



The one town, one product program of Cavite Province: A focus on the growth-impeding constraints

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ABSTRACT

The Philippines and other ASEAN member countries have adopted the promotion of micro, small and medium enterprises (MSMEs) as a key strategy in addressing this global concern. OTOP Philippines is a key strategic project for MSMEs in promoting inclusive local economic growth. This study determined the profile of OTOP stores and identified their respective internal and external growth constraints and the extent through descriptive-correlational-causal designs utilizing 58 OTOP enterprises in the province of Cavite. Results revealed that the enterprises were identified as microenterprises and are solvent. In addition, people were identified as the common internal constraint, while the political aspect was noted as the external constraint using the Pareto analysis. Correspondingly, insignificant effects of a business profile on the extent of growth-impeding constraints were noted. The study recommends using long-run and short-run enterprise strategies for OTOP enterprises that may foster growth as a foundation of the pandemic take-off strategy. A model-based approach intervention for local government as a pandemic-jumpstart approach in stimulating growth among OTOP enterprises in Cavite may also be conducted.

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INTRODUCTION

The OTOP- Philippines' concept came from the governor of Japan's Oita Prefecture which is known as the One Village, One Product (OVOP) program in 1979. The localized project permitted village folks to participate in Japan's promotion of regional and country-side growth. The success of this program resulted in the adoption of other countries in implementing poverty reduction policies in their states, specifically in rural and impoverished parts of their countries. Thailand, Bangladesh, Cambodia, Pakistan, India, Vietnam, and Indonesia are among the Association of Southeast Nation (ASEAN) where OTOP was utilized as one of prime strategy in boosting their respective economies and addressing nominal poverty. The Philippines' OTOP program was proposed by former President Gloria Macapagal- Arroyo in 2002 and was officially implemented in 2004. The program enables localities and communities to determine, develop, support, and promote culturally-rooted products or services for which they can be the best or best renowned (Department of Trade and Industry, 2021). This undertaking is in support of the ASEAN collective economic undertaking for economic growth in the region (Tadeo, 2016).

In CALABARZON, OTOP is highly utilized to strengthen the region's role of MSMEs. Towns and cities specialize in products that are ideally indigenous to their respective localities. The OTOP in Region IV-A was calibrated in five main segments: processed foods, agribusiness products, arts and crafts, home/fashion/creative artisans, and services (skill-based). However, challenges posit in the different aspects of OTOP enterprises and strategies. Market pressure, competition, and forces accompanied by the COVID-19 pandemic gave MSMEs a tough environment to be sustainable because of many challenges and uncertain market environment, as explained by the Institute of Small-Scale Industries (2020) Dagpin et al. (2022), and Tadeo and Muralla (2022), which is considered the current obstacles of MSMEs. Thus, this study attempted to understand, explore and determine the growth constraints of OTOP enterprises in the province of Cavite. Moreover, this study may serve as a basis for the strategic implementation of activities for OTOP enterprises as an enterprise rebound strategy. This study may augment enterprise-centered, functional, and sustainable focus analysis, which is highly beneficial in understanding the prevailing situation and may serve as a platform for evidence-based policy intervention toward OTOP promotion in the province.

OBJECTIVES OF THE STUDY

Generally, this study tried to determine the different growth-impeding constraints among OTOP entrepreneurs in selected areas in the province of Cavite. Specifically, this research aimed to: determine the business profile of the enterprises in terms of; forms of business organization, business capitalization, number of staff, length of enterprise operations, and financial position; determine the internal growth impeding constraints of the enterprise in terms of; people, process, product and service innovation, information technology, and customer interaction and market focus; determine the external growth impeding constraints of the enterprises in terms of the political aspect, environmental aspect, social aspect, technological aspect, economic aspect/market aspect, and legal aspect; determine the extent of the growth impeding constraints of the OTOP enterprises internally and externally; determine which variables among the extent of growth-impeding constraints, both internal and external, are significant to be utilized in a regression model using confirmatory factor analysis.

MATERIALS AND METHODS

Research Design

This study used descriptive-causal research designs. Specifically, descriptive design was used to determine the profile of the enterprises as well as their respective growth-impeding constraints and their extent. Moreover, Pareto analysis and factor analysis were also employed utilizing descriptive approaches as used by Newbold et al. (2003).

Participants of the Study

Initially, the author used a total enumeration of the 79 registered OTOP stores in DTI CALABARZON in Cavite province. However, 19 of the participants had already stopped their operations. Fifty-eight participants out of the 60 OTOP stores, or 96.67 percent of the total available OTOP enterprises, were involved in the survey. The study used registered OTOP stores.

Research Instrument

This study used the modified questionnaire of Clegg (2015) to identify the constraints and other necessary data needed in this study. The research instruments were subjected to validation from the experts. Content validation was utilized in this study from five experts in the field from the academe, local government personnel, and entrepreneurs.

