

**PERFORMANCE OF SMALL BUSINESSES IN POBLACION SUR, CARMEN,
BOHOL**

**College of Technology and Allied Sciences
BOHOL ISLAND STATE UNIVERSITY
Zamora, Bilar, Bohol**

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PERFORMANCE OF SMALL BUSINESSES IN POBLACION SUR, CARMEN,
BOHOL

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Of the Requirements for the Degree of
Bachelor of Science in Office Administration

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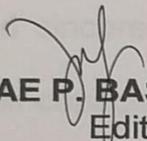
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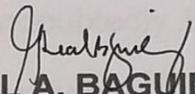
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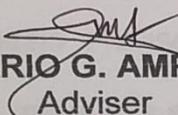
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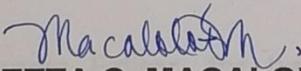

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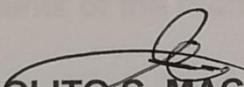

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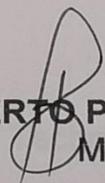

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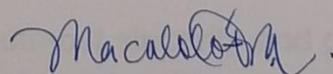

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TABLE OF CONTENTS

TITLE PAGE	i
APPROVAL SHEET	iii
ACKNOWLEDGMENT	iv
TABLE OF CONTENTS	vi
ABSTRACT	x

Chapter		Page
1	THE PROBLEM AND ITS SCOPE	
	Rationale	1
	Literature Background	3
	THE PROBLEM	
	Statement of the Problem	10
	Significance of the Study	11
	RESEARCH METHODOLOGY	
	Design	12
	Environment	12
	Instrument	12
	Procedure	13
	Statistical Treatment	14
	DEFINITION OF TERMS.....	16
2	PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA	

3	SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	
	Summary of Findings	25
	Conclusions	27
	Recommendations	27
	REFERENCES	28
	APPENDICES	29
	A. Letter	29
	B. Instruments	32
	RESEARCHERS' BIODATA	35

LIST OF TABLES

Table	Page
1 Personal Profile of the Business Owners in Poblacion Sur, Carmen, Bohol	19
2.1 Performance Level of Small Businesses Under Financial Performance Activities.....	20
2.2 Performance Level of Small Businesses Under Profitability	21
2.3 Performance Level of Small Businesses Under Customer Loyalty	22
3.1 Significant Degree of difference in Performance of Small Businesses Between Financial Performance and Profitability.....	23
3.2 Significant Degree of difference in Performance of Small Businesses Between Financial Performance and Customer Loyalty.....	24
3.3 Significant Degree of difference in Performance of Small Businesses Between Profitability and Customer Loyalty.....	24

LIST OF FIGURES

Figure		Page
1	Theoretical and Conceptual Framework of the Study	9

ABSTRACT

The main objective of the study was to determine the performance of small businesses in Poblacion Sur, Carmen, Bohol. Specifically, the study sought to answer the following: the profile of the respondents in terms of age, sex, civil status, educational attainment, and years of business existence; the performance level of small businesses in terms of financial performance activities, profitability, and customer loyalty; and a significant degree of relationship between financial performance activities and profitability, financial performance activities and customer loyalty, and profitability and customer loyalty in the performance of small businesses. A descriptive survey was employed to achieve the purpose of the study. The researchers purposively selected twenty (20) business owners in Poblacion Sur, Carmen, Bohol as respondents of the study. The researchers gathered data by using a questionnaire consisting of two parts. The first part of the questionnaire was all about the profiles of the respondents, while the second part was about the business performance of the small businesses. The researchers individually explained the questionnaires face-to-face with the respondents. Based on the findings of the study, there were more female business owners than males; most of them were aged 21–30 years old, and the majority of their status was married. In terms of educational attainment, most of them belong to the college level and college graduates. It revealed that the performance of small businesses was most frequently measured by customer loyalty, followed by financial performance activities and profitability. They got an overall weighted mean of 3.51 and were interpreted as "high." Using Spearman's rank correlation coefficient, the result showed that there is no significant degree of relationship between financial performance activities and profitability, profitability and customer loyalty. While the financial performance activities and customer loyalty by using the Pearson product-moment correlation, it shows that there is a significant degree of relationship. Based on the conclusions drawn, small businesses performed favourably in customer loyalty, followed by financial performance activities, but encountered a low level of profitability. Generally, the businesses coped positively, but still there were aspects that did not meet the expectations of the business owners. This could be attributed to the fact that certain areas of business profitability, especially at this time of crisis, need further improvements. The researchers recommended that future researchers who will conduct related studies covering other variables not present in the study may use the result of this study as a reference. The result of this study may also serve as a reference for business owners to formulate strategies that will help their business profitability strive for great results. Business owners should have accurate monitoring of their business situation to avoid decreasing the income and profits of their business, especially at this time of crisis.

Chapter 1

THE PROBLEM AND ITS SCOPE

Rationale

Small business is the backbone of the economy and it plays the biggest role to fulfill daily life, social and business demand. A small business is the one that operates on a small scale and requires less investment. It is owned by corporations, partnership and sole proprietorship. There are millions of business owners and startup's around the globe and most of them are to fulfill the demands of society in exchange for money.

The term performance of the small business is an important activity that underpins the strength of any business. In recent years, the small business performance are facing unexpected crisis and bring diverse challenges and opportunities for business economy. It is quite clear that small businesses around the globe are experiencing the significant impact of Covid-19 pandemic to the performance of the business. The major victims of pandemic are the small businesses because it usually do not possess sufficient resources, especially financial and managerial, and are not prepared for such disruptions likely to go longer than expected (Bartik et al., 2020; Prasad et al., 2015).

