



A Research Study on the Needs and Concerns of the Orihinal Na Magbabasket ng Nueva Ecija (Omne)

Jennifer G. Fronda¹, Mark Alvin H. Abad², Leyan P. Arimbuyutan³, Edelyn T. Mercado⁴, Michael Angelo M. Mobo⁵, Maricel F. Villanueva⁶

¹Graduate School, Nueva Ecija University of Science and Technology

²College of Management and Business Technology, Business, Hospitality and Tourism Department

³College for Research and Technology Guimba Campus

⁴First Asian International System College, Inc.

⁵College for Research & Technology Cabanatuan City Campus

⁶Department of Agrarian Reform

Received: 01 Oct 2021; Received in revised form: 15 Nov 2021; Accepted: 25 Nov 2021; Available online: 04 Dec 2021

©2021 The Author(s). Published by Infogain Publication. This is an open access article under the CC BY license

(<https://creativecommons.org/licenses/by/4.0/>).

Abstract— *The study aims at identifying the needs and concerns of Orihinal na Magbabasket ng Nueva Ecija (OMNE) located in the municipality of Bongabon, province of Nueva Ecija. OMNE happens to be one of the beneficiaries of the Graduate School – Business Administration Program of the Nueva Ecija University of Science and Technology Extension Program. This has also the support of the Department of Trade and Industry and the Local Government Unit of Bongabon. OMNE’s concentration is basket production made of rattan. Other by-products include home decors and handicrafts and other made-to-order items such as plant and wine receptacles. Rattan products are desired for its many uses, aesthetic appeal, and for its being environment friendly. It has also a demand in the international market. This has provided jobs and income for the Bongabon residents. Although this has been operating for decades now, its market potential has not been harnessed. The situation should be addressed as opportunities abound for this industry to involve a wider participation of the community in realizing a sustainable economic development for the betterment of the people’s lives. Findings further revealed that OMNE faces issues such as weak workplace culture and lack of clear organizational structure; lack of product promotions and marketing, and seldom uses social media; limited market outlets; too small a space for production; outdated tools; difficulty sourcing raw materials; few skilled manpower; restricted knowledge on bookkeeping, product design included; inadequate capital and high cost of production.*

Keywords— *Business Administration Program, Nueva Ecija University, Local Government Unit.*

I. INTRODUCTION

A craft or trade is a pastime or an occupation that requires particular skills and knowledge of skilled work. In a historical sense, particularly the Middle Ages and earlier, the term is usually applied to people occupied in small-scale production of goods, or their maintenance, for example by tinkers. The traditional term craftsman is nowadays often replaced by artisan and by craftsperson (craftspeople).

The households of craftsmen were not as self-sufficient as those of people engaged in agricultural work and therefore had to rely on the exchange of goods. Some crafts, especially in areas such as pottery, woodworking, and the various stages of textile production, could be practiced on a part-time basis by those also working in agriculture, and often formed part of village life.

Almost every family in the Philippines owns one or more handicraft products like baskets, brooms, feather

dusters, bamboo sofa set, cabinets, and other furniture. Accessories like earrings, bracelets, necklaces, and other clothing apparel which young people today are fond of wearing are also made from native products like beads, shells, seeds, and others. This is a clear indication that our handicraft industry is enjoying the patronage of Filipinos nationwide.

Philippines is blessed with rich natural resources that are scattered throughout its 7,107 islands. These God-given natural wonders are the sources of people's food, shelter, and other basic needs. After some time, people acquired many skills that enabled them to tinker with nature. They used the raw materials from trees, plants, and other natural resources that are very abundant and turned them into simple, yet useful tools or instruments.

Today, many Filipinos are engaged in handicraft businesses. Handicraft-making has become a means of livelihood for them, especially now that many handicraft owners are exporting their products to Japan, United States, Canada, Australia, Hong Kong, Singapore, and other countries around the world.

