the respondents toward the following questions:

1. What is the demographic profile of sole proprietors in terms of:
  - 1.1 Size of business
2. What is the level of business performance of sole proprietors?
3. What is the level of influence of the following factors to the business performance of the sole proprietors?
  - 2.1 access to financial resources
  - 2.2 local market conditions and competition
  - 2.3 entrepreneurial skills and management practices



4. Is there a significant relationship between access to financial resources, local market conditions and competition, entrepreneurial skills and management practices and business performance of sole proprietors?
5. Which of the factors greatly affect the business performance of sole proprietors?

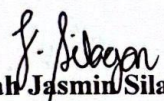
May we request your kind assistance in validating the questionnaire of the research study. Would you please fill out the attached validation sheet and give suggestions/comments for the improvement of our questionnaire.


Should you wish to know more about the study, please feel free to contact:

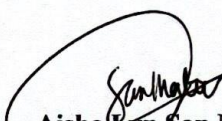
**Leah Jasmin B. Silagan 09215851389**

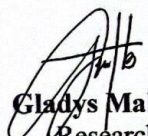
Thank you very much for your help.

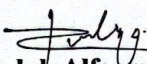
Very truly yours,

  
**Leah Jasmin Silagan**  
Researcher


  
**Leah Lyn Hogaya**  
Researcher

  
**Aisha Lyn San Mateo**  
Researcher

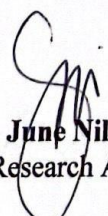
  
**Gladys Mahumot**  
Researcher

  
**Ralph Alforque**  
Researcher

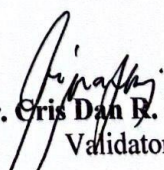
  
**Lorence Angelo Lopez**  
Researcher

  
**Yasser Jammang**  
Researcher

Noted by:

  
**Ms. June Nillyn Torres**  
Research Adviser

Approved By:

  
**Mr. Cris Dan R. Makiling**  
Validator

## Appendix 2b: Letter to the Validator



**HOLY CROSS COLLEGE OF CALINAN, INC**  
**Davao- Bukidnon Highway, Calinan Poblacion, Davao City**

---

December 15, 2023

Ms. Rialyn V. Baguio, LPT  
 Mathematics Coordinator  
 Holy Cross College of Calinan, Inc.

Dear Ms. Baguio,

Greetings of peace and solidarity!

We, **Leah Jasmin Silagan, Leah Lyn Hogaya, Aisha Lyn San Mateo, Gladys Mahumot, Lorence Angelo Lopez, Ralph Alforque, and Yasser Jammang**, enrolled in the class of **Ms. Vallerie Joy Escolano** and conducting research entitled: **EXAMINING THE FACTORS AFFECTING THE BUSINESS PERFORMANCE OF SOLE PROPRIETORS IN CALINAN, POBLACION**. This study aims to know which of the factors affect the business performance of the sole proprietors the most and will attempt to gather the responses from the respondents toward the following questions:

1. What is the demographic profile of sole proprietors in terms of:
  - 1.1 Size of business
2. What is the level of business performance of sole proprietors?
3. What is the level of influence of the following factors to the business performance of the sole proprietors?
  - 2.1 access to financial resources
  - 2.2 local market conditions and competition
  - 2.3 entrepreneurial skills and management practices



4. Is there a significant relationship between access to financial resources, local market conditions and competition, entrepreneurial skills and management practices and business performance of sole proprietors?
5. Which of the factors greatly affect the business performance of sole proprietors?

May we request your kind assistance in validating the questionnaire of the research study. Would you please fill out the attached validation sheet and give suggestions/comments for the improvement of our questionnaire.

Should you wish to know more about the study, please feel free to contact:

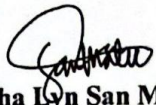
**Leah Jasmin B. Silagan, [silaganleah@gmail.com](mailto:silaganleah@gmail.com), 09215851389**


Thank you very much for your help.