The current COVID-19 pandemic has forced the closure of many businesses, and this has caused great disruption in global commerce, resulting in losses for almost all industrial sectors around the world. Some businesses, such as retailers, are bound to face difficulties in the short term, but other businesses

such as supply chain-based, manufacturing, and health care are facing issues such as a decrease in demand, reduction in cashflows, lowering of sales revenues, availability of workforce, and issues regarding marketing. Their future mainly depends upon their ability to counter such challenges. Even after countering these challenges, their financial future might still hang in balance.

In the wake of the pandemic, the world might not be the same. Industries such as travel and tours, hotels, and hospitality might even vanish for a considerable time. Most businesses are taking actions which save costs by avoiding expansion, conserving their funds, and going for cost-cutting to preserve their hard-earned funds. These issues are compounded for newly established or small-scale business operations as they freeze hiring of new employees and are even going through downsizing. On the contrary, the situation has presented many companies, such as online shopping, web-based entertainment, and online communication, with a great opportunity, which has been duly cashed in by these businesses.

The measurement of performance outcomes of business owners is to reach consensus on suitable measures of performance. In this paper, we confine our attention to performance at the firm. The step of assessing the business performance is to review the business plan, including financial performance and non-financial performance to understand what is happening within the business. Hence, the researchers set out to gather precise data on small business performance. The findings of this study would benefit business owners and people who are interested in the study.

Literature Background

Contingency Theory by Dentchev et al. (2015) discussed that firms can continue strategic matching which correspond with the external environment and uncertainties to gain the appropriate competitiveness, business growth performance and sustainability. Contingency theory is the key theoretical lens used to view the firm.

Institutional Theory by Fauzi and Sheng (2013), is a capable path for exploring the borders between businesses or society that have been shaped small, medium business in various ways to sustainable growth. Explaining that sustainable pursuit is not primarily or voluntary act, as the performance of firms are featured with several challenges, including government rules and marketplace pressures.

According to Bernard Marr (2013), a company specializing in intelligent business performance,” KPIs provide a way to measure how well businesses are performing in relation to their strategic goals and objective. The related literature of this study explained the financial and non-financial KPIs namely: Financial Performance Activities, Profitability and Customer Loyalty. Here are the related literatures according to different authors.

Financial Performance Activities. Ranjbar et al. (2017), financial performance as the “unit’s ability to use its resources efficiently and produce outputs that are appropriate to its goals and appropriate for its users. Hawash and Stephen (2019), financial performance as “the extend which activities

contribute to creating value or effectiveness in using available financial resources by achieving financial goals with minimal financial costs.

Profitability. Alarussi and Alhaderi (2018), profitability is the main pillar for any company to survive in the long run. Profitability is the primary goal of all business ventures, scant attention has been paid to the factors that affect profitability in developing countries.

Customer Loyalty. Rai and Srivastava (2014), customer loyalty is a psychological character formed by sustained satisfaction of the customer coupled with emotional attachment leading to a state of willingly and consistently being in the relationship characterized by preference patronage and premium.

Small businesses in the Philippines can be defined according to the size of assets, size of equity capital, and number of employees. If the total assets above amount to 3,000,000 or less, they can be considered micro or small businesses with 0 to 99 workers. If the range is more than 15,000,000, they can be considered medium-sized businesses with 100 to 199 workers, while large businesses will exceed 100,000,000 with 200 workers.

The following readings served as the legal bases in this study:

Republic Act No. 6977, an Act to promote, develop and assist small and medium scale enterprises through the creation of a small and medium enterprise development council, and the rationalization of government assistance programs and agencies concerned with the development of small and medium enterprises, and for other purposes.

Republic Act No. 9501, an Act to promote entrepreneurship by strengthening development and assistance programs to micro, small and medium scale enterprises, amending for the purpose Republic Act No. 6997, as amended, otherwise known as the “Magna Carta For Small Enterprises” and for other purposes.

The following readings served as the related literatures in this study:

In the studies of Ates et al. (2013), Sannaajust (2014); Wehinger (2014); and Karadag (2016), small business are more vulnerable during an economic crisis because of weak cash flow and financial structures, low equity reserves, limited adaptation potential and flexibility for downsizing, liquidation problems, too much dependency on external financial resources, tightened credit lines, payment delays on receivables, lack of resources, lack of necessary skills to adopt or make necessary strategic decisions.

According to Maisel and Cokins(2013) and Al-Hakim and Lu (2017), measuring the firm’s performance is a crucial activity that underlines the success of any business. The company success is frequently assessed from a variety of perspectives. The most commonly stated measures in the literature are financial and non-financial measures. Both of these meters are utilized at the same time to make strategic decisions for businesses and assure long-term success. The performance measurement is the tool that provides the firm with the essential information to plan and direct its process in order to achieve organizational goals. There are various performance measuring tools available, as well as a variety of financial and non-financial aspects to consider.

Performance, according to Yucesoy and Barabas (2016), is defined as the sum of objectively measurable achievements in a specific domain of activity. The term “performance” is used in a variety of contexts, including economic, financial, technological, sports, and social. Etymologically, the word “performance” is derived from the Latin “performare” which means to accomplish an activity that has been ordered. It’s current meaning comes from the English word “to perform,” which means “to put into action something that necessitates a particular aptitude or expertise.” The term “performance” is frequently used to describe how well a company does its task and how competitive it is.

The following readings served as the related studies:

According to Department of Masters in Business Administration, Gauhati University Bezborra (2020), there was a study about “The Impact of COVID-19 Pandemic on Business Performance with special reference of Small Business Owners at Nagaon district, Assam”. This paper will help to figure out the Small Business Owners performance after the nationwide lockdown. This is also trying to analyse whether the small businesses owners adopted any kind of promotional program to scale up their business after the nationwide lockdown. The study is very minor contribution to the world as it is only restricted to Nagaon district. The study would only be a drop in the ocean, can help the small business owners to get some light after COVID-19 situation in the area.