Statistical Treatment

Principal factor analysis (PFA) and confirmatory factor analysis (CFA) are methods used to avoid information loss while boosting possible analysis by lowering the aspect of such data sets with observations on p numerical variables for each of n things or people. Moreover, Tucker-Lewis Index and root mean square error of approximation (RMSEA) as decision rules.

RESULTS AND DISCUSSION

Table 1 presents the type of business organization of the respondents who participated in the study. As revealed, 72.40 percent of the respondents were sole proprietors, and noticeably, 3.40 percent were cooperative, which had the least percentage. It indicates that most OTOP enterprises are sole proprietorships. The profile of the OTOP stores in the province of Cavite conforms with the general compositions of MSMEs here in the Philippines, which noted that sole proprietorship dominates the MSME industry considering that OTOP businesses are composites of MSMEs (SEPO, 2019; Tabisola, 2018) and mirrored the composition in Thailand, Indonesia, Malaysia, Vietnam and Kenya (Ohaya, 2016; Efendi, 2020; Ibrahim, 2020; and Nyamu, 2018).

Table 1. Type of business organization

CATEGORY	FREQUENCY	PERCENTAGE
Sole Proprietorship	42	72.40
Partnership	8	13.80
Corporation	6	10.30
Cooperative	2	3.40
TOTAL	58	100.00

Table 2 revealed the business capitalization of the respondents. As shown, 77.60 percent had a business capital of Php 3 million and below, and 3.40 percent had above Php 15 million to Php 100 million. The results generally adhere to the basic characteristic of microenterprises in the Philippines. Moreover, to initiate OTOP enterprises, one should only target locally produced products to be sold and provide stimuli to small enterprises linked to locally produced products that are considered microenterprises. This strategy is imminent in the Philippines and other countries that adopt OTOP as an economic strategy. The findings in this table adhere to the composition of MSMEs in the Philippines, as well as in other countries such as Vietnam, Thailand, Indonesia, Malaysia, Japan, and Kenya, where microenterprises dominate their respective OTOP programs (Tabisola, 2018; Ohaya, 2016; Efendi, 2020; Ibrahim, 2020, & Nyamu, 2018).

Table 2. Business capitalization

CATEGORY	FREQUENCY	PERCENTAGE
Php 3 million and below	45	77.60
Above Php 3 million to Php 15 million	11	19.00
Above Php 15 million to Php 100 million	2	3.40
TOTAL	58	100.00

Table 3 presents the number of staff of the respondents that participated in the study. It depicts that 51.70 percent were five staff and below, and 8.60 percent were 50 to 16 staff. It revealed that the majority of OTOP enterprises have five staff and below. The findings conform with the previous findings in Tables 2 and 3, characterizing microenterprises as dominating results and considerably emulate the composition of MSMEs in the country as well as the structure of OTOP programs in Vietnam, Thailand, Indonesia, Malaysia, Japan, and Kenya (Tabisola, 2018; Ohaya, 2016; Efendi, 2020; Ibrahim, 2020; and Nyamu, 2018).

Table 3. Number of staff

CATEGORY	FREQUENCY	PERCENTAGE
Five staff and below	30	51.70
Six staff to 15 staff	23	39.70
16 staff to 50 staff	5	8.60
TOTAL	58	100.00

Table 4 shows the length of operations among OTOP enterprises. As revealed, most of the participants operate for one to three years. As noted, 43.10 percent was operating for one to three years, and 12.10 percent was operational for eight years and above. Most OTOP enterprises have been in operation for less than a year. In addition, some OTOP entrepreneurs did not operate during the hard lockdown in the first year of the pandemic because of the heavy restrictions.

Table 4. Length of operations

CATEGORY	FREQUENCY	PERCENTAGE
below one year	2	3.40
One year to 3 years	25	43.10
Four years to 7 years	24	41.40
Eight years and above	7	12.10
TOTAL	58	100.00

Table 5 presents the financial position of the respondents who participated in the study. It revealed that 82.80 percent of OTOP enterprises were solvent, whereas 1.70 percent had no response and were not solvent. The majority of the OTOP enterprises were solvent and able to meet and manage their obligations shortly. Solvency can assist the OTOP entrepreneur's management in meeting their responsibilities and can be used to demonstrate the company's financial strength. Generally, the financial health of the OTOP enterprises was found to be good.

