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FINANCIAL PERFORMANCE OF SMALL ENTERPRISES IN CAGAYAN AMIDST COVID -19 PANDEMIC

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ABSTRACT: *The global consequences of the COVID-19 pandemic are so serious, both in terms of human lives and financial impact, that many of the world's most well-known brands could go bankrupt entirely, as people all over the world, especially in developing countries, are confined to their residences, causing a halt in economic activity (Tucker, 2020). Enterprises are facing a variety of problems such as a decrease in demand, supply chain disruptions, cancellation of export orders, raw material shortages, and transportation disruptions, among others.The study aimed to assess the effect of Covid-19 pandemic on the financial performance among small enterprises in Cagayan .The researchers used the descriptive research design to explore and determine the effects of pandemic and difference between financial performances of small enterprises. The respondents of the study were the small enterprise owners from Cagayan and in which owners are dependent solely on the enterprise.Purposive sampling was used by researchers in order to reach a certain group of people utilizing a questionnaire. The data gathered were treated, tabulated and analyzed*

using the SPSS using frequency counts, percentages, mean and ranking. Based on the foregoing findings, it is concluded that small business are the ones that were affected the most with the lockdowns and movement restrictions. Small business has better financial performance before the Covid-19 pandemic. This study concludes that if the much-needed focus and assistance is given to small businesses in the industrial sector then such businesses contend with problems and conditions of economic uncertainty may have thrived better. In view of the findings of this study, it is therefore recommended thatpolicy makers should foster programs that assist small businesses with these work strategies, which can help them survive, enhance their stability and thereby also promote the economy's ability to withstand crisis situations and future researchers must also look at the comprehensive coping strategies of small businesses to cope with the after effects of COVID-19.

***KEYWORDS**: cash flow, financial performance, small enterprises, pricing, profitability, promotion, covid-19, pandemic*

INTRODUCTION

The global consequences of the COVID-19 pandemic are so serious, both in terms of human lives and financial impact, that many of the world's most well-known brands could go bankrupt entirely, as people all over the world, especially in developing countries, are confined to their residences, causing a halt in economic activity (Tucker, 2020). One such example is the financial pressure faced by top US brands such as Donthu and Gustafsson, (2020). Many enterprises are facing different problems with a certain degree of loss. In particular, enterprises are facing a variety of problems such as a decrease in demand, supply chain disruptions, cancellation of export orders, raw material shortages, and transportation disruptions, among others. It is very evident that the major victims of the COVID-19 outbreak are micro, small, and medium-sized enterprises (MSMEs). As a result, MSMEs, compared to large enterprises, typically do not have adequate resources (Bartik et al., 2020; Prasad et al., 2015)

The lockdown imposed by governments around the world to prevent the spread of COVID-19 has resulted in a reduction in economic activity at all levels as people are unable to avail services like taxis, hairdressing, etc. The manufacturing industries, such as electronics and automobiles, were unexpectedly closed at first, which caused major disruption in the production process, even though they reopened approximately 60 days after the closure. The debate regarding the unexpected closure is endless. But the main questions related to the welfare of the employees, the level of contingency planning, and the preparedness of the companies to cope with such situations. The role of companies and even countries in exploiting the situation to their benefit, as is the case of Chinese companies and governments since they are acquiring European centered infrastructure and technology (Rapoza, 2020; Salman &Munir, 2012; Salman & Qamar, 2011). Shen et al. (2020) showed that the COVID-19 pandemic had a significant negative impact on the performance of listed Chinese companies due to a decrease in the value of total revenue, which also affected the decrease in ROA.

Based on UNCTAD (2020), it's been estimated that the pandemic will trigger a 5%–15% drop in global foreign direct investment. The world needs a support package of up to $2.5 trillion to cope with the damage. Hence, based on these statistics, the current global crisis will likely be worse than the 2008 crisis. Almost 90% of the airline industry employees have been laid off. Hotels are operating at 20% of their normal capacity. The tourism and travel industries are bound to suffer financially. All the social events, such as sporting, cultural, music concerts, etc., that hosted large gatherings have been closed off indefinitely (Bagnera, Steinberg, and Edition 2020).

