

THE DEVELOPMENT OF BUSINESS KNOWLEDGE TO START UP SMALL BUSINESSES AMONG UNDERGRADUATE STUDENTS IN KORONADAL CITY

Wenceslao, Mechle F, University of Baguio

ABSTRACT

This study explores the development of business knowledge among undergraduate students in Koronadal City, focusing on equipping them with the foundational knowledge necessary to initiate small business ventures. Employing a convergent parallel mixed-methods design, the research integrates quantitative surveys and qualitative interviews to provide a comprehensive understanding of this phenomenon. The quantitative component included structured surveys completed by 385 undergraduate students, measuring their business knowledge levels and identifying key challenges. The qualitative component involved in-depth interviews with 10 participants, which explored personal experiences, motivations, and barriers to acquiring entrepreneurial knowledge.

The quantitative analysis revealed moderate levels of business knowledge among students, highlighting deficiencies in financial management and market research. Key challenges identified include limited access to resources, inadequate support systems, and insufficient exposure to entrepreneurial education. The qualitative analysis uncovered critical themes such as the importance of mentorship, practical training, and institutional support in fostering entrepreneurial development. Verbatim responses provided context and illustrated the significant barriers students face, with English translations included for vernacular responses.

The integration of quantitative and qualitative findings emphasizes the need for targeted interventions. Recommendations include developing structured entrepreneurship programs, incorporating community-based mentorship, and enhancing collaboration between educational institutions and local policymakers. These initiatives aim to address gaps in business knowledge and create a supportive ecosystem for aspiring entrepreneurs.

This study contributes to the discourse on entrepreneurial education, offering actionable insights into the challenges and opportunities associated with empowering undergraduate students to pursue entrepreneurship. By addressing these challenges through targeted strategies, this research advocates for sustainable practices that nurture entrepreneurial aspirations, ultimately fostering economic growth and innovation within local communities.

Keywords: Business Knowledge, Small Businesses, Entrepreneurship, Undergraduate Students, Koronadal City.

INTRODUCTION

Entrepreneurship is a significant driver of economic development, innovation, and social transformation. Across the globe, small businesses play a crucial role in driving economies forward by generating employment opportunities, fostering innovation, and uplifting the quality of life in local communities. In developing nations like the Philippines, the role of small businesses is even more pronounced. Micro, small, and medium enterprises

(MSMEs) account for 99.5% of all registered businesses, contributing substantially to the country's gross domestic product (GDP) and employment. Yet, despite their economic significance, challenges persist in fostering a robust entrepreneurial ecosystem, especially among the youth. In Koronadal City, the vibrant hub of South Cotabato, entrepreneurship has the potential to address pressing socioeconomic concerns such as unemployment, underemployment, and limited career pathways for young professionals (Abreu & Santos 2021). However, while the city is home to a growing number of educational institutions, many undergraduate students lack the knowledge required to initiate and sustain small businesses. This gap in business knowledge hinders their ability to explore entrepreneurship as a viable career option, leaving many to rely on traditional employment in a competitive labor market. The growing recognition of entrepreneurship education as a tool for economic empowerment has driven global efforts to integrate entrepreneurial learning into higher education. Studies have shown that structured entrepreneurial education enhances students' confidence and equips them with skills such as financial management, business planning, and marketing (Li & Wu, 2019). These competencies are essential for navigating the complexities of starting and sustaining a business in today's competitive environment. However, while existing literature emphasizes the role of entrepreneurship education in developed economies, its impact on small, localized communities such as Koronadal City remains underexplored. Recognizing this gap, the present study focuses on undergraduate students in Koronadal City to understand their levels of business knowledge, the challenges they face in acquiring this knowledge, and the potential strategies to bridge these gaps. The study adopts a localized lens to explore how the specific socio-cultural and economic environment of Koronadal City influences entrepreneurial intentions and readiness. By doing so, it seeks to provide actionable insights that are directly applicable to the local context, benefiting not only students but also educational institutions, policymakers, and community stakeholders (Ahsan & Khan, 2020).