Despite this, Filipino craftsmen have indigenously overcome scarcity and increasing prices of raw materials by constantly producing new designs for their products. Over the years, Philippine handicrafts have evolved through innovative changes in designs reinforced by exciting choices and combination of indigenous materials. There is, however, still ample room for improvement, particularly in remote upland communities with little access to market information, brokering services, capital, and technologies for value addition. [2]

Orihinal na Magbabasket ng Nueva Ecija (OMNE) was established and registered in 2006. At the start, the members found it hard to market their rattan baskets within the local community as native products are less recognized and appreciated. It was even difficult for them to get the attention and assistance of the government.

It was then when the Local Government Unit (LGU) of Bongabon designated the female head of OMNE as the focal person of Kababaihan of which basket weaving was their project. This move spurred their appeal to the community for support. Government agencies like the Department of Agriculture, Department of Labor and Employment, Department of Social and Welfare Development and the Department of Trade Industry also started assisting them in technical and marketing aspects of the business operation.

They were then invited to join various Trade Fairs like DTI's Likha ng Central Luzon and other local fairs to showcase and market their products. By good chance, their local markets started to expand.

The DTI is continuously assisting OMNE in innovating the designs of rattan products so as to keep up with the modern economy and to sustain the competitiveness of native products. They were also given machines such as Rattan Splitters to increase their productivity and competitiveness.

Owing to the profit from selling baskets, OMNE was able to build a small production/weaving area, not to mention that of members were able to give education to their children having a regular income from weaving.

Though, OMNE is benefitting from its basket production business, still there are rooms for improvements to level up their business operation. With this, the researchers decided to study OMNE to determine other needs and concerns identify the needed interventions to improve their business operation.

II. OBJECTIVES OF THE STUDY

This study titled **Orihinal na Magbabasket ng Nueva Ecija (OMNE): A Research Study about its Needs and Concerns** aims to answer the following questions:

1. Describe the profile of OMNE be described in terms of:
 - 1.1 Year established
 - 1.2 Form of business organization
 - 1.3 Plant location
 - 1.4 Number of members
 - 1.5 Products offered
 - 1.6 Asset size as of 2020
2. Describe the aspects of business operations be described in terms of:
 - 2.1 Management
 - 2.2 Marketing
 - 2.3 Technical/Operation
 - 2.4 Finance?
3. Describe the needs and concerns of OMNE in terms of the business aspects of operations?
4. Propose an intervention to address the needs and concerns to improve OMNE's business operations.

III. RESEARCH METHODOLOGY

This study used the descriptive method. Descriptive type of research aims to accurately and systematically describe a population, situation or phenomenon. It can answer what, where, when and how questions, but not why questions.

A descriptive research design can use a wide variety of research methods to investigate one or more variables. Unlike in experimental research, the researcher does not control or manipulate any of the variables, but only observes and measures them.

The researcher used survey and interview in gathering the data. A researcher-made questionnaire and interview guide were prepared. The instruments were finalized after consultation with experts and the Adviser.

IV. RESULTS AND DISCUSSION

1. Profile

1.1 Year established

OMNE was established in 2006, thus it has been in the business for more than a decade and is still operating.

1.2 Form of Business

OMNE is an association. This is the best set up at the time of its inception since this involved pooling of talents and resources among its neighbors who want to earn living.

1.3 Plant Location

The business is located at **Barangay Calaanan in Bongabon, Nueva Ecija.**

1.4 Number of Members

OMNE has more than 25 members who are regular workers. They earn per piece rate. Under this set up of production where bod specialization is distributed is more efficient.

1.5 Products

OMNE produces baskets and home decors since 2006. The products are manually prepared. They are made of rattan.

1.6 Asset Size as of 2020

As of 2020, OMNE has an estimated asset size of Php 300,000. This includes cash and its cash equivalents, finished products, work in process, stocks in trade, raw materials, among others. Compared to other (cottage industries), the amount disclosed is relatively small.