Table 5. Financial Position

CATEGORY	FREQUENCY	PERCENTAGE
No response	1	1.70
Highly Solvent (6 and above)	8	13.80
Solvent (1 to 5)	48	82.80

Not Solvent-Below 1	1	1.70
TOTAL	58	100.00

Table 6 presents the growth-impeding constraints in terms of people. It showed that 36.21 percent of them were recalcitrant people/ not adaptive to change, which ranked first. Likewise, too many staff in the enterprise ranked seventh. The results conform to the findings of Crismundo (2020) and Appoy (2015) that under strain, say the pandemic, staff, and employees experience denial to accept change in the workplace. They tend to become recalcitrant and anxious. The pandemic has put a big strain and toll on both managers and subordinates across organizations that, caused demotivation and reluctance towards work. Noticeably, the tardiness of employees ranked second with 24.14 percent of the total participants, which can be attributed to the transportation restriction imposed by the Inter-Agency Task Force (IATF) for COVID-19, which constrained employees to going to their respective workplaces.

Table 6. Internal growth impeding constraints: people (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Recalcitrant people/ not adaptive to change	42	36.21	1
Tardiness of employees	28	24.14	2
Lack of skill in work	18	15.52	3
Demotivated workforce	11	9.48	4
Lack of workforce in the enterprise	9	7.76	5
Not a productive set of employees	7	6.03	6
Too many staff in the enterprise	1	0.86	7
TOTAL		100.00	

Table 7 summarizes the growth-impeding constraints in terms of process. It revealed that 23.53 percent was noted to have a lack of pieces of machinery and equipment in the production which ranked first, while 2.52 percent was noted for having no standard process in the production, which ranked sixth. Most of the OTOP enterprise's growth impeding constraints in the process was lack of machinery and equipment in the production. Results were found to be parallel with the studies of Chattinnawat (2019), Dang (2018), and Crismundo (2019), who mentioned that in a national setting, as well as in India, Vietnam, and Indonesia, there is a lack of machinery, process-enabling mechanism equipment, and tools in producing their respective tools.

Table 7. Internal growth impeding constraints: process (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Lack of pieces of machinery and equipment in the production	28	23.53	1
Lack of process experts or focal experts in production	27	22.69	2
Much waste in the production	24	20.17	3
Supply/supplier problems	19	15.97	4
Cost inefficiency of production processes	18	15.13	5
The not standard process in the production	3	2.52	6
TOTAL		100.00	

Table 8 summarizes the growth-impeding constraints in terms of product or service innovation. As seen, 45.95 percent of the constraints lacked funds for product/service innovation, ranking first. Lack of skill for product/service innovation ranked the least (**21.62 %**). It revealed that the majority of the OTOP enterprise's growth impeding constraints in terms of product or service innovation was a lack of funds for product/service innovation. The results of the table validate the problem raised by the studies conducted by Ebarle et al.(2020) and Ibrahim (2020) the lack of funds for the innovation and development of the products and services offered by the OTOP enterprises

in the Philippines since the majority were microenterprises, they have very limited funds allocated for the innovation of products and services. Considerably, these findings are also similar to the findings of Ohaya (2016), Efendi (2020), Ibrahim (2020), and Nyamu (2018) from various countries with similar constraints of funding.

Table 8. Internal growth impeding constraints: product or service innovation (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Lack of funds for product/service innovation	34	45.95	1
Complacent in current product/service offering	24	32.43	2
Lack of skill for product/service innovation	16	21.62	3
TOTAL		100.00	

Table 9 summarizes the growth-impeding constraints in terms of information technology. The constraints in information technology involve various aspects which delimit the full adaption, production, implementation, and engagement as well as transitioning from one process to another using information technology, multimedia, software, and hardware in aid of production of enterprises Clegg (2015). It showed that 46.05 percent of the responses were about the lack of funds to improve ICT mechanisms, ranking first. Various OTOP enterprises in the Philippines, as well as other countries, especially Vietnam, Kenya, Thailand, and India, have the same constraint concerning information technology Efendi, (2020); Ibrahim, (2020). Accordingly, information technology-based constraints play an important role in hindering an enterprise from further boosting its growth and sustainability. The constraint from this aspect delimits the potential to produce economies of scale and cost-efficient entrepreneurship.

Table 9. Internal growth impeding constraints: information technology (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Lack of funds for improved ICT mechanisms	35	46.05	1
Costly platforms of technology	26	34.21	2
Not aware of current ICT platforms and mechanisms that will improve the enterprise	15	19.74	3
TOTAL		100.00	

Table 10 summarizes the growth-impeding constraints regarding customer interaction and market focus. It showed that 33.00 percent of the responses showed low demand for the product and/or service, which ranked first. No existing customer relation management system ranked the least among the categories. It revealed that most of the OTOP enterprises' growth impeding constraints in terms of customer interaction and market focus were low demand for products and/or services. The result of the table conforms to the expected situation of the market. According to Rivera (2021), one of the dipping conditions of the current market is the low demand and hazy outlook towards the market, especially for some of the products, which can be attributed to a constraint that prohibits it from selling more products or services thus, having a higher profitable environment. Considerably, 21.00 percent of the total respondents answered have no mechanism of customer planning, which ranks second. Considerably, the participants answered low competitive products representing 15.00 percent of the total participants.