Koronadal City, a component city and the administrative center of South Cotabato, serves as a microcosm of the economic challenges faced by secondary cities in the Philippines. While the city has seen gradual economic growth, disparities in income distribution and job opportunities remain significant. Undergraduate students often grapple with the reality of limited employment options post-graduation, compelling them to explore alternative pathways such as entrepreneurship (Fatoki, 2019). The Department of Trade and Industry (DTI) in the Philippines has implemented several programs to encourage entrepreneurship among youth, including the "Youth Entrepreneurship Program" and "Go Negosyo Centers." Despite these initiatives, anecdotal evidence suggests that many undergraduate students in Koronadal City remain hesitant to pursue entrepreneurial ventures (Dyer & Handler, 2019). This reluctance can be attributed to factors such as limited financial literacy, inadequate access to capital, and a lack of mentorship opportunities. One of the central challenges in promoting entrepreneurship among undergraduate students is the inadequacy of entrepreneurial education within existing academic curricula. While most universities offer basic courses in business administration or management, these often focus on theoretical aspects rather than practical applications. In Koronadal City, undergraduate programs often fail to integrate real-world business scenarios, leaving students ill-prepared to tackle the complexities of starting and managing a small business. Research by Fatoki (2019) highlights that students who lack exposure to entrepreneurial practices during their formative years are less likely to pursue entrepreneurship as a career. Moreover, studies in similar local contexts have identified financial management, market research, and risk assessment as critical areas where students commonly lack confidence and competence.

The role of community-based mentorship programs and peer networks cannot be understated in addressing these gaps. In Koronadal City, informal networks often serve as the

primary source of entrepreneurial advice, but these networks lack the structure and reliability necessary to foster long-term growth. By identifying these barriers, this study seeks to propose targeted interventions that can enhance the entrepreneurial ecosystem in Koronadal City. The primary objective of this research is to empower undergraduate students in Koronadal City by bridging the gaps in their business knowledge and equipping them with the tools needed to succeed as entrepreneurs. Specifically, the study aims to: determine the current level of business knowledge among undergraduate students in Koronadal City, focusing on key competencies such as financial management, business planning, and market research; identify the challenges faced by students in acquiring business knowledge, including socio-economic barriers, gaps in educational resources, and limited access to mentorship; and propose an action plan to enhance entrepreneurial education and support systems, with the goal of fostering entrepreneurial intentions among undergraduate students (Gibb, 2019).

The significance of this study lies in its ability to address both theoretical and practical gaps in the existing literature on entrepreneurship education. By focusing on a localized context, it provides insights that are directly applicable to the realities of undergraduate students in Koronadal City. Furthermore, the findings of this study have implications for a wide range of stakeholders: for educational institutions, the study underscores the need for curriculum reforms to integrate entrepreneurship education, emphasizing practical applications and real-world problem-solving; for policymakers, it highlights the importance of creating an enabling environment for young entrepreneurs, including access to funding, training, and mentorship programs; and for students, it provides a roadmap for overcoming challenges in entrepreneurship, inspiring them to view business ventures as viable and rewarding career paths. This study builds on the growing body of literature that explores the relationship between entrepreneurship education and entrepreneurial intentions. While global studies have demonstrated the effectiveness of entrepreneurship education in fostering business success, there is a dearth of research focusing on secondary cities in the Philippines. By addressing this gap, the study contributes to a more nuanced understanding of how localized factors influence the development of business knowledge among students. Research by Dyer and Handler (2019) suggests that the effectiveness of entrepreneurship education is contingent upon contextual factors such as socio-economic conditions, access to resources, and cultural attitudes toward risk-taking. By applying these theoretical insights to Koronadal City, this study seeks to bridge the gap between global frameworks and local realities. In conclusion, this study highlights the urgent need to address the barriers that prevent undergraduate students in Koronadal City from realizing their entrepreneurial potential. By focusing on the development of business knowledge, it aims to provide a holistic framework that integrates education, mentorship, and community support. The findings of this research have the potential to not only empower individual students but also contribute to the broader goal of sustainable economic development in Koronadal City.

LITERATURE REVIEW

Business knowledge is widely regarded as essential for entrepreneurial success. Studies indicate that entrepreneurs with strong foundational knowledge in business principles are better equipped to make strategic decisions, manage resources effectively, and sustain their ventures (Dyer & Handler, 2019). Business knowledge covers various aspects, including financial management, business planning, marketing, and risk management. For undergraduates, acquiring this knowledge can help mitigate the common challenges

associated with starting and maintaining a small business (Abreu & Santos, 2021; Fatoki, 2019).

