KAPATID MENTOR ME (KMME) PROGRAM AND ITS IMPACT ON MANAGEMENT PERFORMANCE OF MICRO-ENTERPRISES

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ABSTRACT

This study assessed the implementation of the Department of Trade and Industry - Kapatid Mentor Me (KMME) program including marketing, financial, operations, and human resource and its impact on the management performance of micro-enterprises in terms of sales, jobs generation, productivity, and competitiveness The study has 87 respondents, comprising graduates of KMME program from 2017-2021, who are actually engaged in business for six to seven years in the Province of South Cotabato, Philippines.

More findings indicated that the KMME program, specifically on the financial management has the highest mean of 4.9 and found to be extremely implemented. On the management performance, the productivity and competitiveness have the highest mean of 4.88, this means that KMME program has a very high impact in the management performance of micro-enterprise.

The study also revealed that the implementation of KMME program and the management performance of micro-enterprise has significate relationship. In terms of profile and management performance of micro-enterprise, the study reveals that there is no significant influence in terms of gender, educational attainment, ownership, and in terms of marital status there is a significant influence. In terms of challenges, the most frequent problems are: respondents encountered problems on conflict of schedules during KMME program trainings, and KMME graduates encounter higher loan despite of being a KMME graduate, with 36% and 30% responses respectively.

Keywords: *Kapatid Mentor Me (KMME) Program, micro-enterprises, management performance, financial literacy, marketing strategies, operational efficiency, job generation, competitiveness, productivity, entrepreneurial development.*

INTRODUCTION

Micro-enterprises play a crucial role in economic development, particularly in emerging economies where they drive job creation and local innovation. However, these businesses often face significant challenges, including financial constraints, limited market access, and inadequate managerial skills. The Philippine government, through the Department of Trade and Industry (DTI), launched the Kapatid Mentor Me (KMME) Program to address these gaps by providing mentorship and training to micro-enterprises. Since its inception in 2016, the program has aimed to improve business competencies in marketing, financial management, operations, and human resources, thereby fostering growth and sustainability among micro-enterprises. Despite the widespread implementation of the KMME

Program, limited empirical research exists on its effectiveness in enhancing management performance among micro-enterprises, particularly in South Cotabato. This study seeks to bridge this gap by assessing the impact of the KMME Program on business growth, job creation, and competitiveness. It also explores whether demographic factors such as age, gender, and educational background influence the program's effectiveness.

OBJECTIVES OF THE STUDY

Generally, this study aimed to assess the KMME program and its impact on the management performance of micro enterprises in South Cotabato, particularly their performance on sales, job generation, productivity, and competitiveness.

Specifically, it seeks to answer the following questions:

1. Demographic Profile of Respondents:
    a) Age
    b) Sex
    c) Educational attainment
    d) Marital status
    e) Forms of ownership
    f) Sector cluster
    g) Years in business
    h) Business locations
    i) Initial capitalization
2. Level of Implementation of the KMME Program:
    a) Marketing
    b) Financial
    c) Operations
    d) Human resource
3. Level of Management Performance of Micro Enterprises:
    a) Sales
    b) Job generation
    c) Productivity
    d) Competitiveness
4. Is there a significant relationship between the implementation of the KMME program and the management performance of micro entrepreneurs?
5. Does the KMME program significantly influence management performance in terms of sales, job generation, productivity, and competitiveness?
6. Do the profile characteristics of KMME recipients significantly affect management performance?
7. What are the common challenges faced by micro enterprises in the KMME program?

RESEARCH ELABORATIONS

The Kapatid Mentor Me (KMME) Program is a mentorship initiative designed to enhance the management performance of micro-enterprises in South Cotabato. This research investigates the impact of the KMME program on sales, job generation, productivity, and competitiveness among micro-enterprises. Drawing on relevant theoretical frameworks, including the Resource-Based View (RBV), Systems Theory, and the Balanced Scorecard (BSC) framework, the study evaluates how mentorship contributes to business growth and sustainability.

Implementation of the KMME Program The KMME program was established as a response to the challenges faced by micro-enterprises, including limited access to mentorship, financial resources, and market opportunities (Department of Trade and Industry, 2023). The program provides structured learning through 10-module mentorship sessions covering essential aspects of business management, including marketing, financial strategies, operations, and human resource management. By equipping entrepreneurs with practical business knowledge, the program aims to build resilience, adaptability, and competitive strength in small businesses (Dana-Gica, Jeanevieve & Añasco, Khamille & San Jose, Ariel, 2021).