In an article written by the International Labour Organization, (2020); World Health Organization, (2020), as of August 2020, more than twenty million people had been infected worldwide, and about 300 million full-time workers had lost their jobs or had their hours and salaries reduced due to lockdown measures. The pandemic has affected employment, investment, and growth prospects, and may result in permanent changes in consumption and work patterns (Baldwin &Weder di Mauro, 2020; Barrero et al., 2020; Barua, 2020; Coibion et al., 2020; Reeves et al., 2020)

Many small businesses are expected to close as a result of social distancing constraints and market changes brought about by COVID-19. According to the 2018 results of the Census of Philippine Business and Industries (CPBI) Phase 1, the number of active business owners in the Cagayan Valley Region was 30,751, or 3.1 percent of the country's 1,003,111 List of Establishments (LE). But the decline in company owners was the biggest on record, with losses affecting almost every industry and even incorporated companies. Policy mandates and downward market movements have forced the closure of stores, warehouses, and a slew of other businesses. Because of the inability to cover continuing bills and endure the shutdown, many of these closures may be coronavirus, which has caused unprecedented store and company closures not only in the Cagayan Valley but also all over the world.

At the end of this study, the researchers were able to answer these hypothetical questions. How did small businesses adjust to the economic disruptions resulting from COVID-19? And how might alternative policy proposals impact businesses and employment resilience

STATEMENT OF THE PROBLEM

The study aimed to assess the effect of Covid-19 pandemic on the financial performance among small enterprises in Cagayan. Specifically, it sought to answer the following questions:

1. What is the profile of the small enterprise as to:
    a. type of business
    b. number of employees
    c. number of years in operation
    d. average monthly income before the pandemic
    e. average monthly income during the pandemic
    f. initial capitalization
    g. source of capital
2. What is the performance of small enterprises before the pandemic in terms of:
    a. cash flow

b. profitability

3. What is the performance of small enterprises during the pandemic in terms of:

a. cash flow

b. profitability

4. What are the problems encountered by the business in their financial performance during the pandemic?

5. What are the strategies employed by the management to adapt to the pandemic in terms of:

a. pricing

b. promotion

6. What is the level of effectiveness of their strategies during the pandemic in terms of pricing and

promotion?

7. Is there a significant difference in the performance of small enterprises when grouped according

to profile variables?

8. Is there a significant difference on the level of effectiveness of their strategies when grouped

according to their profile variables?

9. Is there a significant difference between the performance of small enterprises before and during

the pandemic in terms of cash flow and profitability?

HYPOTHESES

This study was guided by the following hypotheses:

1. There is no significant difference in the performance of small enterprises when grouped according to profile.

2. There is no significant difference on the level of effectiveness of their strategies when grouped according to their profile variables.

3. There is no significant difference in performance of small enterprises before and during the pandemic in terms of cash flow and profitability

RESEARCH METHODOILOGY AND STATISTICAL TOOLS

The researchers used the descriptive research design to explore and determine the effects of pandemic and difference between financial performances of small enterprises. The respondents of the study were the small enterprise owners from Cagayan and in which owners are dependent solely on the enterprise. The researchers used a purposive sampling technique based on the DTI data bank according to municipalities. Purposive sampling is used by researchers in order to reach a certain group of people, as all survey participants are chosen because they meet a specific profile. The study used survey questionnaire to gather the data needed. The questionnaire consists of two parts. The first part of the questionnaire is composed of the demographic profile of the respondents. Part two of the tool corresponds to a numerical value to assess the level of financial performance and effects of the pandemic on the respondents.

The researcher used SPSS to tabulate the data that had been gathered. The number of respondents who fall into each of the profile factors, as well as the breakdown of their responses in percent, was determined by obtaining the frequency counts. Getting the mean also determines the average cash flow and profit of small enterprises before and after the pandemic, which is a suitable technique to use because it allows researchers to compare the average movement of money into and out of the business and assess how profitable the owner's funds have been used. Before and after the pandemic, the study evaluated if the small enterprises have enough cash to run their operations and finance their expansion. The major challenges faced by company owners during the epidemic, as well as the solutions they utilized to adapt to the crisis, was identified using rankings. Paired Sample t-test was used to identify the difference between the cash flow and profitability before and during the pandemic. This instrumentation is used as the variables has the same subject. The t-test is used for profile variables with two groups and one-way Analysis of Variance (ANOVA) to

see if there is a significant difference in the performance and strategies of small businesses when they are categorized according to profile factors.