In the study of Mendoza (2015), Asian Institute of Management, the study analysed the financial performance of selected micro, small and medium enterprises using secondary data from financial statements for the past three

years. Results showed the enterprises performed favourably in liquidity, activity and leverage but suffered from a low level profitability. Using correlation analysis, the results show a significant linear relationship between liquidity and activity, liquidity and leverage, and activity and leverage. However, each of these measures has no significant relationship with profitability. Using t-tests, the results show no significant difference exists in receivable turnover, asset turnover, and debt ratios. The study recommends the small business should visit their strategies for improving profitability and use financial performance information in making critical decisions. Firms should connect financial performance to the larger external environment of the business so they will continue to play an important role in the growth of the economy.

According to Fabeil et.al (2020) entitled “The Impact of Covid-19 Pandemic Crisis on Micro-enterprises: Entrepreneurs’ Perspective on Business Continuity and Recovery Strategy”, this study represents the perspective of two micro- entrepreneurs in the rural area of a Sabah, about their business continuity strategy during movement control order. The results of unstructured phone interviews provide insights on business survival approach and recovery plan of micro-enterprises during and after a crisis. This study will hopefully contribute towards the creation of effective support mechanisms through associated entrepreneurial development organizations for micro-entrepreneurs to thrive during and after crisis.

According to the study of Bartik et al. (2020) entitled, “Impact of COVID-19 on Small Business Outcomes and Expectations”, this research is conducted in

New York to explore the impact of corona disease 2019 on small businesses. They have conducted a survey of more than 5,800 small businesses between March 28 and April 4, 2020. By the survey they have found that the due to unpredictability of the crisis they have been affected by it very much. And the uncertainty of the crisis that means not knowing the duration is another major hit for them. They did not even have any cash on hand at the time of the crisis.

In the study of Fairlie (2020) entitled, "Impact of COVID-19 on Small Business Owners: The First Three Months after Social Distancing Restrictions", this paper provides how pandemic affect the small businesses in US by using nationally representative data from April 2020. Before pandemic, the active number of small businesses in US was around 2.2 million. For the next two months of April and May, the active business outlets are down by 15% and 8%.

According to the study of Xuan et al. (2020), the study identifies the factors affecting the performance of the small and medium sized enterprises in Vietnam. The research team uses a sample size of 456 SMEs. The information is collected by the authors based on the survey results and the financial statements of small business listed on Vietnam stock market. The data processes through SPSS 20.0 software and the research results show that the factors of access to government support policies, education level of enterprises owner, enterprises scale, society relationships of enterprises and revenue growth rate affect the business performance of SMEs in Vietnam. The research results also show that the performance of the enterprises is influenced by different factors: scale, growth rate, profitability, and industry cohesion of enterprises.