Impact on Sales Performance The research highlights that mentorship plays a crucial role in improving sales performance among micro-enterprises. Through targeted sales and marketing training, participants develop better promotional strategies and customer engagement techniques (Cruz, J., Santos, D., & Matibag, L., 2022). The findings align with existing literature that suggests mentorship programs significantly contribute to improved revenue generation and long-term business sustainability. The ability to identify and exploit market opportunities leads to increased sales and market expansion (Endris, A., & Kassegn, A., 2023).

Job Generation and Workforce Expansion Job creation is another significant outcome of the KMME program. As businesses experience growth in sales and profitability, they are more likely to expand their workforce. The research suggests that enterprises that engage in structured mentorship are better equipped to manage human resources effectively, leading to stable job creation. The findings align with previous studies emphasizing the link between strong managerial practices and employment generation (Gencal, A., Sia, M., & Reyes, R., 2019).

Enhancing Productivity through Mentorship Productivity improvements are closely linked to effective management practices. The study finds that KMME graduates' benefit from mentorship by optimizing operational efficiencies, reducing waste, and adopting new technologies. The integration of lean management principles and digital tools enables micro-enterprises to maximize resource utilization. This aspect of the research is supported by existing literature indicating that mentorship significantly enhances productivity by fostering innovation and process efficiency (Ibrahim, M., & Kalyani, R., 2024).

Strengthening Competitiveness is a key factor in ensuring long-term business success. The research reveals that micro-enterprises that participate in the KMME program develop better strategic planning and market positioning (Karadag, H., 2017). The adoption of technology, financial management techniques, and customer-centric approaches contributes to improved competitiveness. The study further emphasizes that businesses with strong leadership and decision-making capabilities maintain their market relevance and resilience (Kim, J., & Park, H., 2019).

Demographic Influences on Management Performance The study explores how demographic factors, including age, gender, educational attainment, marital status, and business ownership structure, influence management performance. While age and experience contribute to better decision-making, educational attainment plays a role in business acumen and strategic planning. Additionally, access to financial resources and business location significantly impact enterprise performance. The findings support previous research highlighting the role of demographic factors in shaping business outcomes (Lee, S., & Chang, Y., 2020).

Challenges Faced by Micro-Enterprises in the KMME Program Despite the program's benefits, some micro-enterprises continue to face challenges, including financial constraints, high loan interest rates, and scheduling conflicts with mentorship sessions. Addressing these issues through improved access to funding, flexible mentoring schedules, and enhanced government support can further strengthen the impact of the KMME program (Osei-Tutu, B., Simiyu, A., & Nyandemo, S., 2020).

METHODS

A quantitative research design was employed to assess the effectiveness of the KMME Program. The study involved 87 micro-enterprise owners who participated in the program. Data were collected using structured questionnaires and analyzed using descriptive statistics, correlation analysis, and ANOVA. Key performance indicators included sales, job generation, productivity, and competitiveness.

RESEARCH FINDINGS

Demographic Profile of the Respondents

The majority of respondents are aging 29-38 years old with 47% of the total responses. In terms of marital status, 83% of respondents are married. In terms of gender female dominated the respondents with 58%. Most of the respondents are college graduate with 70% responses. In forms of ownership, sole proprietorship is dominant 83% of the total response. These respondents are engaged in manufacturing and other service activities with 69% responded. In terms of product/services performed by these entrepreneurs 61% of the respondents are engaged in processed food manufacturing. These respondents are engaged in business the last 6-7 years already comprising 39% of the total responses.

The study also found out that these entrepreneurs had an initial capital of 15,001-50,000 with 34% responses. In terms of business location their business is situated in the municipal center of commerce (Población) with 46% of the respondents. The respondents' businesses belong to diverse industry clusters, including food processing, retail, services, and agribusiness. The food processing sector represents a significant share, aligning with trends observed in micro-enterprises nationwide. The dominance of food-related businesses is consistent with research by Tan and Reyes (2024), which found that food processing remains one of the most viable micro-enterprise ventures due to consistent consumer demand.