Entrepreneurship education plays a crucial role in developing business knowledge and preparing students for potential business endeavors. Research suggests that students exposed to entrepreneurship courses or programs have a higher likelihood of pursuing entrepreneurial careers due to their increased confidence and understanding of business processes (Hattab, 2021). Furthermore, studies by Li and Wu (2019) have demonstrated a significant correlation between entrepreneurship education and entrepreneurial intentions, where students who receive formal training in business are more inclined to start their own ventures.

Financial literacy, a component of business knowledge, has a profound impact on small business success. Entrepreneurs with financial literacy skills are better equipped to handle cash flow, budgeting, and investment decisions (Ahsan & Khan, 2020). Financial literacy also contributes to sustainable business practices, as entrepreneurs can make informed financial decisions that help avoid unnecessary debt or financial risk. Research indicates that financial literacy among students is often limited, necessitating targeted educational programs to improve students' financial decision-making (Fatoki, 2019).

Despite the value of business knowledge, students often face barriers to acquiring it. Common challenges include limited access to entrepreneurship resources, insufficient practical experience, and lack of mentorship opportunities (Leach, 2020). Furthermore, socioeconomic factors may influence students' ability to engage in entrepreneurship education or internships that provide real-world business exposure (Kamusoko & Chikozho, 2020). Addressing these barriers through targeted programs, such as mentorship initiatives or entrepreneurship workshops, could help bridge the gap for undergraduates aspiring to become entrepreneurs.

While numerous studies have examined the importance of business knowledge for entrepreneurship, there is limited research focusing on undergraduate students in Koronadal City who are interested in starting small businesses. Previous research has largely concentrated on established entrepreneurs or students in larger urban centers, overlooking the unique challenges and opportunities present in smaller cities. This gap highlights the need for research tailored to this population, focusing on the specific educational and environmental factors that influence business knowledge acquisition (Hattab, 2021).

Conceptual Framework

This study operates under the framework that the development of business knowledge among undergraduate students is influenced by their educational exposure, access to resources, and entrepreneurial motivations. These factors interplay to shape their capacity to start small businesses. The conceptual framework aligns with the idea that entrepreneurship education equips students with foundational knowledge and skills, fostering entrepreneurial intention (Gibb, 2019; Hattab, 2021).

According to Li and Wu (2019), entrepreneurship education significantly impacts students' entrepreneurial intentions by enhancing their knowledge about business planning, financial management, and market analysis. In this context, the study adopts the model proposed by Fatoki (2019), which highlights the role of financial literacy in bridging knowledge gaps that hinder small business start-ups.

Additionally, Abreu and Santos (2021) argue that access to mentorship and real-world business examples accelerates knowledge acquisition and decision-making for aspiring entrepreneurs. This study expands on these theories by exploring how undergraduate students in Koronadal City experience these influences in practice.

The framework integrates three main constructs:

1. Business Knowledge: The foundational understanding of starting and managing small businesses, including financial management and business planning.
2. Challenges in Acquiring Knowledge: Barriers such as limited access to resources, lack of mentorship, and inadequate formal education.
3. Entrepreneurial Outcomes: The extent to which knowledge translates into practical steps to start a small business.

OBJECTIVES OF THE STUDY

Significance of the study

The findings of this research will benefit various stakeholders, including educational institutions, policymakers, and aspiring entrepreneurs. By enhancing the business knowledge of undergraduates, this study seeks to contribute to the economic development of Koronadal City and empower students to create their own opportunities for income generation. The proposed action plan will serve as a practical guide for educational institutions to integrate entrepreneurship into their curricula effectively.

Objectives of the Study

1. Assess the Current Level of Business Knowledge Among Undergraduate Students in Koronadal City
2. Identify the Challenges Faced in Acquiring the Knowledge Necessary to Start Small Businesses
3. Propose an Action Plan to Improve the Level of Business Knowledge Among Undergraduates

METHODOLOGY

Study Design

The study employed a convergent parallel mixed-methods design, which involved collecting both quantitative and qualitative data simultaneously. This approach was chosen to provide a comprehensive understanding of business knowledge and its influence on entrepreneurial intentions among undergraduate students in Koronadal City. The quantitative part of the study involved the use of survey questionnaires, designed to capture data on participants' levels of business knowledge, entrepreneurial intentions, and financial attitudes. The integration of these data points helped to identify patterns and trends that provided insights into the relationship between business knowledge and students' readiness to pursue entrepreneurship. This methodological approach ensured that the study aligned with its stated objectives and provided a comprehensive view of the factors impacting business knowledge development (Maritz & Brown, 2020).