Table 10. Internal growth impeding constraints: customer interaction and market focus (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Low demand for the product and/or service	33	33.00	1
No mechanism for customer feedback	21	21.00	2
Low, competitive product	15	15.00	3
No identified repeat customers	12	12.00	4
No definite market networks and connections	11	11.00	5
No existing customer relationship management system	8	8.00	6

TOTAL	100.00
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Table 11 summarizes the growth-impeding constraints in terms of the political environment. It showed that 44.76 percent of the responses were limited agencies for support and grants, which ranked the least presence of corruption ranked fifth. It revealed that most OTOP enterprises' growth impeding constraints in the political environment were limited agencies for support and grants. The results of this table confirm the findings of Efendi (2020) and Appoy (2020) that there is a gap between the current situation and the need of the enterprises engaged in OTOP vis-à-vis the available programs of the government to provide support for these enterprises amidst pandemic. The asymmetry of information in the market and the communication gap between enterprises and government offices can bring this situation about. It was also noted that too-tight taxation policies ranked second with 27.62 percent of the total responses, followed by the responses that there are too many bureaucratic offices. Processes ranked third with 12.38 percent of the total responses.

Table 11. External growth impeding constraints: political environment (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Limited agencies for support and grants	47	44.76	1
Too tight taxation policies	29	27.62	2
Too many bureaucratic offices and processes	13	12.38	3
No policies or programs that support the enterprise during the pandemic	11	10.48	4
Presence of corruption	5	4.76	5
TOTAL		100.00	

Table 12 presents the growth-impeding constraints in terms of the enterprise environment. As noted, 39.39 percent of the responses were lacking established business-consumer environment, which ranked first. The category saying that the climate is not conducive for production and/or operation ranked the least. These results can be attributed to the pandemic effect since there were consumer pattern disruptions; hence, customer bases of business were left scattered, affecting sales and profitability. Businesses such as OTOP enterprises should have a clear customer base spotted on target to capacitate sale strategies, calibrate production, and reposition products in their local market. This clear customer base should come from a clear understanding of the market in order to grasp business strategies that will enable the store to perform well (Satish, 2019). However, the pandemic caused this customer base to shift and disperse due to various market and economic restrictions. In addition, the table also revealed that lack of inputs in the surroundings and/or environment (33.33 %) ranked second. Moreover, as noted, environmental policies hindered production (22.73 %), which can be attributed to the possible restrictions that the IATF has implemented that might have impeded the production of the respective OTOP enterprises.

Table 12. External growth impeding constraints: an enterprise environment (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Lack of established business-consumer environment	26	39.39	1
Lack of input from the surrounding and/or environment	22	33.33	2
Environmental policies hinder production	15	22.73	3
The climate is not conducive to production and/or operation	3	4.55	4
TOTAL		100.00	

Table 13 summarizes the growth-impeding constraints in terms of the market environment/economic aspect. It showed that 48.28 percent of the responses were limited available financial institutions for enterprise, which was noted to be first in rank. Unfair market competition ranked the least among the categories. This implies that the main issue in sustaining OTOP enterprises is the confined or limited source of capital due to the lack of financial institutions

in the market because they, too, were affected by the pandemic (Nyamu et al.,2018; Ibrahim, 2018; Efendi, 2022 & Ohaya, 2016).

Table 13. External growth impeding constraints: market environment/ economic aspect (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Limited available financial institutions for enterprise access	42	48.28	1
Limited available financial institutions for enterprise access	21	24.14	2
High labor and production cost	14	16.09	3
Unfair market competition	10	11.49	4
TOTAL		100.00	

Table 14 summarizes the growth-impeding constraints in terms of the societal aspect. It indicated that 38.89 percent of the responses were undocumented and unanalyzed consumer views, which ranked first. Meanwhile, the presence of cultural barriers in the area ranked fourth (8.33 %). It revealed that most OTOP enterprises' growth impeding constraints in terms of societal aspects were undocumented and unanalyzed consumer views.

Table 14. External growth impeding constraints: societal aspect (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Undocumented and unanalyzed consumer views	28	38.89	1
Unmanaged workforce trends	24	33.33	2
The low population within the area	14	19.44	3
Cultural barriers within the area	6	8.33	4
TOTAL		100.00	

Table 15 summarizes the growth-impeding constraints in terms of the technological aspect. As revealed, 51.61 percent of the responses were lack of platforms for protecting innovations and/or technologies. The category ranked first. Lack of new skills or technics in innovations in operation ranked second, and unavailability of emerging technologies ranked third. The lack of platforms to improve business processes and operations ranked the least (1.08 %). Findings show the constraints related to the technology that encompass various aspects which delimit the full adaption, production, implementation, and engagement, as well as transitioning from one process to another using information and communication technology, multimedia, software, hardware in aid of production as explained by Clegg (2015).