RESULTS OF FINDINGS

Table 1.1: Frequency and Percentage of the Small Enterprises as to Type of Business

Type of Business	Frequency	Percentage
Merchandising	19	33.33%
Service	28	49.12%
Manufacturing	8	14.04%
Hybrid	2	3.51%
Total	**57**	**100.00%**

Table 1 shows the frequency and percentage distribution of small enterprises as to type of business. Among the 57 respondents, 28 of them are service businesses, representing 49.12%. Followed by respondents who are merchandising with a frequency of 19 and manufacturing with a frequency of 8, representing 33.33% and 14.04%, respectively, only 2 of them are hybrid businesses, representing 3.51%.

Table 1.2: Frequency and Percentage of the Small Enterprises as to Number of Employees

Number of Employees	Frequency	Percentage
10-49	54	94.74%
50-99	3	5.26%
Total	**57**	**100.00%**

Table 1.2 shows that among the 57 respondents in the frequency and percentage distribution of small enterprises as to number of employees, 54 have 10–49 employees, which represents 94.74%, and only 3 businesses have 50–99 employees, which represents 5.26%.

Table 1.3: Frequency and Percentage of the Small Enterprises as to Years of Operation

Years of Operation	Frequency	Percentage
10 years above	22	38.60%
6 to 10	32	56.14%
5 Years and Below	3	5.26%
Total	**57**	**100.00%**

Table 1.3 shows the years of operation of the 57 respondents, whereas businesses that have been operating for the years 2011-2015 have the highest percentage, with 32 businesses representing 56.14%. Second are businesses that are operating in the years 2010 and below, which consist of 22 businesses representing 38.60%, and lastly, businesses that have started operating since 2016 and above, which has 3 businesses representing 5.26%, respectively.

Table 1.4: Frequency and Percentage of the Small Enterprises in terms of Average Monthly Income before the Pandemic

Average Monthly Income before thePandemic	Frequency	Percentage
1000-50000	0	0
50001-100000	29	50.88%
100001-150000	9	15.79%
150001-200000	7	12.28%
200001-250000	4	7.02%
250001-300000	2	3.51%
300001-350000	1	1.75%
350001-400000	3	5.26%
400001-450000	0	0%
450001 and above	2	3.51%
Total	**57**	**100.00%**

Table 1.4 states the frequency and percentage distribution of the small enterprises in terms of average monthly income before the pandemic. There were no respondents who had a monthly income amounting to 1000-50000. Meanwhile, there are 29 respondents who have

a monthly income of 50001–100000, representing 50.88%, followed by 9 respondents who have a 100001–150000 monthly income, representing
15.79% of the total respondents. There are also 7 respondents who have a 150001– 200000 monthly income at 12.28%. Monthly income of 200001-250000 has a frequency of 4, 250001–300000 at 2, 300001–350000 at 1, and monthly income of 350001-400000 at a frequency of 3, representing 7.02%, 3.51%, 1.75%, and 5.26%. Lastly, there are no respondents who have a monthly income of 400001-450000 and 2 have a monthly income of 450001 and above, representing 3.51%.

Table 1.5: Frequency and Percentage of the Small Enterprises in terms of Average Monthly Income during the Pandemic

Average Monthly Income during the Pandemic	Frequency	Percentage
1000-50000	19	33.33%
50001-100000	18	31.58%
100001-150000	6	10.53%
150001-200000	7	12.29%
200001-250000	1	1.75%
250001-300000	2	3.51%
300001-350000	1	1.75%
350001-400000	1	1.75%
400001-450000	0	0%
450001 and above	2	3.51%
Total	**57**	**100%**

Table 1.5 states the average monthly income of small enterprises during the pandemic at frequency and percentage distribution. Among the 57 respondents, 19 businesses have a monthly income of 1000-50000 which represents 33.33%. 18 businesses have a monthly income of 50001-100000 representing 31.58%. The following are businesses with a monthly income of 100001-150000, comprising 6 businesses, 150001–200000 monthly income at 7

businesses, 2500001-300000 at 2 businesses representing 10.53%, 12.29%, 1.75% respectively. Monthly income of 200001-250000, 300001-350000 and 350001-400000 all have the same frequency at only 1 business representing 1.75%. There is no business having a monthly income of 400001-450000 and there are 2 businesses having a monthly income of 450001 and above that represent a
3.51%.

