

Exploring OTOPreneurs Organizational Resilience through Ownership Structures Workforce Size and Years in Operation

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ABSTRACT

The One Town, One Product (OTOP) is a government program initiated to promote the Philippine economic growth by supporting the Micro, Small and Medium Enterprises (MSME). The study explores OTOPreneurs' organizational resilience in the province of Isabela by examining changes in ownership structures and workforce size during the pandemic. A prevailing confidence in sole proprietorships and medium-sized enterprises groups features the adaptability and vulnerability capacity of these local businesses. Retaining a descriptive quantitative approach, the study investigates how OTOPreneurs adapted to difficulties in the operations of local and national businesses, employability, and even access to the marketplace. Although workforce reductions and temporary business closures occurred, many OTOPreneurs demonstrated resilience through strategic adaptations such as the use of family labor, flexible workforce arrangements, and digital platform adoption. The stability in ownership structures, combined with responsive labor strategies, underscores the significance of localized decision-making and operational flexibility in times of crisis. The contributions to a visible understanding of entrepreneurial sustainability inform policymakers to support resilient local businesses.

Keywords: COVID-19 Pandemic; OTOPreneurs; One Town One Product (OTOP); Organizational Resilience; Ownership Structures

INTRODUCTION

The COVID-19 pandemic has significantly disrupted global economies, with micro, small, and medium enterprises (MSMEs) facing major challenges due to lockdowns, supply chain interruptions, and shifts in consumer behavior. In the Philippines, MSMEs constitute approximately 99.5% of all businesses and employ about 65.10% of the national workforce. The abrupt burden of lockdowns and other restrictive actions led to a sharp decrease in all business activities, with many MSMEs experiencing reduced revenues and operational difficulties (Shinozaki, 2020). MSMEs in the Philippines temporarily closed due to the COVID-19 outbreak, underscoring the vulnerability of this sector during crises. There is a need for support to help MSMEs adopt marketing and online payment, and digital communication. Working with Go Negosyo and a digital platform to promote MSMEs to participate in E-commerce platforms. (Microsave Consulting, 2020).

The Philippine One Town, One Product (OTOP) provides a relevant basis in studying organizational resilience by encouraging local OTOPreneurs by promoting typical goods and services based on local and regional customs and capitals (Tadeo & Muralla, 2022). Managing a tiny partnership or sole proprietorship, OTOPreneurs faced difficulties during the epidemic, such as adapting their ownership structures and workforce size to provide valuable insights into the mechanisms of restricted access to cash payment, technology limitations, and a decline in market demand. By adapting ownership structures and leveraging a workforce size, OTOPreneurs offers valuable perspectives on how resilience is built at a grassroots stage. The development of joint national Disaster Readiness & Risk Reduction (DRRR) strategies, a positive approach, and increasing policy consistency are rising (Wamsler & Johannesse, 2020). The perceptions require a policymaker's ground and effective strategies by endorsing local and international businesses (Tadeo & Muralla, 2022)

This study aims to explore the organizational resilience of OTOPreneurs in the province of Isabela by examining changes in their ownership structures, years in operation in business, and workforce size during the COVID-19

pandemic. Studying these adaptations, the research seeks to identify the factors contributing to OTOPreneurs' sustainability. The results of this research are likely to inform OTOPreneurs, experts, and policymakers on applicable approaches to bolster resilience and to ensure the economic stability of MSMEs in facing future conflicts

METHODOLOGY

The study utilized a descriptive-correlational research design to examine the organizational resilience of OTOPreneurs in relation to business ownership structures, workforce size, and years in operation during the COVID-19 pandemic. A purposive sampling technique was employed to select respondents who were deemed most relevant to the research objectives, ensuring that they had direct experience and perceptions of the situations under investigation. Data was collected through a flexible survey method using structured questionnaires, which facilitated the efficient gathering of resilience-related statistics while accommodating the availability of the respondents.

The study was conducted in the Province of Isabela with data obtained from the provincial office of the Department of Trade and Industry (DTI), which holds a comprehensive registry of Micro Small and Medium Enterprise (MSME) – OTOPreneurs. Respondents were 62 among the registered MSME-OTOPreneurs in the province of Isabela, who were randomly selected, providing information on the sample size and selection method.

To collect relevant data, the researcher employed a structured questionnaire that was adapted and modified from validated tools in previous literature. The instrument comprised constructs that measured the respondent's ownership structures, workforce size, and years in operation, including the Business Resilience Assessment Tool (BRAT) model to assess service quality. The Likert scale is mostly a five-point scale, was used for responses. These instruments experienced validity and reliability testing, with evaluations by a panel of specialists involving statisticians, advisers, and validators. Response from these experts informed revisions to ensure the relevance and clarity of the items.