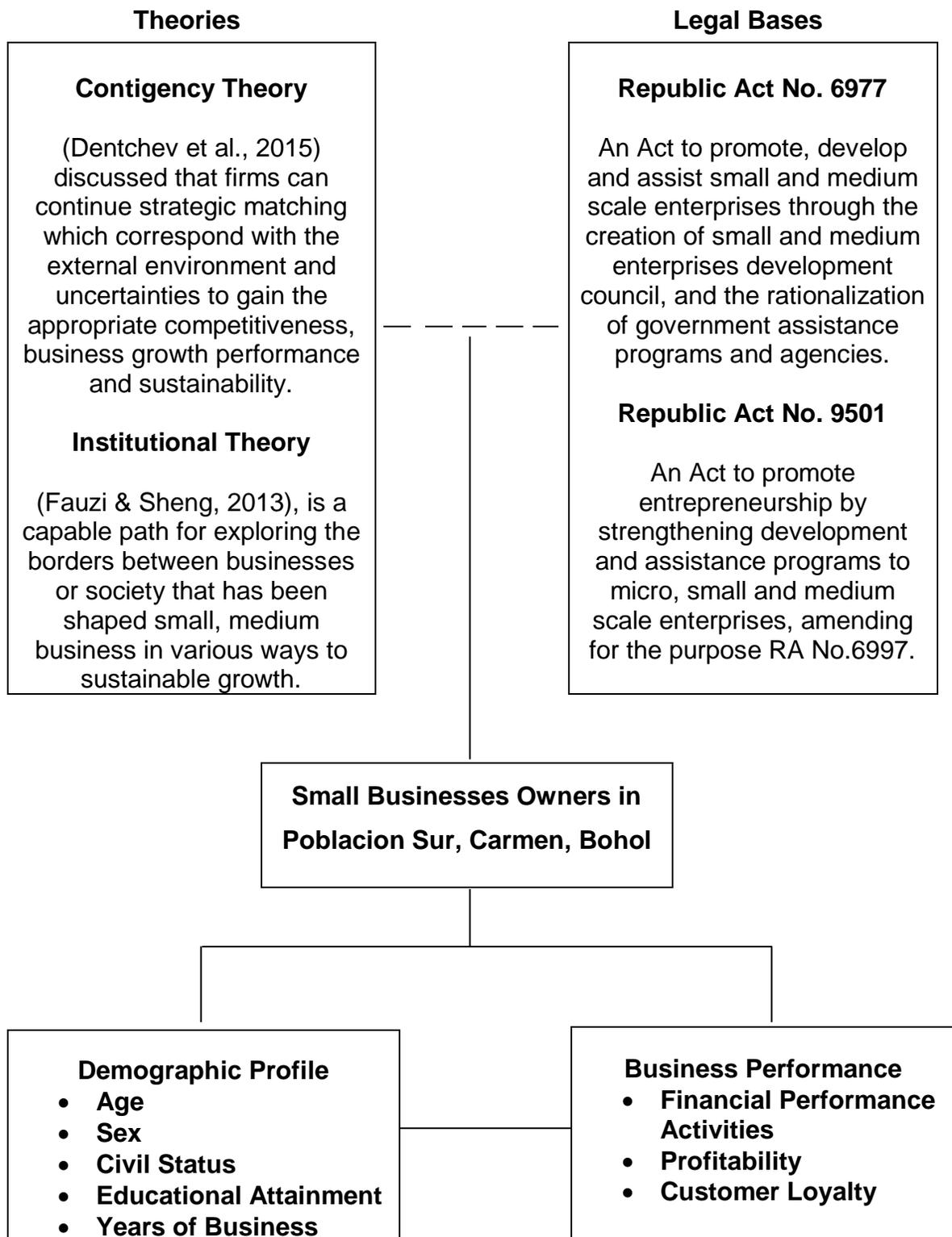


Figure 1. Theoretical and Conceptual Framework of the Study

THE PROBLEM

Statement of the Problem

The study aimed to determine the performance level of small businesses in Poblacion Sur, Carmen, Bohol.

Specifically, it sought answers to the following questions:

1. What is the respondents profile in terms of:
 - 1.1 age;
 - 1.2 sex;
 - 1.3 civil status;
 - 1.4 educational attainment; and
 - 1.5 years of business existence?

2. What is the performance level of small business in terms of:
 - 2.1 financial performance activities;
 - 2.2 profitability;
 - 2.3 customer loyalty?

3. Is there a significant degree of relationship in the performance level of small businesses in terms of:
 - 3.1 financial performance activities and profitability;
 - 3.2 financial performance activities and customer loyalty; and
 - 3.3 profitability and customer loyalty?

Null Hypothesis

There is no significant degree of relationship in the performance of small businesses between:

- financial performance activities and profitability;
- financial performance activities and customer loyalty; and
- profitability and customer loyalty?

Significance of the Study

The researchers contend that the study would be a great help to the following:

Business Owners. The findings would be extremely useful to business owners in evaluating their company's performance to understand what is happening within their business.

Aspiring Business Owners. This study would serve as a guide for aspiring business owners in terms of good management in the businesses they intend to start.

Readers. This book would serve as a resource for readers who want to expand their knowledge and skills to evaluate data in order to apply it to their daily lives.

Future Researchers. This study would serve as their references or guide.

RESEARCH METHODOLOGY

Design

A descriptive survey was employed to achieve the purpose of the study. The research evaluated the performance of small businesses in Poblacion Sur, Carmen, Bohol. The questionnaires were distributed to the business owners in Poblacion Sur, Carmen, Bohol. The information obtained through the questionnaire provided a reference point for analysis, interpretation, and evaluation.

Environment and Participant

The research was carried out in Carmen Municipality, which is located in the interior of Bohol. It is regarded as the province's second highest income municipality. It is divided into 29 barangays and covers a total area of 298 square kilometers. According to 2020 census data, there are 49,191 total residents.

The researchers purposively selected twenty (20) business owners of small businesses in Poblacion Sur, Carmen, Bohol as respondents of the study. There were five (5) from the grocery store, five (5) from dry goods, five (5) from fruit and vegetable stores, and five (5) from agricultural supply.

Instrument

The researchers utilized a questionnaire to gather the needed data. The questionnaire utilized items from both "Examining the performance of small and

medium enterprises by Alex Mpsa (2016)" and "Customer satisfaction, loyalty, and financial performance activities by Elissavet Keisidou, Lazaros Sarigiannidis, Dimitris Maditinos, and Eleftherios Thalasiros (2013)". The items from the two were carefully selected and put together into one questionnaire. The questionnaire was composed of three parts: financial performance activities, profitability, and customer loyalty. The scores were interpreted as very high (5), high (4), average (3), fair (2), and poor (1). The questionnaire was also subjected to reliability and validity tests.

Procedure

The researchers first asked permission from their thesis adviser, the Dean of the College of Technology and Allied Sciences, the Campus Director of Bohol Island State University- Bilar Campus, and the business owners of Poblacion Sur, Carmen, Bohol to conduct the study. The researchers gathered data by using a questionnaire consisting of two parts. The first part of the questionnaire was all about the profile of the respondents, while the second part was about the business performance of small businesses. The researchers individually explained the questionnaires face-to-face with the respondents. Moreover, the researchers conducted a pilot test of selected respondents before the actual survey. The questionnaire had undergone a pilot testing at Poblacion Sur, Carmen, Bohol, specifically to selected business owners to test the reliability and internal consistency of the research instrument tool.

Statistical Treatment

Simple percentage was used to determine the demographic profile of the respondents using the formula:

$$P = \frac{f}{n} \times 100$$

Where:

P - Percentage

f - Frequency

n - Number of Respondents

Weighted mean was used to determine the business performance of small businesses in Poblacion Sur, Carmen, Bohol.

$$W\mu = \frac{\sum fx}{n}$$

Where:

$W\mu$ = weighted mean

\sum = total weighted mean

fx = frequency of scale value of x

n = Total no. of respondents

The Spearman correlation coefficient was used to determine the significant degree of relationship between financial performance activities and profitability, profitability and customer loyalty.

$$\rho = 1 - \frac{6\sum d_i^2}{n(n^2 - 1)}$$

ρ = Spearman's rank correlation coefficient

d_i = difference between the two ranks of each observation

n = number of observations

The Pearson product-moment correlation was used to determine the significant degree of relationship between financial performance activities and customer loyalty.

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2 \sum(y_i - \bar{y})^2}}$$

r = correlation coefficient

x_i = values of the x-variable in a sample

\bar{x} = mean of the values of the x- variable

\bar{y} = mean of the values of the y= variable

For the interpretation of the data, the researcher assigned the following:

WEIGHT	RANGE	DESCRIPTION	CODE
5	4.21-5.00	Very High	VH
4	3.41-4.20	High	H
3	2.61-3.40	Average	A
2	1.81-2.60	Fair	F
1	1.00-1.80	Poor	P

DEFINITION OF TERMS

To avoid confusion on the part of the readers, the following terms are defined as used in this study.

