

# Strategy for Enhancing Productivity and Profitability for Small Enterprises in Camarines Sur

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## ABSTRACT

Small enterprises serve as the prime driver of global economic development, constituting 90% of all firms and providing 60% to 70% of total employment worldwide (World Bank, 2024; OECD, 2024). Despite their foundational role in achieving broader macroeconomic and national targets, these sectors encounter severe operational difficulties—such as high taxes, rising labor costs, and limited access to government support—leading to high failure rates within their first five years (United Nations, 2024). To address these issues, this study employed a mixed-method research design to examine how effective management practices can shift small enterprises in the Partido Area toward sustainable growth. Quantitative data was collected from 48 owner-managers using a

thoroughly validated expert-panel survey questionnaire checklist alongside qualitative insights. Guided by a conceptual paradigm, the research explored the statistical relationship between four independent variables—financial, operations, marketing, and human resource management practices—and three dependent variables of entrepreneurial development: productivity, profitability, and sustainable growth. The findings revealed that several enterprises struggle daily due to a lack of structured management plans. Consequently, the study suggests that small enterprises adopt real systems to monitor overall performance and actively engage with supportive government agencies to navigate operational hurdles. Ultimately, establishing these robust management foundations ensures long-term business sustainability, creating a progressive economic environment where both the small enterprises and the local municipality successfully benefit from shared development.

**Keywords:** *Financial Management, Operation Management, Production Management, Marketing Management, Human Resource Management (HRM), Productivity and Profitability.*

## INTRODUCTION

Small Enterprises are generally acknowledged as the prime power of economic development on the entire nations. According to (World Bank, 2024; Organization for Economic Cooperation and Development [OECD], 2024) small enterprises businesses contribute majority of enterprises universally, covering the total percentage of 90% of all firms and offers almost 60-70% total employment for both developed and rapid economies. In addition, small enterprises are one of the primary sources of innovations, business competitions, and economic advancement. Moreover, (United Nations, 2024) support that the collaborative actions has no impact that there is success directly connect to achieved more extensive national target or goals of those firms, given that the foundational role that business sustainability and

enterprise development of small and mediums firms are not simply a business concerns but have crucial macroeconomic urgency. Despite their importance in economic concerns, small businesses demonstrate high intensity of weaknesses and structural difficulties, which create high failure of business success rates, most particularly in first to five years of their operations (McKinsey & Company, 2024). Moreover, while external factors are concerns say for instance; finance availability, regulatory burdens, and market fluctuations are one of the significant barriers, a growing research body identifies the internal deficiencies in business management as a more critical for long-term and survival of the enterprises (Franco et.al, 2010). In addition, few of the enterprises are family-owned, that results to informal and reactive management styles. This scarcity of structural process provides a significant gap between both enterprises and their larger counterparts, blocking the ability to scale upward, innovate and compete more effectively (McKinsey & Company, 2024).

Therefore, success of small enterprises intricately connects to the adaptations and effective applications of strong business management practices. These procedures provide the internal framework that enables business owners to guide whole operations, maximized limited resources, and make informed strategic decisions (Cassar, 2006). Study confirms significantly a positive support between the validations on formal managers performance practices, which include enhance productivity, profits, and adaptability (Bloom, et.al 2010). Consequently, shifting towards survival focused entity to a high growth, entrepreneurial driven business is dependent upon developing managerial capability. The current study focused on Four key domains of management identifies in the literature as crucial for small enterprises development. First, the financial management practices where owners or managers are frequently cited as one of most severe challenges to small enterprises. with poor cash or funds planning and inadequate financial management being leads and causes business bankruptcy (International Federation of Accountants (IFAC). 2019). Second, operations management practices, which involve enhancing processes, quality service, and supply network, are essential part for enhancing efficiency and competitiveness of the firms (Garengo et al., 2005). Third, marketing management and last human resource management (HRM), though often informal in small firms, is important for attracting, developing and retaining the staff required to promote innovations and sustainable growth of the business (Way, 2002).