Table 15. Growth Impeding Constraints: technological aspect (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Lack of platforms for protecting innovations and/or technologies	48	51.61	1
Lack of new skills or technics in innovations in operating the enterprise	32	34.41	2
Unavailable emerging technologies	12	12.90	3
Operations	1	1.08	4
TOTAL		100.00	

Table 16 summarizes the growth-impeding constraints in terms of the legal aspect. It revealed that 46.67 percent of the responses were too many requirements, processes, and costs in complying with the legality of engaging with OTOP, which ranked first.

Table 16. External growth impeding constraints: legal aspect (multiple responses)

CATEGORY	FREQUENCY	PERCENTAGE	RANK
Too many requirements, processes, and costs in complying with the legality of engaging with OTOP	35	46.67	1
The existing policy of the local government hinders further business growth	21	28.00	2
There are no functional regulations for OTOP enterprises.	19	25.33	3
TOTAL		100.00	

The highest class was a high-priority constraint, indicating that these were the constraints felt by the OTOP enterprises, followed by moderate and low-priority class constraints. Figure 1 shows the collected internal growth impeding constraints of OTOP enterprises in Cavite. The internal growth constraints were aggregated and arranged according to rank based on their responses.

Considering the high priority class, people topped the constraint, followed by information technology, process, product/service innovation, and customer interaction. The moderate-priority constraint was topped by people, followed by process, process, and information technology. Additionally, on the low priority constraint, it was led by product/service innovation, customer interaction and market focus, process, and people.

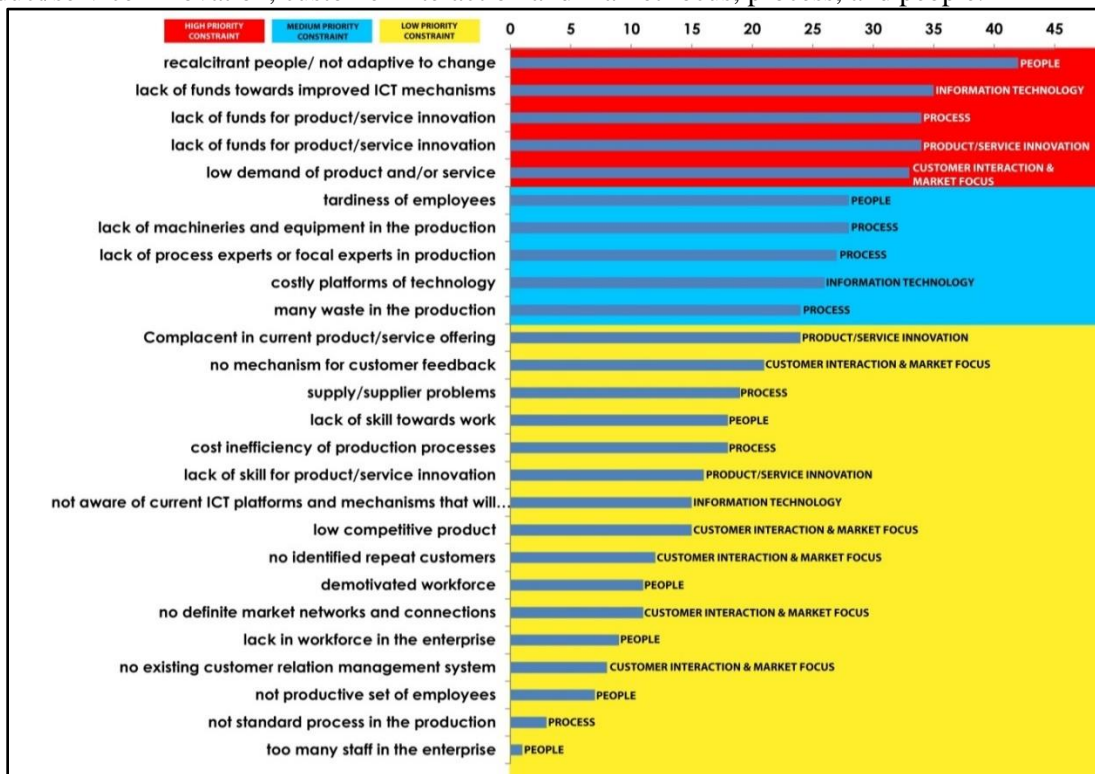


Figure 1. Pareto analysis of internal growth-impeding constraints of OTOP enterprises

These validate the strategy of the business rocket growth model as explained by Clegg (2015), which is operational. This study further confirmed the mechanism that underlies the theory of constraint, as purported by Goldratt (1990), that every organization has a set of constraints caused by human intentions, market forces, or disruptions that prevents any system from becoming fully operational that impedes in enterprises' growth.