The qualitative component included in-depth interviews with a select group of participants. This approach aimed to explore participants' personal experiences, motivations, and perceived challenges in acquiring the necessary knowledge for starting small businesses. By incorporating this qualitative data, the study sought to understand the nuances of business knowledge development, focusing on barriers and opportunities related to entrepreneurship.

The data from both methods were analysed separately and integrated to allow for cross-validation. This process enhanced the reliability and validity of the study's findings, creating a richer and more robust understanding of the research problem.

Sample/Population of the Study

The sample size for the study was determined using Cochran's formula, which is suitable for studies where the total population is unknown. The calculation suggested a minimum sample size of 385 respondents for the quantitative survey, ensuring statistical power and representativeness of the data. This sample size was sufficient to draw meaningful conclusions regarding the business knowledge of undergraduate students in Koronadal City.

For the qualitative component, a purposive sampling method was employed. At least 10 participants were selected based on specific criteria relevant to the study's objectives. These criteria included enrollment as undergraduate students in business or related programs at institutions in Koronadal City, self-reported interest in entrepreneurship, and a diversity of experience levels with entrepreneurial activities. This approach was designed to capture a range of perspectives, including those with prior entrepreneurial experience and those without.

Exclusion criteria were applied to ensure the study's focus. Participants who were not currently enrolled as undergraduate students or who did not express an interest in entrepreneurship were excluded. Additionally, students with minimal exposure to business-related coursework were not included, as their input would not have contributed relevant insights.

Data Gathering Tools

The main data collection tool was a structured survey questionnaire, which was developed to assess participants' knowledge and challenges related to entrepreneurship. This tool underwent a reliability test involving a pilot group of 25 respondents, which yielded a Cronbach's alpha value of 0.81, indicating high internal consistency. The questions were adapted from established, validated scales in entrepreneurship research to ensure alignment with the study's objectives.

Content validity was confirmed through expert validation, with experts reviewing the questions to ensure they were appropriate and accurately aligned with the study's constructs. The final survey included sections that addressed business knowledge, challenges, and entrepreneurial attitudes.

In addition to the survey, an interview guide was developed for the qualitative component. This guide was used to structure interviews, allowing for the collection of in-depth qualitative data about participants' experiences, motivations, and perceived barriers to acquiring business knowledge. The guide included open-ended questions that permitted participants to provide detailed insights into their understanding of business knowledge and their entrepreneurial aspirations (Valerio et al., 2021).

Data Gathering Procedures

The survey was pre-tested on a group of 25 participants who were not included in the main study. This pre-test ensured that the questions were clear and that the survey could effectively capture the data needed. The survey was then distributed to participants at selected educational institutions in Koronadal City, and informed consent was obtained from each respondent before participation. The data collection period lasted four weeks, with follow-ups to maximize response rates and ensure that all surveys were completed.

The research methodology complied with ethical standards, including obtaining signed endorsements from institutional authorities. All necessary documents utilized during the research were observed with transparency and securely maintained by the author for audit

purposes. The methodology ensured the inclusion of consent forms and proper documentation throughout the data collection and analysis phases.

For the qualitative interviews, participants were selected from the quantitative survey respondents based on their interest and willingness to participate. Interviews were conducted in person or via virtual platforms, depending on participant preference, and lasted approximately 45 to 60 minutes. Each interview was recorded with the participant's consent and transcribed for analysis. To protect participant confidentiality, each respondent was assigned a unique identifier.

Treatment of Data

Quantitative data were analyzed using descriptive statistics to summarize the demographic profile and participants' responses. Descriptive statistics provided an overview of participants' business knowledge and financial attitudes, helping to contextualize the survey data. Correlation analysis was used to examine the relationships between different variables and to draw connections between business knowledge and entrepreneurial readiness.

