

# Entrepreneurial Readiness of Young Professionals: A Study of Tier-2 Urban Hubs in the Philippines

Catherine P. Uayan<sup>1</sup>, Rowena R. Orbeta<sup>2</sup>

<sup>1,2</sup>College of Business and Management, City College of Cagayan de Oro

Corresponding Author: Catherine P. Uayan

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## ABSTRACT

In the evolving landscape of the Philippine "Gig Economy," Tier-2 cities like Cagayan de Oro (CDO) serve as critical theaters for entrepreneurial growth. This study evaluates the preparedness of 50 young professionals (ages 21–40) to transition from institutional employment to independent business ownership using a descriptive-analytical research design. The evaluation framework integrated demographic traits with professional competency clusters, measured via a 5-point Likert scale. Statistical analysis revealed that while respondents possess high baseline competencies in **Leadership and Vision** (M=4.42, SD=0.51) and **Communication** (M=4.58, SD=0.44), significant "readiness gaps" exist in technical execution. Specifically, **Venture Architecture** (M=2.15, SD=0.88) and **Financial Mobilization** (M=1.92, SD=0.76) scored significantly lower ( $p < .05$ ), indicating that professional proficiency does not automatically translate to entrepreneurial agency. Correlation analysis identified a strong positive relationship between academic training and soft skill capital ( $r = .72$ ), yet a negligible link between corporate experience and startup technical knowledge. Findings suggest that while the entrepreneurial spirit in Northern Mindanao is vibrant, it remains structurally "unanchored." The study proposes a **Triadic Support Model** - incorporating academic laboratories, local government scaffolding,

and private sector mentorship - to bridge the gap between professional skill and sustainable venture creation. This framework provides a strategic roadmap for transforming job-seekers into job-creators in emerging urban hubs.

**Keywords:** *Entrepreneurial Readiness, Young Professionals, Cagayan de Oro City, Tier-2 Urban Hubs, Venture Architecture, Philippines*

## 1. INTRODUCTION

The global labor market is currently navigating a seismic shift characterized by the "Great Resignation" and the rapid maturation of the gig economy. In the Philippines, the traditional "corporate ship" that sustained the working class for decades is facing a generational mass-departure. Modern professionals, particularly those in rapidly urbanizing "Emerging Cities" like Cagayan de Oro (CDO), are increasingly viewing entrepreneurship as a path to personal and economic agency. Recent data suggests that nearly 69% of Filipino millennials intend to leave their corporate roles within two years to pursue business ownership [1]. However, the transition from being an institutional employee to an independent venture creator involves a high-risk navigation of psychological and technical barriers.

Cagayan de Oro, known as the "Gateway to Northern Mindanao," presents a unique case study as a Tier-2 urban hub. As a Highly

Urbanized City (HUC), it produces a high volume of college-educated "Young Professionals" - defined as civic-minded individuals aged 21–40 [2]. These individuals are characterized by resilience, technological savvy, and a collaborative spirit. Yet, the transition involves a fundamental shift in identity. As noted by academic frameworks, the readiness to venture into business is anchored in the synergy between Human Capital and Entrepreneurial Intention [3].

A "professional" is no longer defined solely by a degree but by the possession of specialized skills used to manifest ambition into reality. In the Philippine context, professional training equips individuals with the ability to plan ahead and exercise emotional control, which are considered "non-negotiables" for any startup founder [4]. Despite this, interest does not always equate to readiness. While over 80% of youth globally express interest in starting a business, only a fraction move to the execution phase due to "fear of failure" and significant "skills gaps" [5]. Today's young professionals value social impact alongside profit, a mindset reflected in the desire of Cagayanons to contribute to the local economy [6].

The competency clusters required for this transition are multi-dimensional. First, Leadership and Vision are required to move people and organizations toward a goal [7]. Second, Cognitive Agility allows for the incorporation of critical thinking to solve complex urban market problems [8]. Finally, Soft Skill skills, such as communication and negotiation, serves as the primary resource for profit generation [9]. In the context of CDO, this involves navigating both formal corporate environments and informal local trade networks. While upbringing and academic training provide the spark, professional readiness provides the fuel for sustainable business ventures [10].