Clegg argued that in order to foster growth in business, an enterprise should prioritize first the people through provisions of the pathway of appropriate recruitment and development programs, followed by simultaneous strategies

that improve a process, product and service innovation, and information technology through automation to boost customer interaction and market focus. Clegg's point of view is parallel with the result of this study, as revealed by the Pareto analysis of the OTOP's internal growth impeding constraint, which revealed the hierarchy of priority for addressing these enterprise constraints: people, information technology, process, product/service innovation, and customer interaction and market focus.

The findings also agreed with the results of the study conducted by Jones (2021), who mentioned that the key approach in crafting strategies to overcome constraints and to focus on strengthening people-related facets of the organization through leadership and skill-based training, followed by operational effectiveness and addressing marketing derivatives. Implicitly, the result of the Pareto analysis conformed with the study conducted by Clegg (2015) to address the constraints as emulated by a theory of constraint with the various enterprise systems.

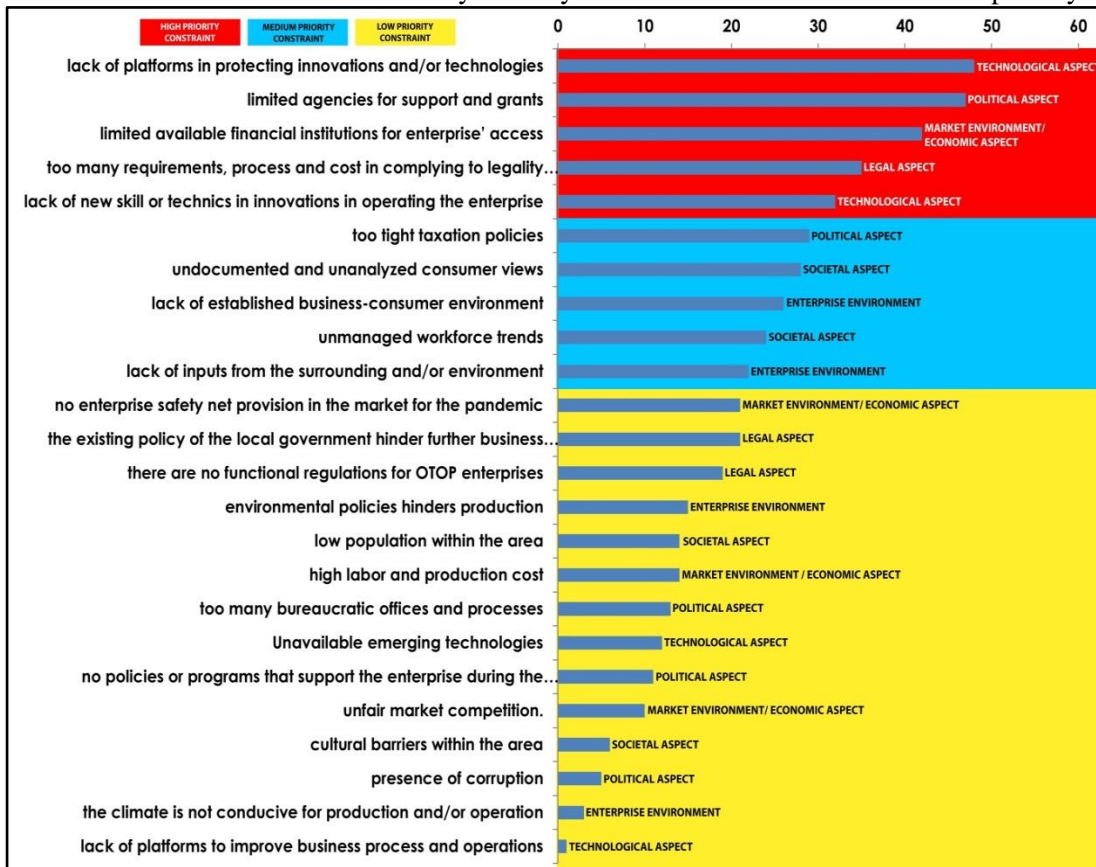


Figure 2. Pareto analysis of internal growth-impeding constraints of OTOP enterprises

Figure 2 shows the collected external growth impeding constraints of OTOP enterprises in Cavite. The external growth constraints were collated and arranged according to rank based on their responses. It reveals that in the high-priority class, the technological aspect topped the constraint, followed by political information, market environment/economic, and legal aspects. Considerably, on the moderate priority constraint, it was topped by the political aspect, followed by the societal aspect, enterprise environment, and societal aspect. Additionally, the low-priority constraint was led by the market/environment/economic aspect, legal and enterprise environment, societal environment, political aspect, and technological aspect. By the Pareto analysis principle, to address the external growth impeding constraint, action should start with the technological aspect, followed by the political aspect, market/environmental aspect, and legal aspect to spur growth among enterprises. Considerably, the moderate priority constraint was topped by the political aspect, followed by the societal aspect, enterprise environment, and societal aspect. Additionally, the low-priority constraint was led by the market/environment/economic aspect, legal and enterprise environment, societal environment, and political and technological aspects. By the Pareto analysis

principle, to address the external growth impeding constraint, key action should start with the technological aspect, followed by the political aspect, market/environmental aspect, and legal aspect to spur growth among enterprises.