Strategies aimed to improve the profitability and productivity performance of selected small enterprises that are fundamentally rooted to developed internal process efficiency, utilizing external support systems, and adapting the country's unique digital and spatial organizations. Operational Efficiency strategy concentrates on improving the quality output and minimizing waste, frequently necessity the adoption of process innovations or implementation of lean management principles measures for small scale productions environments (Aldaba, 2017). Concurrently, increasing profitability requires tough financial management practices, which include effective working capital management and utilizing accessible financial instruments to ease enterprise growth (Mercado, 2021). Furthermore, successful strategies for developing small and medium enterprises profit and productivity concerns in the Philippines are multimodal, relying on stronger combinations of internal strategic improvement and the effective utilizations of available government and private support structures.

This current study, therefore, sought to bridge this gap by conducting an extensive investigation into effective management practices that nurture entrepreneurial development. The study first ascertained the business profile of selected enterprises to establish a baseline. It then shifted to identify the current business management practices which include Financial, Operation, Marketing and Human Resource Management (HRM) practices. Additionally, research assessed the perceived effective management practices of the respondents, ultimately, the objective is to integrate these findings into recommended strategies to further enhance their profit and productivity of small enterprises in Camarines Sur where it can provide owners with actionable performance to overcome those managerial challenges and barriers and improve their capability and sustain their business venture (Machirori et.al 2002). Thus, the established recommendations about strategies for enhancing productivity and profitability that would be established at

the end of this study would turn into guidance, steps, and simple process towards their success, additionally, giving support to all existing and aspiring entrepreneurs. In this study, business owners-managers may obtain information's with regard on the vital parts of strategic measures that reflect the success of their business venture. Target respondent of this study comprised only business owners-managers of small enterprises from selected local municipalities in Partido Area. They are involved in various types of business like: Retail/Wholesale and other businesses focused on services.

Subsequently, the scope of the current study is broader, therefore, the research mainly focused on the specific objective of the study. Additionally, only respondents who wanted to participate and willing to share their expertise, would be part considerably of difficulty on collecting important data prior to the privacy of their business and few confidentially reasons that is very tough on obtaining from chosen small enterprises because some of their information they may share could lead to other owners, Department of Trade and Industries and Tax Regulations Committee in spite of guaranteed to privacy given by the researcher. In applications, the given results of the current study may provide benefits for those involve in this study not just only for small enterprises but also the social community within this area, since the small enterprises owners-managers may provide opportunities more particularly on giving more jobs to people, offered additional source of income to mid class of families. The findings of this current study will append on the present in the context of business and entrepreneurship, most especially in the country Philippines, and in the 4<sup>th</sup> district of Camarines Sur, even few numbers of researchers conduct the same goals of this study. Additionally, the study aimed to provide huge basis and foundations for those interested in conducting similar study. The research further recommended the statements given in the current study for further exploration for research. Additionally, it determined if the findings are consistent over various businesses from different municipalities in Camarines Sur. The pragmatic scope in this study is confined to the 4<sup>th</sup> District of Camarines Sur, this area, commonly known as Partido Area, comprises of selected municipalities in Partido Area, dictates that small enterprises are primarily intense in Wholesale/Retail and other services. Consequently, strategies aimed at developing small firms' productivity and profitability must be profoundly interpreted to address the overall challenges inherent in this local developing area.

## **METHODS**

### **Research Design**

Aligned with the objectives of the study, which categorized (the current management practices, the effective management practices, the barriers faced along profitability and productivity of small business enterprises in Partido Area were identified to further suggest and recommend enhancing their performance along productivity and profitability of the respondents. To move this process, the research mainly used mixed method research design that this is very useful to merge the number and the profound the information results from all participants of this study. The design used in this current study provides vital components given that the two-sided view could achieve the objectives of the study, say for example, the data from small enterprises strategy from this Area. Mainly, the research used (Quantitative and Qualitative) research method approach. Quantitative is used to further collect the data for in terms of business profile and management practices along: financial, operation, marketing and human resources by using survey questionnaire instrument through checklist for forty-eight (48) respondents. This part supported counting the frequency of seeing the means to identify whether the practices were effective or not about their performance along productivity and profitability status.