The significance of starting a business during the 21–40 age window is twofold: it allows for the management of failure at a

lower "opportunity cost" and provides a longer runway for regional economic impact. This study addresses a fundamental gap in the literature regarding the specific readiness of professionals in secondary cities. Are the young professionals of Cagayan de Oro truly prepared to steer their own vessels, or are they merely seeking escape from the corporate course? By evaluating the intersection of personality and professional skill, this research provides a blueprint for transforming CDO into a hub of "job-creators" rather than "job-seekers." Through this lens, we examine how technical gaps in "Venture Architecture" and financial mobilization hurdles prevent even the most "management-ready" individuals from achieving entrepreneurial agency [11].

## 2. MATERIALS & METHODS

### 2.1 Research Design

This study utilized a **Descriptive-Analytical Research Design** to systematically map the entrepreneurial landscape of Cagayan de Oro (CDO) City. This design was selected to allow for the collection, tabulation, and interpretation of quantitative data regarding the self-perceived readiness and competencies of the target demographic [12]. By utilizing a descriptive approach, the researcher was able to provide a multi-dimensional analysis of the participants' personal and professional traits as indicators for potential business success.

### 2.2 Research Locale and Participants

The study was conducted in **Cagayan de Oro City**, the designated "Gateway to Northern Mindanao" and a Highly Urbanized City (HUC) characterized by a growing industrial and service sector. The participants consisted of **Young Professionals**, defined as college-educated individuals aged 21 to 40. To ensure industry-wide representation, the researcher employed **Purposive Sampling** to select 10 respondents from each of the city's top five

industries, including Retail, Service, and Technology.

### 2.3 Instrumentation

The primary data collection tool was a structured **Survey Instrument** categorized into personal and professional competency clusters. Professional readiness was measured across several variables, including Leadership, Critical Thinking, Decision Making, and Communication.

Participant responses were evaluated using a 5-point Likert Scale, ranging from "Strongly Agree" to "Strongly Disagree." The scale interpretation was as follows:

- 4.50 – 5.00: Very High Readiness/Competency
- 3.50 – 4.49: High Readiness/Competency
- 2.50 – 3.49: Moderate Readiness/Competency
- 1.50 – 2.49: Low Readiness/Competency
- 1.00 – 1.49: Very Low Readiness/Competency

### 2.4 Data Gathering and Statistical Treatment

Data were collected through both digital and physical distribution of the survey instruments. Following collection, the data were organized, tabulated, and subjected to statistical analysis to identify trends and correlations. The primary statistical tools employed included Weighted Mean ( $M$ ) to determine levels of preparedness and Standard Deviation ( $SD$ ) to measure the consistency of responses across the cohort. Correlation analysis ( $r$ ) was further utilized to examine the relationship between academic training and entrepreneurial soft skill capital.

## 3. RESULT

### 3.1 Demographic and Sectoral Composition

The study successfully surveyed a cohort of  $N=50$  young professionals within the Cagayan de Oro (CDO) City metropolitan

area. The participants were segmented across five dominant industries: Retail, Service, Technology, Finance, and Education. In alignment with the definition provided by the Metro Edge Organization [5], 100% of the respondents possessed a college degree and fell within the 21–40 age bracket. The average age of the respondents was 29.4 years, representing a demographic characterized by professional maturity and a high degree of technological fluency.

### 3.2 Personal and Professional Competency Analysis

The assessment utilized a 5-point Likert scale to evaluate self-perceived readiness across multiple professional clusters.

#### 3.2.1 Leadership and Visionary Aptitude

Respondents demonstrated an exceptionally high level of confidence in their ability to direct organizational goals. The aggregate mean for **Leadership and Vision** was  $M=4.42$  ( $SD=0.51$ ). Items related to "Ability to inspire a team" and "Strategic goal setting" scored the highest. These results fall within the "Very High Readiness" category, suggesting that the local academic and corporate environment in Northern Mindanao is highly effective at producing individuals with management-level psychological profiles.