Table 1.6: Frequency and Percentage of the Small Enterprises as to Initial Capital

Initial Capital	**Frequency**	**Percentage**
3000001 to 6000000	34	59.65%
6000001 to 9000000	16	28.07%
9000001 to 12000000	7	12.28%
12000001 to 15000000	0	0.00%
Total	**57**	**100.00%**

Table 1.6 states the frequency and percentage distribution of small enterprises as to initial capital as to which 3000001 to 6000000 has 34 frequencies, resulting in 59.65%. Followed by 6000001 to 9000000 which has a frequency of 16 at 28.07% and 9000001 to 12000000 at 7, representing 12.28%. There is no business among the 57 respondents who have an initial capital of 12000001 to 15000000.

Table 1.7: Frequency and Ranking of the Small Enterprises as to Source of Fund

Source of Fund	**Frequency**	**Ranking**
Savings	44	1
Bank Loans	30	2
Partnership Funding	4	3

Table 1.7 shows the frequency and ranking of small enterprises as to sources of funding. Savings is the highest, which comprises 44 businesses, followed by bank loans, which comprises 30 businesses. Partnership funding has the least number of respondents, amounting to four businesses only.

Table 2.1: Cash Flow Performance of small enterprises before the pandemic

	Mean	SD	Descriptive rating
The business is taking in more cash than its spending	4.26	0.791	Strongly Agree
The business has sufficient cash to manage its operations.	4.11	0.958	Agree
The business generates cash very well to fund its	4.33	0.715	Strongly
operating expenses and to pay its liabilities.			Agree
Category mean	**4.23**	**0.82**	**Strongly Agree**

Table 2.1 states the cash flow performance of small enterprises before the pandemic, wherein businesses that take in more cash than they spend have been strongly agreed upon by respondents with a mean of 4.26 and a standard deviation of 0.791. Also, respondents with a mean of 4.11 and a standard deviation of 0.958 have agreed to work for businesses that have sufficient cash to manage their operations. Businesses that generate cash very well to fund their operating expenses and pay their liabilities have been strongly agreed upon by respondents with a mean of 4.33 and a standard deviation of 0.715. And lastly, the average of the said category has respondents with a mean of 4.23 and a standard deviation of 0.82 with "strongly agree" as its descriptive rating.

Table 2.2: Profitability Performance of small enterprises before the pandemic

	Mean	SD	Descriptive rating
The business was able to increase production, which resulted in increased sales and profitability.	4.39	0.796	Strongly Agree
The business efficiently used its resources to generate revenues in excess of its expenses.	4.04	0.865	Agree
The business ability to produce a return on investment based on its resources was good.	4.12	0.847	Agree
Category mean	**4.18**	**0.836**	**Agree**

Table 2.2 represents the profitability performance of small enterprises before the pandemic, whereas businesses that were able to increase production, which resulted in increased sales and profitability, and businesses that efficiently used their resources to generate revenues in excess of their expenses have a descriptive rating of "strongly agree" for the prior and

—agree‖ on the rest with a mean of 4.39 and 4.04 and a standard deviation of 0.795 and 0.865, respectively. Businesses who have the ability to produce a return on investment based on their resources felt that this has also been agreed upon by respondents who have a mean of 4.12 and a standard deviation of 0.847. The descriptive rate of the overall category is agreed upon by respondents with a mean of 4.18 and a standard deviation of 0.836.

Table 3.1: Cash Flow Performance of small enterprises during the pandemic

	Mean	**SD**	**Descriptive rating**
The business is taking in more cash than its spending.	2.74	1.142	Neutral
The business has sufficient cash to manage its operations.	2.70	0.925	Neutral
The business generates cash very well to fund its operating expenses and to pay its liabilities.	2.74	0.992	Neutral
Category mean	**2.73**	**1.020**	**Neutral**

Table 3.1 illustrates the performance of small enterprises during the pandemic in terms of their cash flow. Respondents who have a mean of 2.74 and a standard deviation of 1.142 have a descriptive rating of neutral in the category wherein business is taking in more cash than its spending. Same goes with business has sufficient cash to manage its operations, whereas respondents who are neutral about this category have a mean of 2.70 and a standard deviation of 0.925. Business generates cash very well to fund its operating expenses and pay its liabilities, with respondents who are neutral at a mean of 2.74 and a standard deviation of 0.992. The category mean has a descriptive rate of neutral with respondents at a mean of 2.73 and a standard deviation of 1.20.