Moreover, the study also used qualitative methods to discuss and interview respondents to really understand the barriers and the problems they encountered that the volume numbers could not explain

clearly. Merging these two approaches made the study more effective, and the results were more acceptable so that the recommendations for the businesses in Partido Area were useful and helpful approach guidelines. Researcher relied on Qualitative method that concluded “why” particular theory existed along with “what” respondent commented on. Meanwhile, validating the survey questionnaire used in the current study began with the formal submissions of draft survey questionnaire instrument to the expert panel members, who were typically collected of the subject matter specialist and research master. These panel evaluators examined each for clearness, alignment and suggest relevance to the present objective of the study. Based on their personal critical feedback and corrections, the researcher endured a process of polishing and revisions, words adjustments, structuring the given questions to address any identified gap or uncertainty. After all revisions were finalized, the researcher therefore presented the final copy of instrument for final approval both the panel and adviser.

### **Research Locale**

Selected respondents in this study comprise all businesses owners-managers involved in the daily enterprise operations. Researchers targeted small enterprises along selected municipalities in Partido Area. However, because of the unwillingness of some small enterprises to participate in the survey given primarily out of concerns that disclosed gathered data and information that might lead to their competitors or reveal certain enterprises’ practices to authorities, not all targeted respondents were willing to engage. Therefore, out of 62 given total list by LGUs only 48 small enterprises owners or managers who engaged in wholesale/retail and other services sectors in the municipalities are successfully gathered and included as final respondents of this study, representing those who voluntarily agreed to engage and respond to self-made constructed survey questionnaires.

### **Sampling Technique**

Convenience sample methods used in this study other than purposive sampling methods with justifications that convenience sampling methods was usually part in collecting data within the survey populations, to which exclusively those who are available and interested to participate as respondents, were considered for reasons of readiness and they want to share their expertise and relevant data in relation to the study topics. The positive herein was the participants in this study had their individual desire and were unable to intentionally choose which most of them were against their will, meanwhile, results of poor results. In addition, techniques boosted responses rate since respondents in this sector are undersigned to give data since they are intact on the traditional beliefs that information may be collected regarding their business identity or background might leak through to competitors and might expose them to some of their unauthorized practices to other business entrepreneurs.

## **RESULTS AND DISCUSSION**

### **Business Profile of the Small Enterprises in Partido Area**

The Business profile of small enterprises operating in the four municipalities of Partido Area is confined only to the number of years in operation, form of business organizations, nature of business, and capitalizations.

#### ***Number of Years in Operations***

The number of years a particular business operates is a critical indicator of stability and sustainability. Table 2 Present the number of years the selected small enterprises covered by the study operate.

Table 1. *Business Profile of Small Enterprises in Partido Area along Number of Years in Operation*

Years in Operations	F	%
1-5years	22	46
6-10years	7	15
11-15years	9	19
More than 15years	10	21
<b>TOTAL</b>	<b>48</b>	<b>100</b>

The data revealed business years of operations and revealed that majority (22) of the respondents with (46%) operated for at least 1 up to 5years, while those in operation for more than 15 years (10) has frequency result of (21%) of the total number of participants. This huge number in the 1 to 5 years, a critical period where small enterprises fall most at risk, suggests that nearly (50%) of small firms failed within their first five years of operations, frequently due to limited cash or insufficient customer demand. Those younger firms experience high failure rates, a state where they lack effective practices established, low linkages with other agencies like banks and suppliers, and limit access to resources compared to big ones.

These results implied significant to regional, as the long-term survival of (22) young businesses depending on their ability to adopt professionally. This was supported by Santini et.al (2021), who highlighted the functions of the business capability and the modern processes that helps small business to change their business during external difficulties and unstable market conditions. Bresciani (2021), utilized resource-based view (RBW) to develop an enhancement of innovations capabilities was important to small businesses to overcome disadvantages and assure their competitiveness in the long run. In addition, the findings aligned with Guchait (2024), who discovered business age as one of the significant risk factors for bankruptcy particularly during financial difficulties.