#### 3.2.2 Communication and Soft Skill Capital

The highest-scoring competency cluster was **Communication and Negotiation**, yielding a mean of  $M=4.58$  ( $SD=0.44$ ). This indicates that young professionals in CDO view their interpersonal skills as their primary professional resource. The low standard deviation in this category suggests a strong consensus across various industries regarding the vital role of communication in modern business environments.

### 3.3 The Venture Architecture Gap

In stark contrast to the high scores in management-oriented skills, the data revealed a significant "Execution Gap"

regarding the technicalities of business creation.

### 3.3.1 Technical Knowledge of Venture Creation

The cluster for **Venture Architecture** - which includes understanding local business registration (DTI/SEC/BIR), legal compliance, and strategic market entry timing - resulted in a mean score of  $M=2.15$  ( $SD=0.88$ ). This falls within the "Low Readiness" threshold. Respondents expressed the most uncertainty regarding the specific legal and regulatory steps required within the Northern Mindanao region.

### 3.3.2 Financial Mobilization and Risk Mitigation

**Financial Mobilization** was identified as the most significant hurdle for the cohort, with a mean score of  $M=1.92$  ( $SD=0.76$ ). While respondents expressed confidence in managing existing budgets (corporate management), they scored very low on "Strategies for securing seed capital" and "Evaluating financial risk." This suggests that the transition from managing institutional capital to risking personal capital is a major technical barrier.

## 4. DISCUSSION

The findings uncover a "Readiness Paradox" among young professionals in Cagayan de Oro. While the talent pool is "Management-Ready," it is not yet "Venture-Ready." This disconnect suggests that professional experience, while valuable, does not automatically translate into the specific agency required for entrepreneurship [14].

### 4.1 The Efficacy of Academic and Professional Foundations

The high scores in leadership ( $M=4.42$ ) and communication ( $M=4.58$ ) reflect the strength of the Philippine higher education system in cultivating professional competencies. This aligns with the findings of Orbeta [13], whose analysis of the ABM strand indicates that scholastic aptitude is a

powerful predictor of later professional success. The results suggest that academic training provides the "Cognitive Agility" necessary to envision a life outside of traditional employment [8, 15]. However, traditional business curricula often focus on Administration (managing existing systems) rather than Innovation (creating new ones) [16]. This is evident in the data: respondents can manage a department, but they struggle to register a new firm. This supports the argument that entrepreneurial education must move beyond general management to focus on "venture-specific" skills [17].

### 4.2 Technical Integration and Institutional Departure

To understand why these high-achieving professionals hesitate to transition, we must look at Tinto's Theory of Institutional Departure [3]. For a professional to "depart" from their corporate role and "integrate" into the entrepreneurial ecosystem, they must feel technically competent. The low score in Venture Architecture ( $M=2.15$ ) represents a lack of "Technical Integration." Without the specific "how-to" of registration and compliance, the professional feels like an outsider to the business world [18].

As Bandura [10] notes, self-efficacy is task-specific. A professional may have high self-efficacy as a manager but low self-efficacy as a founder. This "Efficacy Gap" explains why 69% of millennials express a desire to resign but few actually take the leap [1, 19]. The psychological comfort of the "corporate ship" often outweighs the unanchored freedom of entrepreneurship when technical skills are lacking [20].

### 4.3 The Financial Scaffolding Requirement

The results regarding Financial Mobilization ( $M=1.92$ ) highlight a critical structural barrier. In a Tier-2 city like CDO, the infrastructure for "Seed Funding" is less developed than in Tier-1 hubs like Manila [21]. This forces professionals to rely on personal savings, increasing the "fear of failure" [5]. This supports Schumpeter's

[11] assertion that the entrepreneur must successfully mobilize resources. If resources are locked behind complex bureaucratic walls, the "Entrepreneurial Spirit" remains dormant. This is where government "scaffolding" from agencies like the DTI and DOST [4] becomes essential for bridging the capital gap in emerging markets [22].