Table 3.2: Profitability Performance of small enterprises during the pandemic

	Mean	**SD**	**Descriptive rating**
The business was able to increase production, which resulted in increased sales and profitability.	2.81	0.99	Neutral
The business efficiently used its resources to generate	2.82	0.947	Neutral

revenues in excess of its expenses.			
The business ability to produce a return on investment based on its resources was good.	2.74	0.955	Neutral
Category mean	**2.79**	**0.964**	**Neutral**

Table 3.2 illustrates the profitability performance of small enterprises during the pandemic as to where businesses were able to increase production, which resulted in increased sales and profitability, businesses efficiently used their resources to generate revenues in excess of their expenses, and businesses' ability to produce a return on investment based on their resources was good. They were all at a descriptive rate of neutral and had a mean of 2.81, 2.82, and 2.74 and a standard deviation of 0.99, 0.947, and 0.955 respectively. The overall descriptive rate of the category is neutral, meaning that respondents have a mean of 2.79 and a standard deviation of 0.964.

Table 4: Problems encountered by the Small Enterprises in their Financial Performance during the Pandemic

Problems Encountered	**Frequency**	**Ranking**
Reduction in profits	40	1
Decrease in demand	38	2
Reduction in sales	26	3
Temporary business closure	21	4
Supply chain disruption	18	5

Table 4 represents the problems encountered by small enterprises in their financial performance during the pandemic. A majority of the respondents have struggled with a reduction of profits, comprising 40 businesses. Second is a decrease in demand, which affected 38 businesses, followed by 26 businesses that encountered a reduction in sales. Then there were 21 businesses that had temporary business closures. Lastly, supply chain disruption has been the least encountered problem among 18 businesses.

Table 5.1: Strategies Employed by the Management to adapt to the pandemic in terms of Pricing

Pricing Strategies	Frequency	Ranking
Competitive pricing	35	1
Discount pricing	33	2
Cost-plus pricing	16	3
Bundle pricing	10	4
Value-based pricing	9	5
Price skimming	2	6
Odd-even pricing	1	7

Table 5.1 shows the strategies employed by the management to adapt in terms of pricing. Among the 57 respondents, most of them have implemented competitive pricing, which comprises 35 businesses. Discount pricing comes second with 33 businesses, then cost-plus pricing with 16 businesses, bundle pricing with 10 businesses, value-based pricing with 9 businesses, and price skimming with 2 businesses. Odd-even pricing is the least implemented strategy, which comprises only 1 number of respondents.

Table 5.2 Strategies employed by the management to adapt to the pandemic in terms of Promotion

Promotion Strategies	Frequency	Ranking
Discounts	38	1
Online Promotion	23	2.5
Running exclusive deals and offer	23	2.5
Refer-a-friend scheme	17	4.5
Buy 1 Take 1	17	4.5
Offer new products and services	9	6

Run a Competition	7	7
Giveaways or free samples	4	8
Free delivery to nearby places	0	9

Table 5.2 states the strategies employed by the management to adapt to the pandemic in terms of promotion. Majority of the respondents implemented discounts, which comprise 38. Followed by Online promotion the same with running exclusive deals and offers both at 23. Refer-a-friend scheme and buy 1 take 1 were also implemented by businesses having the same frequency of 17. Next is offering new products and services at a frequency of 9 and running a competition at a frequency of 7. There are 7 businesses that implemented giveaways or free samples, but there is no respondent who implemented free delivery to nearby places.

Table 6: Level of Effectiveness of Strategies employed by the management during the pandemic in terms of Pricing and Promotion

	Mean	**SD**	**Descriptive rating**
The pricing strategies employed were effective.	3.61	0.75	Agree
The promotional strategies employed delivered expected results	3.46	0.709	Agree
Positive customer feedback was received.	3.68	0.76	Agree
The business attracts more engagement from customers	3.58	0.801	Agree
There is a demand increase in the business.	3.32	0.76	neutral
The sales of the business increases	3.32	0.711	neutral
The profit of the business increases	3.23	0.78	neutral
The financial aspect of the business is in good shape.	3.18	0.826	neutral
The business has stable and/or sufficient earnings during the pandemic.	3.09	0.872	neutral
Category mean	**3.39**	**0.774**	**neutral**