Business Performance. The company's ability to make the best use of the resources it manages in its business activities.

Customer Loyalty. This is an ongoing positive relationship between a customer and a business. It's what drives repeat purchases and prompts existing customers to choose your company over a competitor offering similar benefits.

Financial Performance Activities. A subjective measure of how well a firm can use assets from its primary mode of business and generate revenues.

Profitability. This is the ability of a business to earn a profit. A profit is what is left of the revenue a business generates after it pays all expenses directly related to the generation of the revenue, such as producing a product, and other expenses related to the conduct of business activities.

Small Business. It is owned by a corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than a corporation or regular-sized business. If the total assets above amount to 3,000,000 or less, they can be considered micro or small businesses with 0 to 99 workers. If the range is more than 15,000,000, they can be considered medium-sized businesses with 100 to 199 workers, while large businesses will exceed 100,000,000 with 200 workers.

Chapter 2

PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA

This chapter deals with the presentation, analysis, and interpretation of the gathered data on the performance of small businesses in Poblacion Sur, Carmen, Bohol. Specifically, it sought to determine the profile of the respondents in terms of age, sex, civil status, educational attainment, and years of business existence; the performance level of small businesses in terms of financial performance activities, profitability, and customer loyalty; and the significant degree of relationships between the financial performance activities and profitability, financial performance activities and customer loyalty, profitability and customer loyalty. The data for this study was taken from the result of the business owners' questionnaire.

Table 1 shows the profile of the 20 business owners in Poblacion Sur, Carmen, Bohol. This includes the age, sex, civil status, educational attainment and years of business existence.

Age. It was revealed that there are 8 (40.0%) business owners who belong to the age bracket of 21-30 years old, 5 (25.0%) in the age bracket of 31-40 years old, 4 (20.0%) in the age bracket of 41-50 years old, and 3 (15.0%) in the age bracket of 50 years and above.

Sex. This study revealed that there are 5 (25.0%) of the business owners are male while 15 (75.0%) of the business owners are female.

Civil Status. The table illustrates that the highest percentage of (50.0%) are the married business owners with the frequency of 10, followed by the frequency of 8 (40.0%) are single and 2 (10.0%) are widow.

Educational Attainment. The study revealed that 2 (10.0%) of the business owners are grade school graduates, 4 (20.0%) of the business owners are high school level, 4 (20.0%) of the business owners are high school graduates, 5 (25.0%) of the business owners are college level, 5 (25.0%) of the business owners are college graduates, and none of the business owners are grade school level.

Years of Business. The table revealed that there are 17 (85.0%) businesses are belongs to 1-10 years existence, followed by 1 (5.0%) are belong to 21-30 years of existence, 2 (10.0%) are belong to 31 years above of existence and none of the business existence belong to the 11-20 years of business existence.

The demographic profile of the business owners in Poblacion Sur, Carmen, Bohol. Among the 20 respondents of the study most of the business owners were all female, majority of their status were married and majority of their age were 21-30 years old. In terms of educational attainment, most of them belong to the college level and college graduate. The profile of the business according to the year of existence pertains to the years of services. Most of the respondents were under the length of operation bracket of 1-10 years with frequency of 17.

Table 1
Personal Profile of the Business Owners in Poblacion Sur, Carmen, Bohol
n=20

Age	Frequency	Percent
21-30 years old	8	40.0
31-40 years old	5	25.0
41-50 years old	4	20.0
51 years old and above	3	15.0
Sex	Frequency	Percent
Male	5	25.0
Female	15	75.0
Civil Status	Frequency	Percent
Single	8	40.0
Married	10	50.0
Widow	2	10.0
Widower	0	0
Educational Attainment	Frequency	Percent
No formal schooling	0	0
Grade school level	0	0
Grade school graduate	2	10.0
High school level	4	20.0
High school graduate	4	20.0
College level	5	25.0
College graduate	5	25.0
Years of Business	Frequency	Percent
1 year below	0	0
1-10 years	17	85.0
11-20 years	0	0
21-30 years	1	5.0
31 years and above	2	10.0

Table 2.1 shows the performance level of small businesses under financial performance activities. The items "we monitor and update cash flow regularly" and "we monitor the working capital cycle regularly to identify the potential cash flow issues" got the highest mean, and the item "the income of the business has

been continuously growing" got the lowest weighted mean. This implies that during the pandemic they always monitored the cash flow regularly to identify the potential issues and found out that the business income has not been continuously growing.

The finding is supported by the study of Mendoza (2015), in which the results are presented in three parts: overall financial performance, activities of the MSMEs, and tests differences when the MSMEs are grouped. The finding of the study is the high score of MSMEs on liquidity and leverage, a low score on income, and an erratic level of activity.

Table 2.1
Performance of Small Business in terms of Financial
Performance and Activities
n=20

2.1 Financial Performance and Activities	WM	Descriptive Interpretation
1. The income of the business has been continuously growing.	2.95	Average
2. We monitor and update cash flow regularly.	3.75	High
3. We monitor the working capital cycle regularly to identify the potential cash flow issues.	3.75	High
4. The sales of goods are performing well.	3.40	High
5. We prepare a cash flow that is designed with budget timelines.	3.60	High
6. The ability of the business to create earnings has steadily improved.	3.35	Average
Average Weighted Mean	3.47	High

Legend:

RANGE

4.21-5.00
3.41-4.20
2.61-3.40
1.81-2.60
1.00-1.80

DESCRIPTIVE INTERPRETATION

Manifest very high degree of performance
Manifest high degree of performance
Manifest average degree of performance
Manifest low degree of performance
Manifest very low degree of performance

Table 2.2 shows the performance level of small businesses under profitability. The items "we continue to focus and monitor our profits and expenses on a regular basis" got the highest weighted mean, and the items "business profits have been constantly high" and "in terms of profitability, the business situation has improved" got the lowest weighted mean. This means that they focus and monitor the profits and expenses regularly, but still not improving the business situation in terms of profitability.