Guchait (2024) argued that the scale of the business changes the management practices were affect their overall performance, and younger and small scale firms often relied on unproductive ways in handling their daily operations, approximately (21%) of business that operate for over 15years, was vital that younger business firm shift from informal management into effective implementations of high standard management practices, in this, business attain to lessen the burden or error, in the end, business operations have chances to attain survival in the market.

### ***Form of Business Organizations***

The distribution of results from the selected small business in Partido Area, Table 2 present the form of business organizations which particularly focused on the sole proprietorship as most common among business in this area.

Table 2. *Business Profile of Small Enterprises in Partido Area along Form of Business Organizations*

Form of Business	F	%
Sole Proprietorship	48	100
<b>TOTAL</b>	<b>48</b>	<b>100</b>

The findings of (48) total of respondents (100%) enterprises fall into sole proprietorship, this reveals that business in Partido Area characterized by ownership, management and financial responsibility under single individuals. This mere focus suggested that local municipality was supported by firms that simply to form and offer high flexible management but minimal business capital and owners' skills in handling business. In the municipalities of Tigaon, Goa, San Jose and Lagonoy, those businesses established are typically have low capitalizations (fall at least P50,000.00 below) and limited manpower up at least 0 to 3 workers. This business profile made them highly vulnerable to the smaller firms, where they lack

management capacity and limited resources maximized the risk of failure during economic downturns times.

As identified in the year 2024-2025 updates, MSMEs in the Bicol Regions were struggling with almost (averaging 1.8% in early 2025) inflation rate, which effect in raising the cost of goods, and significant challenges in staff retentions. This implied for long-term operations was particularly notable given the current situations in the regions.

For sole proprietorship in business in the Partido Area, these factors externally expanded because they lacked ability in the market environment and functional team found in larger business. Study into small enterprises survivors in the Bicol Region that operational continuation was frequently the weakest part of their experience, as majority of the business has lacked formal planning for the rest of their operations. The analysis was strongly supported by Guchait (2024), who argued that the size and ownership of the business essentially change how the management practices influence its performance. Guchait (2024) asserted that smaller firms frequently rely on inefficient ways of handling business, say for instance, inconsistent on financial skills, knowledge and expertise which directly increased their risk of insolvency during financial difficulties.

### ***Nature of Business***

Nature of business pertains to the activities by which the business operates. This section presents the data collected regarding the nature of the small enterprises' operation in the selected municipalities of Partido Area. It shows that more than half (68%) are into Retail/Wholesale while the rest (38%) are focused in providing services. This contribution highlights that in Partido Area was heavily focused on the sector with relatively minimal barriers to entry and easy returns. The high frequency results were the retail/wholesale and services are common factors in the Philippine MSMEs, most particularly in the rural and subnational areas were the business most prioritized those sectors which did not require the extensive infrastructures or even the industrial specializations.

The business profile implied that local businesses in Partido Area are selecting ventures that allow them to have high management flexibility and wanted to immediate return their investment capital, rather than capital intensive productions or in the manufacturing. This suggested that sectoral focused significantly on capital investment and business progress. Businesses under sole proprietorship were frequently insubstantial in terms of financial concerns that required to make large business scale sections or procure huge machinery for their productions.

In the analysis strongly supported by the Philippines Institute for Developments Studies (PIDS, 2024), which asserted that Philippine businesses demonstrate high volume in trade and services because these sectors required only minimal capital amount and low technological development as to compared to the manufacturing or even the productions sectors. On this, low capital requirement easier entry for the respondents, it also left them more susceptible to resource constraints, where lack of technology and power could guide to inefficiencies in business operations and face high risk of business failure.

According to Guchait (2024) who supported the study, the size of an enterprise essentially to effectively manage the firms which impacted its performance. In the retail and service sectors, small firms frequently rely on informal management style that Guchait (2024) identifies as potentially inefficient for sustainability of the business in long term periods.