Very truly yours,

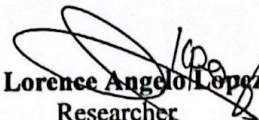
  
**Leah Jasmin Silagan**  
Researcher

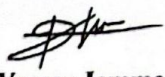
  
**Leah Lyn Hogaya**  
Researcher

  
**Aisha Lyn San Mateo**  
Researcher


  
**Gladys Mahumot**  
Researcher

  
**Ralph Alforque**  
Researcher

  
**Lorence Angelo Lopez**  
Researcher

  
**Yasser Jammang**  
Researcher

Noted by:

  
**Ms. June Nillyn Torres**  
Research Adviser

Approved By:

  
**Ms. Rialyn V. Baguio**  
Validator

## Appendix 3a: Validation Sheet

**Holy Cross College of Calinan, Inc**

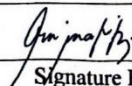
Davao-Bukidnon Highway, Calinan Pobalcion, Davao City

**Research Assessment Tool and Validation Sheet**

Name of Evaluator : Mr. Cris Dan R. Makiling  
 Degree : Licensed Professional Teacher  
 Position : Araling Panlipunan Coordinator, research panelist  
 Institution : Holy Cross College of Calinan, Inc  
 To the Evaluator: Please check the appropriate box for your ratings.  
 POINT EQUIVALENT: 1 – Poor      3 – Good      5 - Excellent  
                                  2 - Fair      4 – Very Good

Criteria/ Indicators		1	2	3	4	5
1	<b>CLARITY OF DIRECTIONS AND ITEMS</b> The vocabulary level, language structure and conceptual level of questions suit to level of respondents. The test directions and items are written in clear and understandable manner.			/		
2	<b>PRESENTATION/ ORGANIZATION OF ITEMS</b> The items are presented and organized in logical manner.			/		
3	<b>SUITABILITY OF ITEMS</b> The items appropriately represent the substance of the research. The questions are designed to determine the condition, knowledge, perception and attitudes that are supposed to be measured.			/		
4	<b>ADEQUATENESS OF ITEMS PER CATEGORY</b> The items represent the coverage of the research adequately. The number of questions per area category is representative enough of all the question needed for the research.			/		
5	<b>ATTAINMENT OF PURPOSE</b> The instrument as a whole fulfills the objectives for which it was constructed.				/	
6	<b>OBJECTIVE</b> Each item question requires only one specific answer or measure only one behavior and no aspect of questionnaire suggest bias on the part of the researcher.				/	
7	<b>SCALE AND EVALUATION RATING SYSTEM</b> The scale adapted is appropriate for the items.			/		

Comments and Suggestions: \_\_\_\_\_

  
 Signature Evaluator

## Appendix 3b: Validation Sheet

**Holy Cross College of Calinan, Inc**

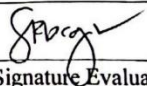
Davao-Bukidnon Highway, Calinan Poblacion, Davao City

**Research Assessment Tool and Validation Sheet**

Name of Evaluator : Ms. Rialyn V. Baguio  
 Degree : Licensed Professional Teacher  
 Position : Mathematics coordinator, research panelist  
 Institution : Holy Cross College of Calinan, Inc  
 To the Evaluator: Please check the appropriate box for your ratings.  
 POINT EQUIVALENT: 1 – Poor      3 – Good      5 - Excellent  
                                  2 - Fair      4 – Very Good

Criteria/ Indicators		1	2	3	4	5
1	<b>CLARITY OF DIRECTIONS AND ITEMS</b> The vocabulary level, language structure and conceptual level of questions suit to level of respondents. The test directions and items are written in clear and understandable manner.				✓	
2	<b>PRESENTATION/ ORGANIZATION OF ITEMS</b> The items are presented and organized in logical manner.				/	
3	<b>SUITABILITY OF ITEMS</b> The items appropriately represent the substance of the research. The questions are designed to determine the condition, knowledge, perception and attitudes that are supposed to be measured.			/		
4	<b>ADEQUATENESS OF ITEMS PER CATEGORY</b> The items represent the coverage of the research adequately. The number of questions per area category is representative enough of all the question needed for the research.				/	
5	<b>ATTAINMENT OF PURPOSE</b> The instrument as a whole fulfills the objectives for which it was constructed.			/		
6	<b>OBJECTIVE</b> Each item question requires only one specific answer or measure only one behavior and no aspect of questionnaire suggest bias on the part of the researcher.				/	
7	<b>SCALE AND EVALUATION RATING SYSTEM</b> The scale adapted is appropriate for the items.				/	

Comments and Suggestions: \_\_\_\_\_

  
 Signature Evaluator



## Appendix 4: Informed Consent



**HOLY CROSS COLLEGE OF CALINAN, INC.**  
 Davao- Bukidnon Highway, Calinan Poblacion, Davao City

**EXAMINING THE FACTORS AFFECTING THE BUSINESS  
 PERFORMANCE OF SOLE PROPRIETORS IN CALINAN  
 POBLACION**

I, \_\_\_\_\_, agree to participate in the study in which purpose is to find out and examine which of the factors affect the business performance of the sole proprietors. I am fully aware that the study will be conducted by Leah Jasmin Silagan, Leah Lyn Hogaya, Aisha Lyn San Mateo, Gladys Mahumot, Ralph Alforque, Lorence Angelo Lopez, and Yasser Jammang and will be supervised by June Nillyn Torres, their research adviser.