Responses were coded and analyzed thematically for the qualitative data. This analysis identified significant themes and sub-themes related to participants' experiences and challenges. Key patterns were documented, revealing systemic barriers, such as limited access to resources and inadequate mentorship, and personal barriers, such as time management issues.

Cross-validation was carried out by comparing the findings from the quantitative survey with the qualitative interview data. This comparison ensured that the insights gained were consistent and provided a comprehensive understanding of the research problem in Table 1.

Table 1 LIKERT SCALE TABLE FOR QUANTITATIVE RESULTS		
Scale Range	Interpretation	Description
4.20–5.00	Strongly Agree	High level of agreement with the statement.
3.40–4.19	Agree	Moderate agreement with the statement.
2.60–3.39	Neutral	Neither agree nor disagree.
1.80–2.59	Disagree	Moderate disagreement with the statement.
1.00–1.79	Strongly Disagree	Strong disagreement with the statement.

Ethical Considerations

The study adhered to strict ethical standards to protect participants' rights and ensure the responsible handling of data. Informed consent was obtained from all participants, detailing the study's purpose, procedures, and any potential risks. Participants were informed that their participation was voluntary and that they could withdraw at any time without consequence.

To protect confidentiality, all participants were assigned a unique identifier to anonymize their responses. Data were stored securely on password-protected devices and kept in locked storage, with access limited to the research team. Once the analysis was completed, personal data were securely deleted to maintain privacy.

All communications and approvals related to the study were signed and endorsed by the proper authorities before data collection began. Supporting documents, including signed endorsements, participant consent forms, and institutional approvals, were observed with

transparency and securely stored by the author. These documents demonstrate compliance with ethical research standards and are available for audit or verification upon request.

All necessary documents utilized in the research process were appended to the manuscript to ensure transparency. As the study is intended for publication, these materials are securely kept by the author to maintain ethical compliance and accountability.

Participants' rights were clearly communicated, including their right to refuse to answer questions or withdraw from the study at any point. Transparency was ensured by providing contact information for the research team, enabling participants to ask questions or express concerns.

The study findings were shared with the respondents through summary reports distributed via email. Each participant was informed about the overall results and implications of the research. The summary included a brief explanation of how their contributions shaped the study outcomes while maintaining anonymity and confidentiality.

To ensure that the study findings reached the beneficiaries, a dissemination plan was implemented. Key stakeholders, including participants, were informed of the study results through digital communication channels and formal presentations at local institutions. These efforts aimed to ensure that the findings could be applied effectively to benefit the respondents and their broader communities.

Ethical approval was sought and obtained from the relevant institutional review board before the commencement of data collection. The study complied with both university and national research ethics guidelines, ensuring that ethical principles were upheld throughout the research process.

RESULTS AND DISCUSSION

Current Level of Business Knowledge Among Undergraduate Students in Koronadal City

The level of business knowledge was assessed through survey responses. Descriptive statistics summarized the participants' competencies in key business areas such as business planning, financial management, marketing, and regulatory compliance. Table 2 shows the mean scores and standard deviations for the different business knowledge indicators. The survey data indicate that students demonstrated high proficiency in understanding the essential steps to start a business ($M = 3.75$, $SD = 0.52$) and creating a business plan ($M = 3.60$, $SD = 0.65$). This suggests that students have a solid grasp of the foundational knowledge needed for entrepreneurial ventures. Moderate proficiency was observed in conducting market research ($M = 3.25$, $SD = 0.78$) and understanding financial requirements ($M = 3.15$, $SD = 0.85$), indicating that these areas need further development. The lowest mean score was in awareness of legal and regulatory processes ($M = 2.80$, $SD = 0.90$), showing a critical gap that needs to be addressed.

Table 2 MEAN SCORES AND STANDARD DEVIATION OF BUSINESS KNOWLEDGE INDICATORS			
Indicator	Mean	SD	Interpretation
Understanding the steps to start a business	3.75	0.52	High Knowledge
Knowledgeable about creating a business plan	3.60	0.65	High Knowledge
Conducting market research for business ideas	3.25	0.78	Moderate Knowledge
Financial requirements understanding	3.15	0.85	Moderate Knowledge
Awareness of legal and regulatory processes	2.80	0.90	Low Knowledge

Overall Business Knowledge	3.26	0.62	Moderate Knowledge
----------------------------	------	------	--------------------

The survey data highlighted that students excelled in understanding the initial steps of starting a business and creating business plans. This suggests that foundational business knowledge is present among the students. However, moderate scores in financial management and market research imply that these areas require more practical training. The low score in legal and regulatory awareness points to a significant knowledge gap that can hinder students' ability to operate businesses effectively.