Level of Implementation of the KMME Program

The findings demonstrate the significant impact of the Kapatid Mentor ME (KMME) Program on various aspects of micro-enterprise management. In marketing, all indicators received a mean score of 4.8 ("Strongly Agree"), indicating substantial improvements in market identification, strategic planning, and digital marketing adoption. Participants reported a stronger understanding of the 4Ps of marketing and increased proficiency in using e-commerce platforms like Lazada and Shopee, supporting prior research that emphasizes digital marketing as a driver of business growth. Financial management also showed notable improvements, with a mean score of 4.9, suggesting enhanced financial literacy, cash flow management, and the ability to analyze financial statements. This aligns with previous studies indicating that improved financial assessment skills contribute to better business decision-making and long-term stability.

Similarly, operational competencies improved significantly, as reflected in a mean score of 4.89, with participants gaining better knowledge of process optimization, quality management, and procurement strategies. These enhancements support research findings that link operational efficiency with increased business sustainability. Human resource management also saw significant gains, with a mean score of 4.8, particularly in recruitment, retention, and employee motivation. Respondents acknowledged that structured HR policies contributed to higher employee satisfaction and productivity, reinforcing the role of workforce management in business success. Overall, the results indicate that the KMME Program has effectively strengthened the marketing, financial, operational, and HR competencies of micro-entrepreneurs, positioning them for sustained business growth and competitiveness.

Level of Management Performance of Micro Enterprises

The findings indicate that the KMME Program has significantly enhanced micro-enterprises' sales performance, job generation, and productivity, as reflected in high mean scores of 4.8 to 4.9 ("Strongly Agree") across key indicators. The program effectively improved sales volume, customer retention, and market expansion, aligning with studies emphasizing structured business strategies for growth. Additionally, job creation increased, with participants reporting better workforce stability and hiring strategies. This supports research suggesting that mentorship programs equip entrepreneurs with the skills necessary for scaling operations and sustaining workforce expansion. Productivity also saw notable improvements, with 4.9 scores in process optimization, technology adoption, and employee efficiency, highlighting the program's role in streamlining operations and promoting data-driven decision-making.

Moreover, the program has strengthened the competitiveness of micro-enterprises, as shown by a section mean of 4.88 and high ratings for improved product quality (4.9) and customer satisfaction. Respondents acknowledged that the mentorship helped them implement best practices in quality management, ensuring consistent service delivery and strengthening market positioning. The program's emphasis on strategic differentiation and continuous innovation (both rated 4.8) enabled businesses to stand out in competitive markets, reinforcing findings that customer-centered strategies boost brand loyalty and retention. These results demonstrate that the KMME Program has been instrumental in equipping entrepreneurs with essential business skills, leading to long-term sustainability and growth.

Relationship Between KMME Program Implementation and Management Performance

The findings reveal a strong positive correlation ($r = 0.99$) between the implementation of the KMME Program and management performance, with a highly significant p-value (<0.0001). This suggests that as participation in the KMME Program increases, management performance improves significantly. Such a strong correlation indicates that the program plays a crucial role in enhancing business operations, strategic decision-making, and overall efficiency. According to Santos and Reyes (2023), structured mentorship and capacity-building initiatives directly influence management effectiveness by equipping entrepreneurs with essential skills in leadership, planning, and organizational development.

Impact of KMME Program on Micro Enterprises (Sales, Job Generation, Productivity, and Competitiveness)

The findings indicated a very strong positive correlation ($r = 0.98$, $p < 0.0001$) between the implementation of the KMME Program and micro-enterprises' sales performance, productivity, and competitiveness. These results suggest that as participants engage in the program, their marketing strategies, customer engagement, and overall business growth significantly improve. The strong correlation in productivity ($r = 0.98$) highlights how structured mentorship enhances process optimization, resource management, and operational efficiency. Similarly, the correlation between the program and competitiveness ($r = 0.98$) confirms that strategic planning and innovation play a crucial role in strengthening market positioning, supporting studies that emphasize the importance of continuous learning for business sustainability.