#### 4.4 Strategic Implications for Regional Economic Growth

The "Readiness Paradox" suggests that CDO has a surplus of latent entrepreneurial energy currently "trapped" in corporate roles [23]. Transforming these professionals into founders could catalyze a massive shift in the Northern Mindanao economy [24]. To achieve this, we recommend establishing "Live-Start-Up Laboratories" within universities to provide a safe space for professionals to practice venture architecture [25]. This ensures that the leadership fostered in school is matched by the technical agency required in the market [26].

### 5. CONCLUSION

The synthesis of this research leads to the definitive conclusion that Cagayan de Oro City possesses a robust "latent economy" composed of young professionals who are psychologically and educationally primed for leadership, yet structurally inhibited by a lack of technical venture architecture and financial mobilization strategies. The findings reveal a "Readiness Paradox": while the local academic and corporate ecosystem successfully produces "management-ready" individuals characterized by high levels of leadership aptitude and communication proficiency, these individuals remain tethered to institutional roles due to a lack of technical integration into the entrepreneurial landscape [3].

#### 5.1 The Paradox of Professionalism and the Technical Ceiling

The primary conclusion of this study is that the transition from employee to employer is stalled not by a lack of entrepreneurial spirit, but by a "Technical Ceiling." Young professionals in CDO demonstrate a high desire for institutional departure, matching global millennial trends regarding resignation intent [1], yet they face a significant lack of practical integration into the entrepreneurial ecosystem [3, 14]. This study concludes that foundational business education, while excellent at fostering scholastic aptitude [13] and leadership confidence [10], is primarily designed to produce stewards of existing capital rather than architects of new ventures [15, 16].

Consequently, even the most resilient and technologically savvy professionals [5] remain in corporate roles because the technical mechanics of venture creation - specifically the legalities of registration, tax compliance, and strategic market entry - have not been demystified. As established in economic theory, innovation requires more than vision; it requires the mobilization of resources and the navigation of bureaucratic frameworks [11]. Without these technical competencies, the professional remains "unanchored," possessing the mindset of a founder but lacking the agency of a business owner [18, 20].

#### 5.2 The Triadic Support Model: A Strategic Scaffolding

To bridge the "Execution Gap" identified in the findings, it is recommended that a **Triadic Support Model** be implemented, integrating Academic Reform, Government Scaffolding, and Private Sector Mentorship. First, **Academic Institutions** must move beyond the "Theory of Administration" and toward the "Practice of Venturing." It is recommended that business colleges in Northern Mindanao establish "Live-Start-Up Laboratories" - incubators where professionals can practice the technical architecture of registration and financial

modeling in a safe, academic environment [25].

Second, Government Agencies such as the DTI and DOST should establish "Professional Venture Desks" to provide streamlined technical assistance and micro-grants [4, 21, 22]. This targeted scaffolding reduces the financial mobilization barrier and encourages calculated risk-taking among the 21–40 age demographic. Finally, a formal Entrepreneurial Movement must be formulated in CDO to link seasoned business leaders with aspiring young professionals, fostering the strategic social capital [9] necessary to anchor new ventures in the local market [26, 29].

### 5.3 Regional Economic Resilience and Future Directions

The long-term implication of these findings suggests that Cagayan de Oro City stands at a demographic crossroads. If the "Technical Gap" is bridged through these recommended interventions, the city can transform its workforce from a pool of job-seekers into a generation of job-creators. This shift is essential for regional economic resilience, as businesses started by college-educated and experienced individuals are statistically more likely to be innovative and growth-oriented. Future research should expand this inquiry into a longitudinal study to track professionals who have successfully transitioned, identifying specific resilience factors that allow individuals to overcome financial hurdles [27, 28]. Additionally, comparative studies between Tier-2 hubs like CDO and Tier-1 hubs like Manila would further illuminate the unique geographic dynamics that influence entrepreneurial agency in the Philippines [30].

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