The researcher ensured respondents understood the study objectives and procedures using the descriptive statistical tools such as frequency counts and percentage distributions. The use of Microsoft Excel and SPSS Software was performed to examine the characteristics of each variable, such as ownership structures and workforce size during the COVID-19 pandemic.

Before conducting the study, formal consent was obtained from both the DTI-Isabela office and individual respondents. Respondents were fully informed about the purpose of the research, its voluntary nature, and the assurance of confidentiality. The collected data was anonymized to protect the person's participation in conducting research, and all the responses were appropriately secured.

RESULTS AND DISCUSSION

Table 1: Ownership Structures of OTOPreneurs

A. Ownership	Frequency	Percentage
a. Sole Proprietorship	53	85.48
b. Partnership	4	6.45
c. Private corporation	5	8.06
Total	62	100.00

Table 1 highlights that most of the OTOPreneurs' ownership types are sole proprietorships for 85.48% (n=53) of the total. Partnerships make up only 6.45% (n=4), while private corporations account for 8.06% (n=5). The results of the data indicate that sole proprietorship are the most common types of OTOPreneurs ownership in the sample data. business distribution indicates that sole proprietorships are the most common type of ownership in

the sample. Sole proprietorships are the most common form of business ownership, it is easy to manage, known for their ease of establishment and low cost, making them popular among small business owners and contractors.

These findings align with the broader landscape of micro, small, and medium enterprises (MSMEs) in the Philippines. The predominance of sole proprietorships within this sector reflects the entrepreneurs' inclination towards business models that offer operational simplicity and autonomy (DTI, 2023).

Table 2: Years in Operation of OTOPreneurs

Years	Frequency	Percentage
1-5	22	35.48
6-10	19	30.65
11-15	4	6.45
16-20	6	9.68
21 above	11	17.74
Total	62	100.00

The data presented in Table 2 indicates that a significant proportion of OTOPreneurs are in the early stages of their business ventures. Specifically, 35.48% (n = 22) have been operating for 1–5 years, and 30.65% (n = 19) for 6–10 years. The results imply that almost 2/3 of the OTOPreneurs are among the growing stages of business. Only 17.74% (n = 11) of over 21 years maintained their businesses, highlighting the business challenges combined with the long-term survival of businesses.

Several studies imply that the years in operation in business may influence the limitations of experience by the micro, small, and medium enterprises, in which financial support is the top-rated task (Visser et al., 2019). Internally, the decision-making policy, the motivation, and expertise perform a fundamental role among the OTOPreneurs and Small and Medium Enterprises. Externally, factors such as market conditions, competition, and regulatory environments impact business sustainability. The predominance of newer businesses among OTOPreneurs may reflect the dynamic nature of the entrepreneurial ecosystem, where adaptability and continuous learning are essential for enduring success.

Table 3: Workforce Size of OTOPreneurs Before the Start of the Pandemic

Workforce Size Before the COVID-19	Frequency	Percentage
1-5	46	74.19
6-10	11	17.74
11-15	2	3.23
16-20	1	1.61
21 above	2	3.23
Total	62	100.00

The data in Table 3 shows that the majority of OTOPreneurs (74.19%) operated with only 1 to 5 employees before the COVID-19 pandemic, signifying that most of these businesses were microenterprises. A smaller proportion employed 6 to 10 workers (17.74%), while only a few had 11 to 15 (3.23%), 16 to 20 (1.61%), or more than 21 employees (3.23%). The OTOP program faces many challenges, especially in employment, resources, fabrication, and customer procurement, particularly during the COVID-19 pandemic (Tadeo & Muralla, 2022). However, demonstrating sustainability in business financial performance, workforce production, and product intervention. To address business challenges and sustainability promotions, suggestions and

recommendations include improving business financial performance, capital in business development, and people engagement (Tawingan, 2024).

The resilience and productivity of micro, small, and medium enterprises (MSMEs) in developing countries, particularly during the COVID-19 Pandemic have been examined in recent studies. Resilience is significantly impacted by OTOPreneurs traits, which include optimism and competitiveness (Moreno, 2021). The factors that contribute to Small and Medium Enterprises (SME) such as situational awareness, keystone vulnerabilities, and adaptive ability. These factors have a significant impact on the MSME resilience, with small, sole proprietors demonstrating greater adaptability to digital technologies (Casinillo & Salabao, 2023). A multifaceted framework for firm resilience has been proposed, acknowledging the elements that contributed to OTOPreneurs satisfactory performance throughout the COVID-19 Pandemic.