Table 6 shows the effectiveness level of strategies employed by the management during the pandemic in terms of pricing and promotion. The respondents who agreed that the pricing

strategies employed were effective had a mean of 3.61 and a standard deviation of 0.75. A mean of 3.46 and a standard deviation of 0.709 indicated that respondents agreed in terms of whether the promotional strategies employed had delivered expected results. The respondents who also agreed with receiving positive customer feedback had a mean of 3.68 and a standard deviation of 0.76. Business attracts more engagement from customers, as agreed by respondents with a mean of 3.58 and a standard deviation of 0.801. Both respondents are neutral to a demand increase in a business and an increase in the sales of a business with the same mean of 3.32 and a standard deviation of 0.76 and 0.711, respectively. The respondents who are neutral about the financial aspect of the business, which is in good shape, have a mean of 3.18 with a standard deviation of 0.826. Then respondents, with a mean of 3.09 and a standard deviation of 0.872, were also neutral on their businesses' having stable and/or sufficient earnings during the pandemic. Lastly, the category mean has a descriptive rating of neutral among respondents, with a mean of 3.39 and a standard deviation of 0.774.

Table 7.1. Significant difference in the performance of small enterprises according to Type of Business

	F	**P-value**	**Decision**
Cash Flow Before Pandemic	0.035	0.965	Do not reject Ho
Cash Flow During Pandemic	4.516	0.015*	Reject Ho
Profitability Before Pandemic	1.565	0.218	Do not reject Ho
Profitability During Pandemic	4.924	0.011*	Reject Ho
***Significant Difference**			

Table 7.1 represents the significant difference in the performance of small enterprises according to type of business. Using Analysis of Variance (ANOVA), it shows that before the pandemic, there is significant difference in cash flow and profitability during the pandemic among types of business, with P-value analysis of 0.015<0.05 and 0.011<0.05 respectively. On the other hand, there is no significant difference cash flow and profitability before the pandemic among types of business.

Table 7.2: Significant difference in the performance of small enterprises according to Number of Employees

	P-value	Decision
Cash Flow Before Pandemic	0.794	Do not reject Ho
Cash Flow During Pandemic	0.794	Do not reject Ho
Profitability Before Pandemic	0.355	Do not reject Ho
Profitability During Pandemic	0.303	Do not reject Ho

Using t-test, table 7.2 shows that there is no significant difference in the performance of small enterprises according to the number of employees. In order to accept the null hypothesis, the p-value should be greater than 0.05. With the table presented, 0.794>0.05 for cash flow before pandemic, 0.794>0.05 for cash flow during pandemic, 0.305>0.05 for profitability before pandemic, and 0.303>0.05 for profitability during pandemic. The result shows that the null hypothesis is accepted.

Table 7.3: Significant difference in the performance of small enterprises according to Number of Years of Operation

	F	P-value	Decision
Cash Flow Before Pandemic	0.062	0.94	Do not reject Ho
Cash Flow During Pandemic	0.053	0.948	Do not reject Ho
Profitability Before Pandemic	0.362	0.698	Do not reject Ho
Profitability During Pandemic	2.917	0.063	Do not reject Ho

Table 7.3 represents a significant difference in the performance of small enterprises according to the number of years of operation. The result shows that the null hypotheses should be accepted. Using ANOVA, the p-value of the variables are greater than 0.05 which qualifies not to reject the null hypothesis, meaning there is no significant difference in the performance of small enterprises according to the number of years of operation.

Table 7.4: Significant difference in the performance of small enterprises according to Average Monthly Income before Pandemic

	F	P-value	Decision
Cash Flow Before Pandemic	1.274	0.276	Do not reject Ho
Cash Flow During Pandemic	1.156	0.344	Do not reject Ho
Profitability Before Pandemic	1.118	0.369	Do not reject Ho
Profitability During Pandemic	1.124	0.365	Do not reject Ho

Table 7.4 represents a significant difference in the performance of small enterprises according to average monthly income before pandemic. The result shows that the null hypotheses should be accepted. Using ANOVA, the p-value of the variables are greater than 0.05 which qualifies not to reject the null hypothesis, meaning there is no significant difference in the performance of small enterprises according to average monthly income before the pandemic.