The study revealed that there was a constraint that OTOP stores were experiencing towards people affecting the growth mean value of 3.19; process with a mean value of 3.19; product and service innovation with a mean value of 3.34; information technology with a mean value of 3.43; customer interaction and market focus with a mean value of 3.21. As revealed, these internal constraints affected the growth of the enterprise, with a grand mean of 3.27, and experienced in the enterprise. As implied, business performance improves when new technology is implemented. However, to implement new technologies and benefit from Industry 4.0, the organization's structure and processes must be supportive. Technology implementation will be impeded and harm long-term company performance if an organization's structure and practices are not supportive (Haseeb et al., 2019). Findings were similar to the study of Belushi and Barka (2017), who mentioned that most interviewees raised the issue of not having enough knowledge to hire the best-related person for their SMEs, which is causing a lot of challenges for Oman's SMEs' success and growth.

Table 17. The extent of internal growth constraint

GROWTH CONSTRAINT	MEAN	STD. DEVIATION	DESCRIPTION
People	3.19	0.74	Considerably
Process	3.19	0.63	Considerably
Product and/or Service Innovation	3.34	0.71	Absolutely
Information Technology	3.43	0.73	Absolutely
Customer Interaction	3.21	0.61	Considerably
GRAND MEAN	3.27	0.68	ABSOLUTELY

Growing businesses encounter a variety of constraints. New opportunities and constraints arise as a business grows, demanding different solutions. As revealed, enterprises faced external constraints affecting business growth. This table presents the extent of external growth constraints among OTOP enterprises. The study revealed that there was a constraint that the enterprise experienced towards the political environment of the enterprise with a mean value of 2.76; environment of the enterprise with a mean value of 2.91; social aspect and environment of the enterprise with a mean value of 3.02; technological aspect with a mean value of 3.41; economic/market environment with a mean value of 3.52, and legal environment with a mean value of 2.97. As revealed, these constraints affected the growth of the enterprise, with a grand mean of 3.18, and were considerably experienced in the enterprise. Small and medium enterprises are being implemented to help the rural community flourish even more economically. Despite its positive goal, it frequently fails due to several factors, including a lack of knowledge, environment, technological intervention, and capital and funds (Efendi et al., 2020). It was similar to the study of Al-Mataani (2017), which concluded that SMEs' constraints are bureaucratically related and caused by rigid regulations, inefficient labor markets, support policies, and immature entrepreneurship education.

Table 18. The extent of external growth constraint

GROWTH CONSTRAINT	MEAN	STD. DEVIATION	DESCRIPTION
Political aspect	2.76	0.68	Considerably
The environment of the enterprise	2.91	0.60	Considerably
Social aspect	3.02	0.58	Considerably
Technological aspect	3.41	0.70	Absolutely
Economic/market environment	3.52	0.63	Absolutely
Legal Aspect	2.97	0.70	Considerably
GRAND MEAN	3.10	0.65	CONSIDERABLY

Table 19 shows that the principal factor analysis has three components that would explain the correlation that exist among the variables, which can be attributed to describing the variables in this study as a whole. Only three variables were significant on the three components, namely: internal factor, information technology, and customer interaction and market focus, and for external factor, only the economic aspect was significant. This factor analysis has Bartlett's p-value of 0.001, which was found significant at a 0.05 level. At the same time, the other internal and external growth-impeding constraints variables were not significant.

Table 19. Principal factor analysis

	COMPONENT		
	1	2	3
Internal_People	.692	-.169	-.476
Internal_Process	.749	.009	-.253
Internal_PSI	.674	.059	-.241
Internal_IT	.656	.629	.045
Internal_Customer	.723	.034	.027
External_Political	.701	-.451	.129
External_Environment	.659	-.225	.497
External_Social	.682	-.247	.310
External_Technology	.631	.581	-.110
External_Economic	.495	.526	.354
External_Legal	.678	-.514	.031

Extraction Method: Principal Component Analysis.

a. three components extracted.

Table 20 presents the factor loadings of the internal and external growth-impeding constraints. The table shows that the estimated values of these variables were less than 0.95 and noted that it is not an ideal value to be considered a good variable determinant of a model. More so, the value of the comparative fit index was below the ideal 95 percent confidence level or 0.95 coefficient values. This is confirmed by the Tucker-Lewis index value of 0.854, below the ideal value of 0.95. Likewise, the usage of the variables in a model was found unfitting as the result of root mean square or approximation (RMSEA) was 0.265, which was noted above the ideal value below 0.1 and near zero.