### ***Capitalizations***

Capitalization of a business is important for its continuous operations. The capitalization of the small enterprises operating in the four municipalities of Partido area ranges from P3,000,001 and P15,000,000 which officially classified as small enterprises under Philippines Magna Carta for MSMEs (RA 9501). This business profile under capitalizations showed that local business in Partido Area successfully moved with minimal assets resources which critically remained significant financial gap. The significance of these absolute concentrations was separate regarding financial weaknesses despite of their

asset size; These firms are often financial limitations with study show that (42%) of small enterprises in the Philippines denied for formal loans or faced discourage from applying loans due to strict requirements compliance. In this, some businesses forced frequently in the region to really rely on the exploitative informal lending, like 5-6 systems, which carried interest monthly of at least 20% well above the 2.5% offered by the government program like P3, as a result, businesses in a sequence of debt that limit their long-term growth and business progress.

This situation was particularly unstable in the Partido Area including municipality of Tigaon, Goa, San Jose and Lagonoy, were the current percentage situations in the year 2024-2025 which presented unique challenges. During the time, regional inflations slowed to 1.8% in early 2025, small business in the Partido continue to face high utility costs, labor expenses, and intense competitions as compared to larger urban centers drained the local business. Moreover, many businesses were highly dependent on their operations but stayed separated from other firms and establishments, which struggle against other competitors like big business. In addition, this area is prone to weather disturbance, and limited business capitalization where it meant lack of resources that were important for quick discovery; research indicated that business development was the weakest component of the enterprises. as there frequently lacked effective planning to ensure development of the business. These findings are aligned on the findings conducted by Guchait (2024) who emphasized the size and capitalization of the business firms directly controlled its effective management practices. Small capitalizations had proved resource extremely lack resources which intensifies for the owner to mainly prioritize the day-to-day survival rather that shift the plan into long-term goal of their business.

### **Current Business Management Practices**

This section presents the current management practices performed by respondents in Partido Area which focused on four key areas including financial management, operation management, marketing management and human resource management. These highlights the practices were the current study shows the practices across different organizations that leads into effective business performance, as seen in Indian Enterprises (Nanda et.al, 2023), were practices work together such human resource and operation management, they produce positive results than each practice alone (Ram et.al, 2023). As resulted, this may have helped small scale of business in Partido Area improve their performance in productivity and profitability.

Table 3. *Current Business Practices of Small Enterprises in Partido Area along Financial Management*

A. Financial Management Indicators	F	%
Record daily transactions.	41	85
Separate personal and business expenses.	28	58
Have detailed record of all operating costs.	31	65
Total collections exceed the total expenses.	38	79
Separate reserve funds to cover unforeseen costs.	28	58
Used Words and Excels for recording transactions.	26	54
Have competitive prices to ensure profit.	31	65

Table 3 presents the results of the current practices of respondents along financial management where it indicates that majority of results (48) respondents (85%) consistently record their financial business transactions where they intend to provide financial transparency practices. Yet, the findings revealed that there is a significant gap in more progress financial discipline: few (58%) of total respondents separated their personal cash on hand and business expenses, and the same results (58%) kept to separate the reserve funds for some unexpected costs, while detailed records and competitive pricing strategies both (65%).

Moreover, with (79%) reported that total collections exceed total costs, the relatively moderate use of digital technology like word and excel (54%), which suggested that nearly half of this business is still intact on manual and paper-based approach.

Through this matter, lack of financial capabilities and knowledge in managing was verified challenges among MSMEs in the Philippines, where the merging of personal and business funds frequently direct on difficulties in computing the actual income and this will create complicated on the process of utilizing formal managing financial. These findings implied critically for long-term survival of business in the area, (42%) of the business firms failed to manage effectively the financial and prevent accurate budgeting based on the sales business cycle.

Moreover, Bicol region is prone in the natural disaster, the fact that only (8%) maintained to reserve the funds was particularly concerns: without these financial slacks, business faced difficult to progress and capability to uplift operations after all those disturbances or during periods of high inflations, which average almost 1.8% in early 2025. The huge total rate of recording daily transactions (85%) was a positive sign of business owners' movement, but without transitioning towards digital record keeping and professionalized budgeting. these businesses remained to financial failure.