Table 7.5: Significant difference in the performance of small enterprises according to Average Monthly Income during Pandemic

	F	P-value	Decision
Cash Flow Before Pandemic	1.703	0.13	Do not reject Ho
Cash Flow During Pandemic	2.167	0.054	Do not reject Ho
Profitability Before Pandemic	1.748	0.12	Do not reject Ho
Profitability Before Pandemic	2.814	0.015*	Reject Ho
*Significant Difference			

Table 7.5 represents a significant difference in the performance of small enterprises according to average monthly income during pandemic. The result shows that the null

hypothesis should be accepted on cash flow before and during pandemic and profitability before pandemic. Using ANOVA, the p-value of the variables are greater than 0.05 which qualifies not to reject the null hypothesis, meaning there is no significant difference in the performance of small enterprises according to average monthly income before the pandemic, except for profitability during income. It shows that there is a significant difference with a p-value analysis of 0.015<.05 reject the null hypothesis.

Table 7.6 Significant difference in the performance of small enterprises according to Initial Capitalization

	F	**P-value**	**Decision**
Cash Flow Before Pandemic	2.312	0.109	Do not reject Ho
Cash Flow During Pandemic	1.178	0.316	Do not reject Ho
Profitability Before Pandemic	0.853	0.432	Do not reject Ho
Profitability Before Pandemic	3.703	0.031*	Reject Ho
*Significant Difference			

Table 7.6 represents significant differences in the performance of small

enterprises according to initial capitalization. The result shows that the null hypothesis should be accepted on cash flow before and during pandemic and profitability before pandemic. Using ANOVA, the p-value of the variables are greater than 0.05 which qualifies not to reject the null hypothesis, meaning there is no significant difference in the performance of small enterprises according to average monthly income before pandemic except for profitability during pandemic. It shows that there is a significant difference with a p-value analysis of 0.031<.05 reject the null hypothesis.

Table 8.1 Significant difference in the level of effectiveness of their strategies when grouped according to their profile variables

	P-value	Decision
Type of Business	0.113	Do not reject Ho
Number of Employees	0.178	Do not reject Ho
Years of operation	0.014*	Reject Ho
Average Monthly Income Before Pandemic	0.379	Do not reject Ho
Average Monthly during Pandemic	0.045*	Reject Ho
Initial Capital	0.166	Do not reject Ho
*Significant Difference		

The table shows the result for significant difference in the level of effectiveness of their strategies when grouped according to their profile variables. It shows that with t-test analysis for years of operations and average monthly income during pandemic with p-value of 0.014<0.05 and 0.045<0.05, respectively, the null hypothesis should be rejected, meaning there is a significant difference between the two variables. On the other hand, there is no significant difference in the level of effectiveness of their strategies among type of business, number of employees, average monthly income during pandemic and initial capital.

Table 9: Test for significant difference in the financial performance before and during pandemic

	Mean	T	P-value	Decision
Cash Flow Before Pandemic	1.474	8.317	.000*	Reject Ho
Cash Flow During Pandemic				
Profitability Before Pandemic	1.391	7.951	.000*	Reject Ho
Profitability During Pandemic				
*Significant Difference paired sample test				

Table 9 results show that there is a significant difference between the financial performance of small enterprises before and during pandemics. Paired sample test was used to analyze the data. In order to accept the null hypothesis, the p-value should be greater than 0.05. However, the table shows that the p-value is less than 0.05, which is 0.000<0.05 for cash flow and 0.000<0.05 profitability, respectively. Thus, the cash flow and profitability performance of small businesses during pandemic has a significant

difference.

DISCUSSION/ANALYSIS OF DATA

Covid-19 has already been harsh in the economy which has affected the lives of the people (Baldwin &Weder di Mauro, 2020). Great downfall in the statistics for economy and financial performances of companies including the micro to medium scale. Many small businesses temporarily closed or, at worst, closed permanently (Dua et al, 2020). This study shows that there is a significant difference in the financial performance of small businesses before and during the pandemic. This study shows that before the pandemic small businesses had more capacity for cash flow and were more profitable compared during the pandemic (Al-Haddad et al, 2020). Moreover, significant differences on financial performance vary among profile variables. There are significant differences also in the level of effectiveness of strategies implemented according to years of operation and average monthly income. On the other hand, there are no significant differences on the other profile variables.