Before the onset of the study, the researchers explained to me the nature and extent of my involvement in this project. Also, during the orientation, participants were informed of the following:

- a. that there are no known risks in our participation;
- b. that my participation will involve answering survey questionnaire, thus, will be oriented for a better understanding of why they will participate, what benefits they will get, and how it will contribute to the business industry about the factors affecting the business performance of sole proprietors in Calinan Poblacion;
- c. that the information they obtained from me will be kept confidential and that only them and their research adviser will have access on it; and
- d. that my name and the organization where I am connected will never be mentioned in the final report.

In this study, my participation is entirely voluntary and I am free to withdraw at any time without affecting my relationship with the researchers and Holy Cross College of Calinan.

For possible queries and complaints regarding the conduct of the study, contact details of the researchers and their adviser, **June Nillyn Torres** are provided.

\_\_\_\_\_  
 Participant's signature

\_\_\_\_\_  
 Research Leader's signature

Jan 28 2024  
 Date

01/28/24  
 Date

## Appendix 5: Survey Questionnaire

**SURVEY QUESTIONNAIRE****EXAMINING THE FACTORS AFFECTING BUSINESS PERFORMANCE OF  
SOLE PROPRIETORS IN CALINAN POBLACION**

We are carrying out an evaluation of the Sole Proprietors' business performance in Calinan Poblacion. Your response to this survey is crucial in providing the necessary information. If you have any query about the questionnaire, please do not hesitate to approach any of the researchers. Your honest and sincere response and time given to answer the evaluation is greatly appreciated.

**Thank you very much for your cooperation.**

Instruction: Please check or supply the information needed in the space provided.

Name ( Optional ) \_\_\_\_\_

**Part I: Demographic Profile**

1. What is the size of your business?

☐ Small

☐ Medium

**Part 2: Business Performance**

Check the box of the response that best describe the involvement of your business using the following scales:

1 = strongly disagree   2 = disagree   3 = neutral   4 = agree   5 = strongly agree

<b>2.1 Business performance indicators:</b>		1	2	3	4	5
1	I have a positive cash flow.					
2	My small business is financially stable					
3	My small business is recognizable in the locality.					
4	My small business is achieving its financial goals.					
5	My customers are satisfied with my products/services.					
6	My business profitability has improved over the past year.					
7	Our marketing efforts effectively reach our target audience.					

### Part 3: Access to Financial Resource

Check the box of the response that best describe the involvement of your business using the following scales:

1 = strongly disagree   2 = disagree   3 = neutral   4 = agree   5 = strongly agree

<b>3.1 Financial access indicators:</b>		1	2	3	4	5
1	I have a bank account.					
2	I do not have a loan in the past months.					
3	I have access to the use of a bank/ formal or any financial service provider through other household members.					
4	I pay business utility bills through a [bank/formal financial institution].					
5	I have any cash savings, [instead of, e.g., gold or livestock].					
6	I earn money on bank deposits/deposits at other registered financial institutions.					

### 3.2 Local market conditions and competition

Check the box of the response that best describe the involvement of your parents in your studies using the following scales:

1 = strongly disagree   2 = disagree   3 = neutral   4 = agree   5 = strongly agree

<b>3.2 Local market conditions and competition indicators:</b>		1	2	3	4	5
1	I believe that the demands of my products are high.					
2	I believe that there is a high competition in the local market.					
3	I believe that the competitors motivate my business to expand more.					
4	I believe that prices are lowered when the market gets saturated.					
5	I believe that customers in the local market are sensitive to price changes.					

### 3.3 Entrepreneurial skills and management

Check the box of the response that best describe the involvement of your parents in your studies using the following scales:

1 = strongly disagree   2 = disagree   3 = neutral   4 = agree   5 = strongly agree

<b>3.3 Entrepreneurial skills indicators:</b>		1	2	3	4	5
1	I can easily identify business opportunities.					
2	My business uses accounting information for decision making.					