Lopez et.al (2021) strongly supported this analysis, where organizations' financial performance is more vital for business survival, notably amid the difficult economic situations. According to their framework, business longevity was provided positively influence from financial structure and human capital productivity, whereas internal shortcomings in handling cash data served as early signal of business failure. Respondents from Partido Area, the inefficiency in managing business such as inconsistent expense tracking may directly affect the life of the business. Consistently, the literature by Naranjo-Gil (2020), which highlighted tools for center of stability, like advance techniques to assess, improved the financial health and long-term success of small enterprises, these important indicators of the firm's capability to have high chances of survival and attain success of the business.

Table 4. *Current Business Practices of Small Enterprises in Partido Area along Operation Management*

B. Operation Management Indicators	F	%
Provide high quality service to customer.	42	88
Monitor whole business activities.	39	81
Regularly conduct product inventory.	26	54
Have enough space to serve more customers.	21	44
Expand sales through social media platforms.	18	38
Offer modern payment options.	41	85
Collect and review customers' feedback.	40	83

Table 4 present the practices of respondents along operational management of the business which highlighted the prioritizations of business owners to their customers or clientele, Many of the respondents emphasized the high-quality of service with (88%) and using modern payment options with (85%), however, there was a notable deficiency in systematic operational rigor: only (54%) conduct regular product inventory, and mere (44%) possessed sufficient physical space to accommodate huge number of customers to their store.

Moreover, using social media marketing platforms remain underutilized with (38%). This discrepancy suggested that local entrepreneurs in Partido Area must achieved the digital conversions focused only on tools like Gcash and PayMaya payment yet continued to struggle with digital changes that stressed core structures and business process. Moreover, the frequency rate of consistent inventory, reflected with the result of (54%), presented a major operational vulnerability, poor inventory management resulted

in resources that were not supplying operational activity or revenue generations of the firms, and high costs opportunity where it can normalize to stockouts.

In this, minimal adaptations of social media sales suggested to business in the municipalities to reach digital maturity for their transactions but had yet to utilize digital platforms as strategic power for market reach and growth. In the study conducted by Gaiardelli et.al (2023), the gap in operations identified in the state of framework on servitizations were demonstrated that small firms required to adopt as they transitioned product to service centric methods. The context given on operational and technological advancement, combinations is paramount, as Dwivedi et al (2024) argue that successful changes for traditional businesses require to align technology advancement, organizational structure and effective process.

*Table 5. Current Business Practices of Small Enterprises in Partido Area along Marketing Management*

C. Marketing Management Indicators	F	%
Offer discounts and promos to attract customers.	28	58
Business is highly accessible to market.	39	81
Provide a COD basis.	30	63
Use online marketing platform to increase sales.	29	60
Conduct community engagement program.	25	52
Use Shopee and Lazada to expand more sales.	20	42
Use online payment methods like bank transfer etc.	41	85

Table 5 shows the results and findings from business owners along with their marketing management practices in Partido Area, as reflected by a strong emphasis on the convenience and accessibility for their customers, where the business owners prioritized the high level of customer satisfaction. As shown in this table, the highest frequency rate from given indicators were using online payment methods like bank transfer and other online payment methods (85%) and business accessibility of their locations with (81%). The results suggest that small business firms in this area prioritized customers' centric approach, adopting paramount considerations from customers' choices for digital transactions and convenient access.

As discussed by Gronroos et.al (2021) this was aligned on the findings that service by small firms utilized on customer centric as a co-creation tool to deliver effective value. Following these findings were consistent with Zgheid et.al (2024), who demonstrated that adopting digital capability was directly linked on growth sales of the business. Despite this strength, the results also revealed limitations in structured marketing strategy. Notably, the applications of e-commerce platforms like Shopee and Lazada recorded lowest adaptations rate with (42%), suggesting that small enterprises must embrace the digital technology, they not fully used selling using various channels. Furthermore, the limited adjustments to structural marketing methods indicated that numerous businesses relied on convenience rather than systematic planning. As discussed by Dwivedi (2024) that sustainable growth needs a stage of growth approach. Without effective business marketing research structure, small businesses could not precisely assess their competitive positions or determine strategic gaps.