Table 4: Workforce Size of OTOPreneurs in the Post-Pandemic Period

Active Workforce Size	Frequency	Percentage
1-5	44	70.97
6-10	13	20.97
11-15	2	3.23
16-20	0	0.00
21 above	3	4.84
Total	62	100.00

The data in Table 4 reveals that after the COVID-19 pandemic, a significant majority of OTOPreneurs continued to operate with a minimal workforce. Specifically, 70.97% (n = 44) of these enterprises employed between one (1) to five (5) individuals, indicating a predominant reliance on micro-scale operations. This trend underscores the characteristic nature of micro, small, and medium enterprises (MSMEs) in the Philippines, where limited human resources are a common feature due to constraints in capital, infrastructure, and market reach.

The reduction in the proportion of businesses with employment of one to five, from 74.19% before the COVID-19 Pandemic to 70.97% after, suggests a modest shift in the structures of employment. Particularly, from 17.74% to 20.97%, the proportion of companies with six (6) to ten (10) employment number. This change could be a result of some OTOPreneurs adaptable strategies for overcoming the challenges during the post-pandemic, such as expanding product lines. Companies are diversifying to meet customers' shifting demand. Given that 8.07% of OTOPreneurs had more than 15 employment numbers following the COVID-19 Pandemic, it appears that the majority were still opposed to the large-scale expansion.

The findings are in line with the circumstances facing MSMEs in the Philippine economy. The COVID-19 Pandemic presented a large number of challenges for MSMEs, 99.5% of the business establishments and employment about 65.10% of the workforce size in the Philippines. Operational disruptions and financial constraints are the challenges encountered (Labiaga & Campos, 2024). A lot of digital technologies modified their business plans, including a feasibility study sought help from the local government to agree with the situation. Since OTOPreneurs still employ a large number of micro-scale workers, targeted interventions are needed to support the companies in reaching the resilience and success expansion goals.

CONCLUSIONS

The study provides the comprehensive organizational resilience of OTOPreneurs particularly in the context of ownership structures, workforce size, and years in operation during the COVID-19 Pandemic. A significant majority of OTOPreneurs operate as sole proprietorship 85.4%, reflecting the preference for simple and autonomous business structures among the MSMEs in the Philippines. The consistent trends with the nationwide MSMEs environment where micro ventures govern.

In terms of the duration of business, OTOPreneurs are mostly relatively new to the industry, with a percentage of 66.13 in less than 10 years in operation. The vigorous and active OTOPreneurs sector indicates that it also faces sustainability challenges, percentage of 17.75 have maintaining its years in operation for 21 years and beyond. These results reinforce the importance of competencies and support systems in fostering long-term business viability.

In the employment data, extreme underscores the nature of OTOPreneurs. Before the COVID-19 Pandemic, 74.19% of the respondents employed only 1 to 5 employees, with a slight decrease to 70.97% post-pandemic. Even though employees were observed, there is a modest increase in businesses with six (6) to ten (10) employees; workforce size remain heavily skewed toward minimal employees. The reflection of business operational constraints faced by various OTOPreneurs includes the limited access to capital and the marketplace

RECOMMENDATIONS

The study's conclusions led to the following recommendations being made:

1. Given the predominance of sole proprietorships (85.48%) among OTOPreneurs due to their simplicity and control, government agencies and business support organizations may provide education and incentives for OTOPreneurs to explore partnerships or incorporation. This can enhance access to capital, risk-sharing, and professional management, which may improve business sustainability and scalability.
2. Since most OTOPreneurs are in their early years in operation (1–10 years) and only a small portion sustain operations beyond two decades, training programs may focus on improving entrepreneurial skills such as financial literacy, strategic planning, and market analysis. Strengthening these internal capabilities will help increase survival rates and long-term success.
3. The data showed that most OTOPreneurs operate with very small teams both before and after the pandemic. To facilitate growth and resilience, initiatives may provide access to affordable labor, skills training, and technology adoption that can optimize workforce productivity and help these enterprises scale operations effectively
4. The slight workforce shifts observed after the pandemic highlight the need for continued financial and operational support to help OTOPreneurs adapt to evolving market conditions. Government programs may continue to promote digital transformation, provide emergency funding, and facilitate market linkages to enhance competitiveness and business continuity
5. Many OTOPreneurs remain constrained by capital limitations and localized operations. Policies aimed at easing access to microfinancing, grants, and e-commerce platforms will empower these OTOPreneurs to overcome barriers to growth and tap into broader markets, improving their sustainability and income generation.

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