3	I can search for changes occurring in the industry and develop ways of exploiting those changes for business gains.					
4	I can easily identify the skills I am good at and how to take advantage of those skills.					
5	I can easily identify and evaluate the risk of a new venture based on a careful assessment of the probability of success and failure.					
<b>3.3 Management practices indicators:</b>		1	2	3	4	5
1	Increase of direct personal contacts of the organization with customers					
2	I can develop and implement strategies and plans based on the information about customers' requirements and the company's capacities.					
3	Prevention of defective products/services is a strong attitude in this organization.					
4	Processes used in this organization include quality measurements.					
5	The human resources management is done in line with the business strategy and/or plans.					

**THANK YOU...**

## Appendix 6: Raw Data

Size of Business			Business Performance							Access to Financial Resources						
Respon- dent #	Size	Respon- dent #	B P 1	B P 2	B P 3	B P 4	B P 5	B P 6	B P 7	Respon- dent #	F A 1	F A 2	F A 3	F A 4	F A 5	F A 6
1	M	1	3	3	2	2	3	3	2	1	4	3	3	4	2	3
2	S	2	5	4	5	5	5	5	5	2	5	3	1	5	5	3
3	S	3	4	4	4	3	5	3	4	3	2	3	3	2	3	2
4	S	4	3	3	4	4	3	3	3	4	4	5	4	4	4	2
5	S	5	4	4	4	4	4	4	4	5	1	1	1	1	4	1
6	S	6	3	4	3	5	4	4	5	6	4	2	4	4	5	5
7	M	7	3	5	5	5	4	3	5	7	4	3	2	4	3	4
8	S	8	4	3	4	4	4	4	4	8	4	4	5	4	4	4
9	S	9	3	3	3	3	4	4	3	9	3	4	3	3	3	3
10	S	10	4	4	4	5	5	4	3	10	4	4	4	5	5	4
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17	M	17	2	1	3	1	2	3	3	17	4	2	4	4	2	4
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58	S	58	3	3	4	5	5	1	4	58	4	4	4	4	4	3
59	M	59	3	5	5	4	5	3	3	59	5	1	4	2	5	5
60	S	60	5	4	4	4	4	4	4	60	4	4	4	4	4	4
61	S	61	3	4	3	3	4	3	4	61	3	3	3	3	4	3
62	S	62	3	3	3	3	5	4	3	62	2	2	2	4	3	2
63	M	63	4	3	3	3	5	5	3	63	5	5	4	5	4	2
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73	S	73	3	3	2	3	3	3	2	73	2	2	1	2	4	2
74	S	74	3	3	2	3	3	3	3	74	1	1	2	2	4	2

Respondent #	Local Market Conditions and Competitions					Entrepreneurial Skills and Management Practices										
	L M C	L M C	L M C	L M C	L M C	Respond ent #	ES 1	ES 2	ES 3	ES 4	ES 5	M P 1	M P 2	M P 3	M P 4	M P 5
	1	2	3	4	5											
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2	5	3	5	2	5	2	5	4	4	5	5	5	5	5	5	5
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9	3	3	3	3	3	9	3	3	3	3	3	4	3	3	3	3
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17	3	2	3	2	3	17	4	3	2	3	2	1	4	4	2	4
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19	3	2	3	2	4	19	4	2	2	4	4	3	2	4	2	3
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74	4	4	3	3	4	74	4	3	3	4	3	3	2	3	3	2

## Appendix 7: Tabulated Results

<i>Regression Statistics</i>	
Multiple R	0.657846033

<i>ANOVA</i>	
	<i>Significance F</i>
Regression	1.08825E-08

	<i>t Stat</i>	<i>P-value</i>
Average for access to financial resources.	0.708741599	0.48083858
Average for local market conditions and competition.	1.861336792	0.066895698
Average for entrepreneurial skills and management practices	3.455409596	0.000937609

## Appendix 8: Editor's Certificate

**HOLY CROSS COLLEGE OF CALINAN, INC.**

Davao- Bukidnon Highway, Calinan Poblacion, Davao City

**RESEARCH AND PUBLICATION OFFICE****CERTIFICATION**

This is to certify that the research paper of **Leah Jasmin Silagan, Leah Lyn Hogaya, Aisha Lyn San Mateo, Gladys Mahumot, Ralph Alforque, Yasser Jammang,** and **Lorence Angelo Lopez**, entitled **EXAMINING THE FACTORS AFFECTING THE BUSINESS PERFORMANCE OF SOLE PROPRIETORS IN CALINAN POBLACION** has undergone the editing process and been approved by the undersigned.

This certification is issued upon the request by the researcher on June 11, 2025.