*Table 6. Current Business Practices of Small Enterprises in Partido Area along Human Resource Management*

D. Human Resource Management Indicators	F	%
Secure high performing employee.	29	60
Conduct orientations to newly hired.	46	96
Accept customer feedback for service improvement.	40	83

Provide all government-mandated benefits.	38	79
Maintain safe, healthy and conducive workplace.	46	96
Have good working environment.	46	96
Provide clear written performance.	30	63

Table 6 presents the results on respondents' practices along human resource management, show in the table that notably difficult to move forward where basic operations practices were generally observed among business enterprises, yet strategically and formal human resource systems sustain primarily underdeveloped. Multiple from the respondents, particularly those handling wholesale/retail and other services business, reported conducting orientations to their new staff, maintaining safe, healthy and positive culture, sustaining good working nature, all of which recorded the same results of (96%). This finding implied that small business owners in Partido Area acknowledged the prompt operational necessity of orientations and capacity practices that are highly relevant in the urban areas where customer-facing employees directly presented the business of their own.

This reflected that standard commitment to employees' benefits were consistent with the underlying requirements of human compliance and work-related health requirements under Philippines Law, including the required mandates of the Department of Labor and Employment (DOLE) and the Occupational Safety and Health Standards (OSHS) relevant to small and medium enterprises. Acknowledging customers' feedback (40) for service quality improvements (83%), indicating that business enterprises' owners were prompt to the demands of their local customers.

The necessities of government mandated advantages (38, 79%), reflecting awareness of authorized obligations such as: SSS, PhilHealth, and Pag-IBIG contributions to their employees. Meanwhile, the gap between the results and the actual workplace indicators suggested that total conformity with formal procedure is not yet been internalized, more particular among the smallest firm's business that really relies on informal employments arrangement status which is common in Partido Area.

Despite the results provided, that data also exposed vulnerability in formalizing the HR system among enterprises in Partido Area. Secure high performing staff in the business (29, 60%), while providing clear written performance (30, 63%) the two low-rate indicators in this category. These numbers were specifically concerning an environment where competition was rising, and the ability to attract and retain competent staff was increasingly tough to structure talent and performance evaluation. Several local business owners, notably those family-owned businesses or owners who operate businesses, tended to hire them through referrals and informal connections rather than through effective recruitment selections process: This pattern minimizes the access of enterprises to be more competent.

However, the shallow results for written performance policies were tough alarming in this area. Among small business enterprises, the deficiency of documented rules in the workplace and performance expectations frequently results in inconsistency in managing decisions, partiality and unresolved employee conflict issues that were usually observed in small family business operates without formal HR documentation. Lacking clear standards, manpower, many of whom were young workers and fresh graduates from local schools and colleges in Partido Area, absence on clear directions regards on expected behavior and outputs, which finally undermined both personal responsibility and firm productivity.

Findings aligned to Ng and Feldman (2023), who confirmed that consistent training and feedback system required written policies support long-term positive performance impact of the firm. The standardized written policy therefore did not simply present an administrative gap for enterprises, it physically limited their capacity to enhance, maintain and maximize their human capital. Furthermore, the moderate results across various indicators collectively suggest that while business managers nominally practiced employees' welfare, it was then not yet fully prioritized in a strategic practice.

The study conducted by Ram et.al (2023) argued that enterprises lacking on effective human resource system faced hard to shift employee efficiency into sustainable business progress, as the absence of structured process prevented the standardization of best practices. This implies that enterprises' communities are significantly impacted. As data suggested, business performance advancements were collaborative rather than merely additive. An integrated HR program combined with formal policies with better disciplinary and developmental frameworks would have generated better outcomes, this far greater than the sum of practical practices of an individual.