The result is supported by the study of Fortuna (2021), which found that the growth of sales, revenue, and assets got the highest result. Furthermore, the result implies that small and medium enterprises are profitable.

Table 2.2
Performance of Small Business in terms of Profitability
n=20

2.2 Profitability	WM	Descriptive Interpretation
1. Business profits have been constantly high.	3.00	Average
2. We strive to lower our expenses to earn more.	3.40	Average
3. In terms of profitability, the business's situation has improved.	3.00	Average
4. Business revenue has enjoyed a steady increase.	3.25	Average
5. We have enough profits and income to sustain the business.	3.35	Average
6. We continue to focus and monitor our profits and expenses on regular basis.	3.75	High
Average Weighted Mean	3.29	Average

Legend:

RANGE	DESCRIPTIVE INTERPRETATION
4.21-5.00	Manifest very high degree of performance
3.41-4.20	Manifest high degree of performance
2.61-3.40	Manifest average degree of performance
1.81-2.60	Manifest low degree of performance
1.00-1.80	Manifest very low degree of performance

Table 2.3 shows the performance level of small businesses in terms of customer loyalty. In the table, the highest weighted mean is "A customer buys more often or repeats purchases of a product." got the highest weighted mean, and the lowest is "A customer is more likely to recommend the product to their family and friends." This means that during the pandemic, a customer often bought the product but was not likely to recommend the product to their family and friends.

As a support in the result, Khadka & Mahrjan (2017) stated that customers are satisfied with the quality of service and perform the tasks according to the customer's demand. It can be said that customer satisfaction is the key component of business profitability because once the customer reaches their satisfaction level, it may influence them to continuously consume the service. Moreover, the dissatisfied people also give their opinions about the products, about their unfortunate experiences, and this leads to a declining position in the number of customers.

Table 2.3
Performance of Small Business in terms of Customer Loyalty
n=20

2.3 Customer Loyalty	WM	Interpretation
1. A customer buys more often or repeats purchases of a product.	3.95	High
2. The customer puts their trust in the product.	3.85	High
3. Many customers give positive testimony that they are satisfied with the service.	3.80	High
4. Customer loyalty has grown stronger.	3.70	High
5. A customer is more likely to recommend the product to their family and friends.	3.60	High
6. The customer is devoted to the services and products.	3.70	High

Average Weighted Mean	3.77	High
GRAND MEAN	3.51	High

Legend:

RANGE	DESCRIPTIVE INTERPRETATION
4.21-5.00	Manifest very high degree of performance
3.41-4.20	Manifest high degree of performance
2.61-3.40	Manifest average degree of performance
1.81-2.60	Manifest low degree of performance
1.00-1.80	Manifest very low degree of performance

Table 3.1 presents the test correlation between financial performance activities and profitability. It shows that the financial performance activities is normal while the profitability is not normal, so it is non-parametric. Using Spearman's rank correlation coefficient, a p-value of 0.087, which is greater than the significance level of 0.05, states that there is no significant degree of relationship between financial performance activities and profitability. Thus, the null hypothesis is accepted.

Table 3.1
Significant Relationship between Financial Performance Activities and Profitability

Source of Relationship	Spearman's <i>Rho</i>	P-value	Interpretation	Decision
Financial performance activities and Profitability	0.393	0.087	Not Significant	Accept Ho

*Significant at $p < 0.05$

Table 3.2 shows the result of the test correlation between financial performance and customer loyalty. It shows that the financial performance activities and customer loyalty are both normal, so it is parametric. By using the

Pearson product-moment correlation, a p-value of 0.004, which is less than the significance level of 0.05, states that there is a significant degree of relationship between financial performance activities and customer loyalty. Thus, the null hypothesis is rejected.

Table 3.2
Significant Relationship between Financial Performance Activities and Customer Loyalty

Source of Relationship	Pearson Correlation	P-value	Interpretation	Decision
Financial performance activities and Customer Loyalty	0.611	0.004	Significant	Reject Ho

*Significant at $p < 0.05$

Table 3.3 presents the test correlation between profitability and customer loyalty. It shows that profitability is not normal while customer loyalty is normal, so it is non-parametric. Using Spearman's rank correlation coefficient, a p-value of 0.054, which is greater than the significance level of 0.05, states that there is no significant degree of relationship between financial performance and profitability. Thus, the null hypothesis is accepted.

Table 3.3
Significant Relationship between Profitability and Customer Loyalty

Source of Relationship	Spearman's <i>Rho</i>	P-value	Interpretation	Decision
Profitability and Customer Loyalty	0.437	0.054	Not Significant	Accept Ho

*Significant at $p < 0.05$

Chapter 3

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This chapter deals with the summary of findings that were analyzed and interpreted in the preceding chapter. Conclusions were extracted and the corresponding recommendations were suggested based on the findings of the study.

Summary of Findings

The main objective of the study was to determine the performance of small businesses in Poblacion Sur, Carmen, Bohol.

It further aimed to determine the profile of the respondents in terms of age, sex, civil status, educational attainment, and years of business existence; the performance of small businesses in terms of financial performance activities, profitability, and customer loyalty; and the significant degree of relationships between financial performance and profitability, financial performance and customer loyalty, and profitability and customer loyalty.