LEVEL OF EFFECTIVENESS OF STRATEGIES IMPLEMENTED

This study shows that the effectiveness of the strategies implemented by small business is neutral collectively speaking, meaning the implementation of the strategies are unidentifiable if it is effective or not. Reasons could be that the economy at the moment is unpredictable and that small business cannot formulate coping strategies to make it more effective (Otache, 2020). In specification, business owners agreed that the pricing strategies employed were effective also with positive customer feedback and business attracts more engagement from customers. (Cohen et al, 2020). This study also shows that price discount is the most used strategy among small business. Therefore, it could be assessed that business owners agreed that price strategies are effective because of the latter. On the other hand, small enterprise owners were neutral in terms of promotional strategies implemented and delivered expected results, there is a demand increase in the business, the sales of the business increases, the profit of the business increases, the financial aspect of the business is in good shape. the business has stable and/or sufficient earnings during the pandemic.

SIGNIFICANT DIFFERENCE IN THE FINANCIAL PERFORMANCE OF SMALL BUSINESSES ACCORDING TO PROFILE VARIABLES

Small enterprises were grouped according to type of business, number of employees, years of operation, and average monthly income before the pandemic, average monthly income during the pandemic and initial capitalization. The study shows that there is no significant difference in financial performance particularly cash flow and profitability before the pandemic when small enterprises are grouped according to type of business which are merchandising, service, manufacturing and hybrid. On the contrary, there is significant difference in financial performance particularly cash flow and profitability during covid-19 pandemic when small enterprises are grouped according to type of business. The study shows that there is no significant difference in financial performance particularly cash flow and profitability before and during the pandemic when they are grouped according to the number of employees. Same results when grouped according to years of operation and average monthly income, there is no significant difference in financial performance. On the other hand, this study shows that there is significant difference in profitability during covid-19 pandemic when grouped according to average monthly income during covid-19 pandemic and initial
capitalization.

SIGNIFICANT DIFFERENCE IN THE LEVEL OF EFFECTIVENESS OF THEIR STRATEGIES WHEN GROUPED ACCORDING TO THEIR PROFILE VARIABLES

This study also examined the significant difference in the level of effectiveness of their strategies when grouped according to their profile variables. The profile variables indicated are type of business, number of employees, years of operation, average monthly income before the pandemic, average monthly income during the pandemic, and initial capitalization. The study shows that there is significant difference in the level of effectiveness of the strategies implemented according to years of operation and average monthly income during covid-19 pandemic. The result may be affected by year of

establishment. The longevity of the establishment or enterprise affects the years of experience of implementation (Bates, 1990). Moreover, with the drastic change because of the pandemic, results are affected compared to the era before covid-19 struck the economy. For profile variables such as type of business, number of employees, average monthly income before the pandemic and initial capitalization, findings show that there is no significant differences in the level of effectiveness.

Significant Difference in the financial performance of small businesses before and during pandemic

This study reveals that small businesses' financial performance in Cagayan are significantly different. The cash flow and profitability of small businesses are better before the pandemic than during the pandemic (Paryanti, Tejaningsih &Yuniarti, 2020). The pandemic caused great negative effects to small business owners. Many are still operational but some do temporarily close. Across the different profile variables such as type of business, number of employees, years of operation, average monthly income before and during covid-19 pandemic and initial capitalization there is a significant difference in their cash flow performance and profitability.

CONCLUSIONS

Based on the foregoing findings, it is concluded that small business are the ones that were affected the most with the lockdowns and movement restrictions. Small business has better financial performance before the Covid-19 pandemic. This study concludes that if the much-needed focus and assistance is given to small businesses in the industrial sector then such businesses contend with problems and conditions of economic uncertainty may have thrived better.

RECOMMENDATIONS

In view of the findings of this study, it is therefore recommended that

1. Policy makers should foster programs that assist small businesses with these work strategies, which can help them survive, enhance their stability and thereby also promote the economy's ability to withstand crisis situations.
2. Small enterprises must have their crisis planning for the business to survive their operation amidst any adversities.
3. Small enterprises must look for a good business insurance as their back up provider in case of crisis.
4. For researchers who would like to replicate and further study the financial performance of small businesses in Cagayan amidst COVID-19, the researchers of this study suggest to look further into the different aspects and dimensions of financial performance, such as working capital ratio, quick ratio, debt-equity ratio, price-earnings ratio, and return on equity ratio
5. Future researchers must also look at the comprehensive coping strategies of small businesses to cope with the after effects of COVID-19.

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