2. Aspects of business operation

2.1 Management

The respondent or the manager of OMNE is 50 years old, female. She is married and an elementary level graduate. It can be noted that in business the level of one's educational attainment may not be a requirement. Skill, opportunity and determination to earn could be the predisposing factor for OMNE's formation. It was

observed that she decides everything as regard its operation. Following this practice, it can have a setback in the organization because collective decision is supposedly the structure of an association.

Currently, there are more than 10 regular workers on a per piece rate and 15 are on-call workers or they are contracted whenever there are big orders. They must at least be a member of the association. This kind of work sometimes requires skills, and often there is a shortage for this specialized jobs. Residents tend to seek employment in the city.

OMNE adopts the line type of organizational structure.

2.2 Marketing

Customers of OMNE are diversified because the product has demand not only in the Philippines, but also abroad. OMNE solely relies on trade fairs and orders from traders or middlemen who put their money in this undertaking with the purpose, of course, of earning profit.

OMNE has not maximized its exposure in the social media. There could be many reasons why, however limited as it may seem, opportunities may be lost at this point.

2.3 Technical/Operation

Production of OMNE is continuous at any time of the year. It par stocks raw materials to sustain the orders. Lean months are during rainy season, but production seldom stops. The owner hinted that there would come a time that raw materials could become scarce as depletion of the rattan vine in the forest is faster than what the manufacturers need because this is the only source of livelihood of the suppliers.

The building is owned by the proponent. Production is rather small to accommodate 10 workers. Some parts of the works are contracted especially those which can be done at home. This arrangement can be ideal only if certain job order does not need supervision.

The vehicle used to deliver the product is rented. This adds up to cost loaded to the final price of the product. It can be noted that despite the more than a decade of doing business, they should have earmarked a part of their savings to acquire one because this is an investment.

The pricing method used by OMNE is cost-based pricing. The researchers argued this is the safest way to price a product that a certain percentage is added on against the cost of production. So that costs associated in producing the item should be efficient and effective to realize still the desired profit. This is in consideration to

the price competitors are charging for the same product or item.

2.4 Financial

The current revolving capital of OMNE is estimated between Php 40,000 – Php 50,000 as disclosed by the owner. Assessing the present financial position of OMNE may indicate also equivalency of capital against its current production i.e., amount of orders. A larger amount of money when big orders come in can already distort their financial position.

Annual gross sales of OMNE ranges from Php 300,000 to Php 400,000 while net income are estimated to be between Php 100,001 – Php 200,000. Operationally, based on the findings of this study, it can be inferred that return on investment of OMNE is by standard fair, however close scrutiny by the researchers on the financial condition of OMNE may call for proper accounting management to ensure its sustainability.

3. Needs and Concerns of OMNE

- **Management**

It was observed that OMNE has **weak workplace culture**. There was actually lack of direction as to the attainment of its goals and objectives. It may just be because of the simplicity of organization structure where the head or owner decides for the association, while there should have been collective decision based on the participation of its members.

- **Marketing**

Lack of promotional activities can lose sight of opportunities to expand and maximize its full potential to give employment and income to its residents.

- **Technical/Operation**

Lack of space may not be conducive for this kind of business. Outdated tools and limited supply of raw materials can be a real threat.

- **Finance**

Inadequate capital and continuing high cost of production can shrink the desired profit which may not be ideal at all.

V. SUMMARY AND CONCLUSION

OMNE is formed as Association which started its operation in 2006. Products are rattan-based that include baskets and ornaments for local and international demands. It currently employs 25 workers who also happen to be members also. OMNE's operation can be categorized as small-scale industry with minimal capitalization, but is liquid enough to sustain its daily operations.

Decision lies only in one person. There is a limited effort to market the product and relies solely on made-to-orders. Seldom do they use online platforms popular nowadays, hence limited market. Production area not commensurate to the amount and bulk of transaction, and tools being used are the traditional ones. Although capital may be enough for OMNE's current needs, limited option for higher financial needs is expected.