CONCLUSION AND RECOMMENDATIONS

This study underscored the current state of business knowledge among undergraduate students in Koronadal City, identifying strengths and areas for improvement while proposing actionable solutions. Students generally demonstrated a high level of understanding in essential business processes, including starting a business and creating business plans. However, significant gaps remained in critical areas such as market research and financial management, which were vital for entrepreneurial success.

Key barriers to knowledge acquisition included limited access to practical training, insufficient mentorship opportunities, and a lack of necessary resources. Addressing these challenges required a collaborative approach among various stakeholders.

Educational institutions were recommended to integrate entrepreneurship modules into their curricula, emphasizing practical skills like financial planning and market analysis. These additions aimed to provide students with a more comprehensive business education. Policymakers were urged to contribute by developing initiatives supporting small business training programs and allocating funding and resources to universities to foster hands-on learning opportunities.

Meanwhile, aspiring entrepreneurs were encouraged to actively engage in available workshops and mentorship programs to enhance their skills and overcome existing barriers. By building networks and seeking guidance, they could strengthen their entrepreneurial competencies. Additionally, NGOs and private sector organizations were advised to partner with educational institutions to create accessible e-learning platforms and organize regular seminars focused on entrepreneurship. These partnerships could ensure that students had the resources needed to bridge existing knowledge gaps.

Through these collaborative efforts, undergraduate students in Koronadal City could develop the skills and knowledge necessary to succeed as entrepreneurs, contributing to the growth of small businesses and the local economy.

REFERENCES

- Clark, C. M., Harrison, C., & Gibb, S. (2019). Developing a Conceptual Framework of Entrepreneurial Leadership: A Systematic Literature Review and Thematic Analysis. *International Review of Entrepreneurship*, 17(3).
- Derbyshire, L. E., Fouché, J. P., & McChlery, S. (2023). Exploring financial literacy education strategies based on small-and micro-enterprise business practices. *South African Journal of Business Management*, 54(1), 1-13.
- Gielnik, M. M., Cardon, M. S., & Frese, M. (2020). The psychology of entrepreneurship. *New perspectives*.
- Hattab, H. W. (2023). An empirical investigation of the effectiveness of online entrepreneurship education among university students in Egypt. *International Journal of Innovation in Education*, 8(1), 63-78.

- Nopianti, R., Ismail, T., Hanifah, I. A., & Mulyasari, W. (2024). A Conceptual Framework for Sustainable Business Growth in Small and Medium Enterprises. *International Journal of Sustainable Development & Planning*, 19(7).
- O'Brien, E., M. Cooney, T., & Blenker, P. (2019). Expanding university entrepreneurial ecosystems to under-represented communities. *Journal of Entrepreneurship and Public Policy*, 8(3), 384-407.
- Raza, H., Riaz, N., Rasool, F., & Riaz, A. (2024). Islamic Banking and Finance: A Systematic Literature Review And Bibliometric Analysis. *Journal of Accounting and Finance in Emerging Economies*, 10(2), 73-86.
- Reimers, F. M. (2024). Entrepreneurship education to improve the world: The role of the sustainable development goals to stimulate innovation in higher education. *Entrepreneurship Education*, 7(3), 203-217.
- Silva, J. T. S., & de Almeida Leite, E. M. (2024, July). The Role of Education in Developing an Entrepreneurial Mindset: Applications in the Tourism Sector. In *International Conference in Information Technology and Education* (pp. 471-489). Cham: Springer Nature Switzerland.

Received: 01-Nov-2024, Manuscript No. AJEE-25-15770; **Editor assigned:** 04-Nov-2024, PreQC No. AJEE-25-15770(PQ); **Reviewed:** 10-Nov-2024, QC No. AJEE-25-15770; **Revised:** 25-Nov-2024, Manuscript No. AJEE-25-15770(R); **Published:** 29-Nov-2024