Moreover, the KMME Program has shown a strong positive correlation ($r = 0.96$, $p < 0.0001$) with job generation, reinforcing its impact on employment stability and workforce expansion. Entrepreneurs who participated in the program reported an increase in job opportunities, demonstrating the program's role in equipping them with skills to scale operations effectively. The high statistical significance of these correlations confirms that mentorship programs are vital in driving entrepreneurial success, enabling micro-enterprises to achieve sustainable growth through enhanced financial management, strategic decision-making, and improved operational efficiency.

Influence of Demographic Profile on Management Performance

The statistical analysis indicates that gender, educational attainment, ownership, cluster type, and location do not significantly influence management performance, as their p-values exceed the 0.05 significance level. Specifically:

- Gender ($p = 0.18$): No significant difference in management performance between male and female respondents, suggesting that performance outcomes are independent of gender.
- Educational attainment ($F = 2.00$, $p = 0.14$): No significant impact on management performance, implying that entrepreneurs perform similarly regardless of their level of formal education.

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- Ownership (F = 0.85, p = 0.44): No significant effect on performance, indicating that business owners and other stakeholders manage enterprises with comparable effectiveness.
- Cluster type (p = 0.36): No substantial difference in management performance across industries, suggesting that businesses in wholesaling, manufacturing, arts, entertainment, and food services perform similarly.
- Location (p = 0.07): No significant influence on management performance, meaning businesses in Poblacion, near Poblacion, and rural areas show no statistically different performance levels.

Conversely, marital status significantly affects management performance (F = 7.27, p = 0.001), indicating that being single, married, or in another marital category influences how entrepreneurs manage their businesses. This result suggests that marital status may contribute to variations in leadership style, decision-making, or business stability. Overall, while most demographic and business factors do not affect management performance, the significant impact of marital status suggests that personal circumstances may play a role in business operations.

Challenges Encountered in the KMME Program

The findings revealed that despite completing the KMME Program, some micro-enterprise owners still face significant challenges, with 36% of respondents reporting difficulties. The most common issue cited is the conflict of schedules during KMME program training. Additionally, KMME graduates encounter higher loan interest with 30% response, despite being a KMME recipient. These findings align with the assertion of Smith and Jones (2022) that access to affordable financing and structured mentoring schedules are crucial in ensuring the sustainability of micro-enterprises. This supports the argument of Ramirez et al. (2023), who emphasize that structured entrepreneurship programs significantly improve business operations and strategic decision-making. Nonetheless, optimizing mentorship scheduling and addressing financial barriers could further enhance the program's impact on micro-enterprises.

CONCLUSION

The study revealed that 69% of respondents are coming from manufacturing sector. Also the findings revealed that the KMME program contributed in enhancing the financial management capability of the micro-enterprise in South Cotabato. In terms of management performance, productivity and competitiveness highlighted that the respondents were able to optimized their processes through application of technology and innovation, in which helped in improving their product/service to meet consistent quality and gained stronger customer loyalty. Therefore the researcher found out that productivity and competitiveness is linked with each other.

The strong correlation between KMME program and management performance in terms of sales, jobs generation, productivity, and competitiveness highlighted that the program is significantly effective. Additionally, findings showed that there is no significant relationship between implementation of KMME program and demographic profile of the respondents, except for marital status in which the results suggest that marital status significantly affects management performance with mean of 4.96 for singles followed by married with a mean of 4.84. Lastly, challenges such as conflict of schedules during KMME program trainings and KMME graduates encounter higher loan, are suggested areas for improvement in the KMME program implementation.

RECOMMENDATIONS

1. Enhancing of KMME program training modules particularly on marketing management, focusing on digitalization and e-commerce. Instead of theory and discussions, hands-on demonstration should be incorporated.
2. Additional Support for Widowed and Separated Entrepreneurs, since marital status influences performance, consider offering tailored mentorship or peer support programs to assist widowed or separated business owners in overcoming unique challenges.

3. Optimizing scheduling to improve the scheduling of training sessions to minimize conflicts. Implement a flexible scheduling system particularly if the schedule falls on holidays and provide alternative mentor to assure that the training session will be conducted.
4. Enhancing Financial Support to address the issue of high loan interest rates by collaborating with financial institutions to provide lower-interest financing options for KMME graduates. Consider developing financial literacy modules focused on loan management and alternative funding sources.
5. For future researchers, they may perform other related study on the impact assessment of other DTI programs.

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