**MARILYN C. BRAGANZA, MA**  
Editor

**CURRICULUM VITAE**



## PERSONAL INFORMATION

Name: Leah Jasmin B. Silagan

Age: 18 years old

Date of Birth: November 11, 2005

Place of Birth: Davao City

Address: Lagazo Village, Calinan, Davao City

Sex: Female

Civil Status: Single

Citizenship: Filipino

Religion: Roman Catholic

Father's Name: Robert G. Silagan      Occupation: Government Employee



## EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Calinan Central Elementary School	2018
Junior High School:	Holy Cross College of Calinan, Inc.	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

## PERSONAL INFORMATION

Name: Leah Lyn S. Hogaya  
Age: 18 years old  
Date of Birth: July 26, 2005  
Place of Birth: Davao City  
Address: Sitio Ladian, Marilog District, DC  
Sex: Female  
Civil Status: Single  
Citizenship: Filipino  
Religion: Church of Christ  
Father's Name: Edgar H. Hogaya      Occupation: School Guard  
Mother's Name: Rowena S. Hogaya      Occupation: Housewife



## EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Ladian Elementary School	2018
Junior High School:	Marahan National High School	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

## CURRICULUM VITAE



## PERSONAL INFORMATION

Name:	Aisha Lyn R. San Mateo	
Age:	18 years old	
Date of Birth:	April 14, 2005	
Place of Birth:	Brokenshire Hospital, Davao City	
Address:	Purok 3-A, Talomo River, C., DC	
Sex:	Female	
Civil Status:	Single	
Citizenship:	Filipino	
Religion	Roman Catholic	
Father's Name:	Arish B. San Mateo Sr.	Occupation: Businessman
Mother's Name:	Honey Lyn R. San Mateo	Occupation: Housewife

## EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Holy Spirit Academy of Calinan, Inc.	2014
	Calinan Central Elementary School	2018
Junior High School:	Calinan National High School	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

## CURRICULUM VITAE

## PERSONAL INFORMATION

Name: Ralph M. Alforque  
Age: 17 years old  
Date of Birth: January 12, 2006  
Place of Birth: Cebu City  
Address: Purok 2, Tamayong, Calinan, DC  
Sex: Male  
Civil Status: Single  
Citizenship: Filipino  
Religion: Roman Catholic  
Father's Name: Randy Anthony Alforque  
Mother's Name: Alma M. Alforque



Occupation: Seaman

Occupation: Housewife

## EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Tamayong Elementary School	2018
Junior High School:	Amigo School of Calinan, Inc.	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

## CURRICULUM VITAE

### PERSONAL INFORMATION

Name:	Gladys M. Mahumot	
Age:	18 years old	
Date of Birth:	September 13, 2005	
Place of Birth:	Sultan Kudarat	
Address:	Purok Mirasol, Baguio Proper, DC	
Sex:	Female	
Civil Status:	Single	
Citizenship:	Filipino	
Religion	Roman Catholic	
Father's Name:	Glenn Ephraim E. Mahumot	Occupation: Driver
Mother's Name:	Rhonda Mahumot	Occupation: Caregiver



### EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Baguio Central Elementary School	2018
Junior High School:	Baguio National School of Art and Trades	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

## CURRICULUM VITAE

### PERSONAL INFORMATION

Name:	Yasser J. Jammang	
Age:	17 years old	
Date of Birth:	September 05, 2006	
Place of Birth:	Davao City	
Address:	Purok 9-Cawayan, Calinan, DC	
Sex:	Male	
Civil Status:	Single	
Citizenship:	Filipino	
Religion	Islam	
Father's Name:	Moben A. Jammang	Occupation: Farmer
Mother's Name:	Nur Ain J. Jainal	Occupation: Housewife



### EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Tamayong Elementary School	2018
Junior High School:	Amigo school of calinan Inc.	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

## CURRICULUM VITAE

### PERSONAL INFORMATION

Name: Lorence Angelo L. Lopez

Age: 17 years old

Date of Birth: April 16, 2006

Place of Birth: Davao City

Address: Purok 5 Pagaran Gumalang, Baguio D.

Sex: Male

Civil Status: Single

Citizenship: Filipino

Religion: Roman Catholic

Father's Name: Venes P. Lopez

Occupation: Businessman

Mother's Name: Cherry L. Lopez

Occupation: Housewife



### EDUCATIONAL ATTAINMENT

	SCHOOL	YEAR GRADUATED
Intermediate:	Labangal Elementary School	2018
Junior High School:	Datu Duyan National High School	2022
Senior High School:	Holy Cross College of Calinan, Inc.	2024
Track:	Academic Track	
Strand:	Accountancy, Business, and Management	