Table 20. Factor loading of the internal and external growth-impeding constraints

FACTOR	INDICATOR	SYMBOL	ESTIMATE	STD. ERROR	Z-VALUE	p
Factor 1	Internal_People	λ_{11}	0.691	0.046	14.949	< .001
	Internal_Process	λ_{12}	0.783	0.047	16.557	< .001
	Internal_PSI	λ_{13}	0.611	0.050	12.247	< .001
	Internal_IT	λ_{14}	0.677	0.046	14.748	< .001
	Internal_Customer	λ_{15}	0.730	0.052	14.161	< .001
	External_Political	λ_{16}	0.769	0.043	17.685	< .001
	External_Environment	λ_{17}	0.670	0.041	16.174	< .001
	External_Social	λ_{18}	0.698	0.044	15.779	< .001
	External_Technology	λ_{19}	0.639	0.043	14.945	< .001
	External_Economic	λ_{110}	0.500	0.053	9.451	< .001
	External_Legal	λ_{111}	0.730	0.043	17.090	< .001

Comparative fit index value = 0.884

Tucker-Lewis Index = 0.854

Root mean square error of approximation (RMSEA) = 0.265

CONCLUSION AND RECOMMENDATION

In light of the findings of this study, the following conclusions were drawn:

1. Microenterprises dominate the OTOP enterprises in the Province of Cavite. These enterprises are commonly in sole proprietorship type of business organization, their capitalization is Php 3 Million and below with five staff and below, have business operation length of 1 to 3 years, and generally characterized with solvent enterprises;
2. The OTOP enterprises are solvent and capable of paying their current obligation or liability.
3. The local government units with OTOP programs in their respective cities and municipalities have localized policies for implementing the OTOP program. They provide trade fairs and exhibits as key activities in support of OTOP enterprises through a partnership with DTI and other agency partnerships and support the digitalization of business as a pandemic rebound strategy;
4. The challenges faced by respective LGUs in implementing the OTOP program are the lack of funds and lack of financial access for OTOP enterprises;
5. Among the internal growth-impeding constraints, the major constraints that affect the performance of OTOP enterprises are insufficient funding for product innovation and the purchase of needed pieces of machinery and equipment and the problem with other personnel who refrain from following orders from them;
6. The variables of the extent of growth-impeding constraints, both internal and external, are not significant or not fitted to be used as exogenous variables in a model; and
7. The extent of growth-impeding constraints internally and externally does not affect the OTOP enterprises' type of business organization, the number of staff, the business capitalization range, and the length of operation.

RECOMMENDATIONS

Based on the prevailing analyses, discussion, and conclusions, the researcher recommends the following:

For OTOP enterprises

The OTOP enterprises may craft strategies to improve staff motivation at work. The owner and/or managers may explore various non-monetary motivational activities and employee incentives. They may also explore the enhancement and streamlining of their product delivery process to minimize constraints and identify which aspect influences the enterprise. Considerably, enterprises conduct training on crisis management approaches to have a more pandemic-resilient mindset in conducting business in the new normal.

For Local Government Units

This study recommends further enhancement and/or strengthening partnerships with the Department of Trade and Industry and other government agencies that promote or support OTOP enterprises. In Cavite, since most of the products were agricultural-based, the Department of Agriculture could assist, especially in their agriculture enterprise offices.

More so, promoting the Smart City Project among LGUs as an intervention may bolster the technological innovativeness of these enterprises, providing appropriate intervention and safety nets for OTOP enterprises. The LGUs may promote and craft policies enhancing the economic, social, legal, and political environment. The government can also hand in hand push them to achieve a pre-pandemic scenario at the least where supply shocks can dampen by intervention through policies that may involve sustainable approaches sensitive to the need of the new

market environment; provisions of responsive financial access, health-sensitive approaches to mitigate further temporary closures due to restrictions.

Finally, the LGUs may encourage the cooperative establishment in their respective locale that specializes in OTOP products, a format of OTOP may be utilized for a One Cooperative, One Product Model as a supplement strategy in creating a more sustainable pathway of prime products of their respective locales as another intervention for OTOP preservation and promotion. The author sees this as a rebound continuum strategy in creating a more dynamic market environment for their local products.

For the future researchers

The researcher recommends exploring other variables that may affect the enterprise's financial position. Future studies may look at the variables that involve micro-variables of human capital in OTOP, such as the education level of the entrepreneur, level of entrepreneurial skills, behavioral and risk preparedness, number of pieces of training, and skill-sensitive pieces of training. Considerably, it is suggested to explore other growth variables to determine a more concrete effect of the extent of the constraints to the OTOP enterprises.

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