The respondents of the study were 20 business owners selected from Poblacion Sur, Carmen, Bohol. There were five (5) business owners from grocery store, five (5) from dry goods, five (5) from fruits and vegetables store and five (5) from agrivet supply.

The data gathered were statistically used as the basis for arriving at the conclusions, establishing implications and suggesting corresponding

recommendations. The data gathered was analyzed using frequency counts and simple percentages to describe the profile of the business owners in Poblacion Sur, Carmen, Bohol. A weighted mean was used to determine the performance of small businesses in Poblacion Sur, Carmen, Bohol. The Spearman's rank correlation coefficient was used to determine the significant degree of relationships between financial performance activities and profitability, profitability and customer loyalty, while the Pearson product-moment correlation was used to determine the significant degree of relationship between financial performance activities and customer loyalty.

The demographic profile of the business owners in Poblacion Sur, Carmen, Bohol. Among the 20 respondents of the study most of the business owners were all female, majority of their status were married and majority of their age were 21-30 years old. In terms of educational attainment, most of them belong to the college level and college graduate. The profile of the business according to the year of existence pertains to the years of services. Most of the respondents were under the length of operation bracket of 1-10 years with frequency of 17.

It revealed that the performance of small businesses was most frequently measured by customer loyalty, followed by financial performance activities and profitability. They got an overall weighted mean of 3.51 and were interpreted as "high." Using Spearman's rank correlation coefficient, the result showed that there is no significant degree of relationship between financial performance activities and profitability, profitability and customer loyalty. While the financial

performance activities and customer loyalty by using the Pearson product-moment correlation, it shows that there is a significant degree of relationship.

Conclusions

Based on the findings of the study, the researchers have drawn the following conclusions:

Small businesses performed favorably in customer loyalty followed by the financial performance activities but encountered a low level of profitability. Generally, the businesses coped positively but still there were aspects that did not meet the expectations of the business owners. This could be attributed to the fact that certain areas in the business profitability, especially at this time of crisis, need further improvements.

Recommendations

Anchored on the aforementioned findings and conclusions, the following recommendations are offered:

1. Future researchers who will conduct related studies covering other variables not present in the study may use the result of this study as a reference. The result of this study may also serve as a reference for business owners to formulate strategies that will help their business profitability strive for great results.
2. Business owners should have accurate monitoring of their business situation to avoid decreasing the income and profits of their business.

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APENDIX A



Republic of the Philippines
BOHOL ISLAND STATE UNIVERSITY
Bilar Campus
Zamora, Bilar, Bohol

VISION: A premier S and T university for the formation of a world-class and virtuous human resource for the sustainable development of Bohol and the country.

MISSION: BISU is committed to provide quality and innovative education in strategic sectors for the development of Bohol and the country.

November 08, 2021

DR. MARIETTA C. MACALOLOT

Campus Director
BISU-Bilar Campus
Zamora, Bilar, Bohol

Madam:

Greetings from the Lord our Savior!

We, the junior students of **Bachelor of Science in Office Administration of Bohol Island State University Bilar Campus** is currently undertaking a research study for our thesis entitled **“Performance of Small Businesses in Poblacion Sur, Carmen, Bohol”** in partial fulfillment of our subject **OA Research 2**.

In this connection, we would like to ask permission to gather data and information needed for the study.

Rest assured that utmost courtesy and confidentiality of the data will be observed during the conduct.

Thank you and God speed.

Respectfully yours,

ESTHELMA BADIAN
ROSE MAE JANE BIBA
SHONEY PONTE
JERAMIE CAMANGYAN

Noted:

DARIO G. AMPAT
Thesis Adviser

Recommending Approval:

ARLEN B. GUDMALIN, PhD
Dean, CTAS

Approved:

MARIETTA C. MACALOLOT, PhD
Campus Director



Republic of the Philippines
BOHOL ISLAND STATE UNIVERSITY
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November 08, 2021

ARLEN B. GUDMALIN, PhD

Dean, CTAS
BISU-Bilar Campus
Zamora, Bilar, Bohol

Madam:

Good day!

We, the undersigned Bachelor of Science in Office Administration 4th year students of Bohol Island State University-Bilar Campus will be conducting a thesis entitled **“PERFORMANCE OF SMALL BUSINESSES IN POBLACION SUR, CARMEN, BOHOL”**.

With this, we humbly request permission to allow us to conduct the study and gather data needed.

We assure that these undertakings will follow the health protocols in the distribution and retrieval of the data for safety purposes for both parties.

Thank you and we are hoping for your favorable response regarding to this request.

Respectfully yours,

**ESTHELMA BADIAN
ROSE MAE JANE BIBA
SHONEY PONTE
JERAMIE CAMANGYAN**

Noted by:

DARIO G. AMPAT
Thesis Adviser

Approved:

ARLEN B. GUDMALIN, PhD
Dean, CTAS



Republic of the Philippines

BOHOL ISLAND STATE UNIVERSITY

Bilar Campus

Zamora, Bilar, Bohol

BUSINESS OWNER'S QUESTIONNAIRE

To our beloved respondents,

The researchers are conducting a study on **“Performance of Small Businesses in Poblacion Sur, Carmen, Bohol”**. In relation with this, we would like to ask your cooperation in answering the questions.

Please answer the following questions very carefully and honestly. Rest assured that your answer will be treated with great confidentiality and for academic purpose only. Thank you very much and God bless!

Sincerely yours,

The Researchers

.....

APPENDIX B

I. PROFILE OF THE RESPONDENTS

Direction: Kindly put a **check** ✓ on the space provided for your sincere answer.