Proposed interventions to address the needs and concerns of ONME

- **Management**

- The manager may conduct orientation to workers and cultivate strong worker relationship. This will produce highly engaged and motivated workers.
- Create a more functional organizational structure. A well-defined organizational structure will serve as guide to workers about their functions, duties and responsibilities, as well as the manager.

- **Marketing**

- Use of social media is encouraged. Use this platform to promote products.
- Joining in the trade fairs is encouraged;
- Contact resellers; and
- Consider hiring a marketing personnel. This increases the chance of maximizing OMNE's profit.

- **Technical/Operation**

- Rent a space or contract work to third party (worker by doing parts or whole at home instead)
- Upgrade tools to standardize output and make work more efficient.
- Look for other suppliers of raw materials needed for its production to ensure sustainability.
- Hire households and out-of-school youth for additional workers

- **Financial**

- Raise capital by borrowing from banks or other financial institutions
- Enhance financial literacy (bookkeeping, pricing, costing). Ask assistance from SUCs in particular for these needs.

REFERENCES

- [1] Faroqhi Suraiya (2014) *Artisans of Empire: Crafts and Craftspeople Under the Ottomans*. I.B. Tauris. p. 119. ISBN 9780857710628. OCLC 956646181.
<https://www.worldcat.org/title/artisans-of-empire-crafts-and-craftspeople-under-the-ottomans/oclc/956646181>
- [2] Beth Arc (November 11, 2019) Philippine Handicraft Industry: Their Benefits and Importance
<https://discover.hubpages.com/art/Philippine-Handicraft-IndustryTheir-Benefits-and-Importance>
<https://colosushandicraft.wordpress.com/author/colosushandicraftadmin/>
- [3] Shona McCombes (May 15, 2019) Revised on September 3, 2020. Descriptive Research
<https://www.scribbr.com/methodology/descriptive-research/>
- [4] Dennis Hartman (2019) The Advantages of a Business Association
<https://smallbusiness.chron.com/advantages-business-association-23541.html>
- [5] Resource Management INC. (December 8, 2016)
<https://rmi-solutions.com/fair-employee-compensation-how-it-benefits-your-employees-and-your-company/>
- [6] James Chen (Jan 26, 2021) Asset Size
https://www.investopedia.com/terms/a/asset_size.asp
- [7] Anonymous author, (2017) Women and Entrepreneurship
https://investinginwomen.asia/wp-content/uploads/2018/01/FS_WSMES-Indonesia-1.pdf
- [8] Gabriela Lobonțiu (2016) The Owner-manager and the Functional Management of a Small Firm
https://www.researchgate.net/publication/275254185_The_Owner-manager_and_the_Functional_Management_of_a_Small_Firm
- [9] Anna balyuk (2019) 7 Benefits of Managing People in the Company
<https://www.epicflow.com/blog/7-benefits-of-managing-people-in-the-company/>
- [10] Brandon Stewart (2019) The Importance of Customer Loyalty
<https://emarsys.com/learn/blog/what-is-customer-loyalty-and-why-is-it-important/>
- [11] Rebecca Riserbato (2020) The Plain-English Guide to Cost-Based Pricing [+Examples]
<https://blog.hubspot.com/sales/cost-based-pricing>
- [12] Tecsys (October 9, 2018) What is In-Store Pickup & Why Your Retail Business Needs It
<https://www.tecsys.com/blog/2018/10/11-reasons-for-in-store-pick-up/>
- [13] Jason Fernando, (January 24, 2021) Distribution Channel
<https://www.investopedia.com/terms/d/distribution-channel.asp>
- [14] Facilities Management, (January 29, 2019) 4 Reasons Why Facilities Management is Important
<https://innovatefm.co.uk/blog/4-reasons-why-facilities-management-is-important/>
- [15] Thokozani S B Maseko, (2017) Strong vs. Weak Organizational Culture: Assessing the Impact on Employee Motivation; Arabian journal of Business and Management Review
<https://www.hilarispublisher.com/open-access/strong-vs-weak-organizational-culture-assessing-the-impact-on-employeemotivation-.pdf>