Respondent's no. ____

Age

- | | |
|--|---|
| <input type="checkbox"/> 21-30 years old | <input type="checkbox"/> 41-50 years old |
| <input type="checkbox"/> 31-40 years old | <input type="checkbox"/> 51 years old above |

Sex

- | | |
|-------------------------------|---------------------------------|
| <input type="checkbox"/> Male | <input type="checkbox"/> Female |
|-------------------------------|---------------------------------|

Civil Status

- | | |
|----------------------------------|----------------------------------|
| <input type="checkbox"/> Single | <input type="checkbox"/> Widow |
| <input type="checkbox"/> Married | <input type="checkbox"/> Widower |

Educational Attainment

- | | |
|--|---|
| <input type="checkbox"/> No formal schooling | <input type="checkbox"/> High school graduate |
| <input type="checkbox"/> Grade school level | <input type="checkbox"/> College level |
| <input type="checkbox"/> Grade school Graduate | <input type="checkbox"/> College graduate |
| <input type="checkbox"/> High school level | |

Years of Business Existence

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> 1 year below | <input type="checkbox"/> 21-30 years |
| <input type="checkbox"/> 1-10 years | <input type="checkbox"/> 31 years and above |
| <input type="checkbox"/> 11-20 years | |

II. PERFORMANCE IN SMALL BUSINESS

Direction: Please put a **check** ✓ mark on the space provided that best describe your honest answer as specified below.

- | | | |
|---|---|----------------|
| 5 | - | (VH) Very High |
| 4 | - | (H) High |
| 3 | - | (A) Average |
| 2 | - | (F) Fair |
| 1 | - | (P) Poor |

STATEMENT

A. Financial Performance and Activities	VH 5	H 4	A 3	F 2	P 1
1. The income of the business has been continuously growing.					
2. We monitor and update cash flow regularly.					
3. We monitor the working capital cycle regularly to identify the potential cash flow issues.					
4. The sales of goods are performing well.					
5. We prepare a cash flow that is designed with budget timelines regularly.					
6. The ability of the business to create earnings has steadily improved.					
B. Profitability	VH 5	H 4	A 3	F 2	P 1
1. Business profits have been constantly high.					
2. We strive to lower our expenses to earn more.					
3. In terms of profitability, the business's situation has improved.					
4. Business revenue has enjoyed a steady increase.					
5. We have enough profits and income to sustain the business.					
6. We continue to focus and monitor the profits and expenses on regular basis.					
C. Customer Loyalty	VH 5	H 4	A 3	F 2	P 1
1. A customer buys more often or repeats purchases of a product.					
2. The customer puts their trust in the product.					
3. Many customers give positive testimony that they are satisfied with the service.					

4. Customer loyalty has grown stronger.					
5. A customer is more likely to recommend the product to their family and friends.					
6. The customer is devoted to the services and products.					

Thank you for your cooperation. God bless!

-The Researchers

RESEARCHER'S BIODATA



PERSONAL BACKGROUND

Name : ESTHELMA L. BADIAN
Age : 23
Home address : Buenavista, Carmen, Bohol
Date of Birth : April 12, 1999
Place of Birth : Buenavista, Carmen, Bohol
Religion : Roman Catholic
Citizenship : Filipino
Civil Status : Single
Name of Father : Pastor L. Badian Jr.
Name of Mother : Angelita L. Badian

EDUCATIONAL BACKGROUND

Elementary : Buenavista Elementary School
S.Y 2011-2012
Secondary : Katipunan National High School
S.Y 2018-2019
College : Bohol Island State University
Zamora, Bilar, Bohol
Bachelor of Science in Office Administration

DEGREE EARNED

Bachelor of Science in Office Administration
School Year 2021-2022

RESEARCHERS BIODATA



PERSONAL BACKGROUND

Name : ROSE MAE JANE L. BIBA
Age : 22
Home address : Estaca, Dagohoy, Bohol
Date of Birth : January 31, 2000
Place of Birth : Estaca, Dagohoy, Bohol
Religion : Roman Catholic
Citizenship : Filipino
Civil Status : Single
Name of Father : Alijandro S. Biba Sr.
Name of Mother : Editha L. Biba

EDUCATIONAL BACKGROUND

Elementary : Estaca Elementary School
S.Y 2011-2012
Secondary : Dagohoy National High School
S.Y 2018-2019
College : Bohol Island State University
Zamora, Bilar, Bohol
Bachelor of Science in Office Administration

DEGREE EARNED

Bachelor of Science in Office Administration
School Year 2021-2022

RESEARCHERS BIODATA



PERSONAL BACKGROUND

Name : SHONEY L. PONTE
Age : 21
Home address : Baang, Catigbian, Bohol
Date of Birth : February 25, 2001
Place of Birth : Baang, Catigbian, Bohol
Religion : Baptist
Citizenship : Filipino
Civil Status : Single
Name of Father : Veronico D. Ponte
Name of Mother : Corason L. Ponte

EDUCATIONAL BACKGROUND

Elementary : Baang Elementary School
S.Y 2011-2012
Secondary : Holy Infant Academy
S.Y 2018-2019
College : Bohol Island State University
Zamora, Bilar, Bohol
Bachelor of Science in Office Administration

DEGREE EARNED

Bachelor of Science in Office Administration
School Year 2021-2022

RESEARCHERS BIODATA



PERSONAL BACKGROUND

Name : JERAMIE F. CAMANGYAN
Age : 23
Home address : Lobgob, Sevilla, Bohol
Date of Birth : January 13, 1999
Place of Birth : Mati, Davao Oriental
Religion : Roman Catholic
Citizenship : Filipino
Civil Status : Single
Name of Father : Herminio T. Camangyan
Name of Mother : Lydia F. Camangyan

EDUCATIONAL BACKGROUND

Elementary : Central Elementary School
S.Y 2011-2012
Secondary : Sevilla National High School
S.Y 2018-2019
College : Bohol Island State University
Zamora, Bilar, Bohol
Bachelor of Science in Office Administration

DEGREE EARNED

Bachelor of Science in Office Administration