Local Government Units (LGUs), Department of Trade and Industry (DTI) Camarines Sur Provincial Office, and business support organizations like Partido Chamber of Commerce were therefore stimulated to provide professional programs, HR workshops and policy assistance suits to the needs of small and medium enterprises in this area. Mostly, businesses in Partido Area were urged to shift from compliance driven towards human resources that could concurrently support staff well-being, strengthen business competitiveness and provide the firms with progress in Partido Area.

### **The Effective Management Practices of the Respondents**

This section presents the results and findings gathered related to the effective management practices of the respondents along: Productivity and Profitability of their business. The data collected from selected small businesses, owners or managers in Partido Area are analyzed to determine the extent to which management practices are being observe, and how these practices contribute to or constraints their overall business performance. In addition, provided analyzations understand how these firms can transition from mere survival towards long-term business progress. The following table reveals the detailed results and findings, measured to reflect respondents' effective management competencies and their actions direct on business success in Partido Area.

*Table 7. Effective Management Practices of Small Enterprises in Partido Area along Productivity*

A. Productivity Indicators	Mean	Descriptive Rating
Ensure quality service to customer.	3.33	Partially Effective
Conduct training and seminars for staff.	2.50	Partially Effective
Offer new products and services.	2.50	Partially Effective
Reach new prospect customers.	2.50	Partially Effective
Monitor and compete competitors to stay on top.	1.67	Less Effective
Avoid out of stock of products.	2.50	Partially Effective
Remain competitive in the market.	2.92	Partially Effective
Have dedicated system to easily check sales.	2.50	Partially Effective
Always maintain safe and secure our store.	4.17	Effective
<b>Σ Mean</b>	<b>2.73</b>	<b>Partially Effective</b>

*Rating scale: (5) 4.50-5.00 - Highly Effective (4) 3.50-4.49 - Effective (3) 2.50-3.49 Partially Effective (2) 1.50-2.49 - Less effective (1) 1.00-1.49 - Not effective*

Table 7 shows the overall results on effective management practices along productivity and small business in Partido Area, obtained overall mean (2.73) which is interpreted as " Partially Effective". The findings suggested that while small business in this local area have proved some level of awareness with regards on enhancement on productivity strategies, the systematic and constant applications of these practices maintain significantly unperformed across in the given indicators. Among indicators assessed, maintain safety and securing the shop record the high results with (4.17) or "Effective".

The result indicated that business owners place strong on the physical security and safety of their business premises as one of the foundations of operations priorities which directly protect their assets, staff and the customers. The relatively high conformity of these results reflected an oriented mindset among local entrepreneurs, likely to enforce the basic requirements and the essential of protecting business property in a competitive market environment.

The second highest indicator was respondent want to ensure the quality standard offered to customer, obtained a mean (3.33) with descriptive rating "Partially effective". This suggests that while managers provide customer service quality as recognized in the productivity results, its implementation was inconsistent and not fully established as high standards operating practices in various enterprises in Partido Area. Similarly, maintaining competitiveness in the market (2.92) indicates that respondents are moderately aware of competitive positions and insufficient strategic practice to attain connections in the market.

Meanwhile, conducting training and seminars for their staff, provides new products and services, achieved high number of customers, minimized stockouts of products, and with dedicated systems to easily check their sales all obtained with a mean of (2.50) "Partially Effective". The consistent score across these dimensions was particularly revealed as it pointed on the pattern systematically or engagement level rather than deliberately.

The absence of single staff training has comprised human capital development, the failure of maintaining offer new service or products which fall into limited market adaptability; and the limited sales tracking prevents data in decision making, all of which were vital components of sustaining productivity of the business. Meanwhile, most of alarming findings were monitored with their competitors to maintain on top in the market (1.67) or "Less Effective". The findings reveal an imperative spot among small enterprises in Partido Area.

This gap basically restrained the capacity of enterprises to change from reactive to proactive approach. These aggregate findings strongly support by Schindehutte et.al (2020), who asserted that business firms have formal documented plan with performance monitoring was primary characterizing factors both high performance and underperforming businesses. The results from the data gathered reflected exactly the absence of such formal planning more in productivity indicators suspended within "Partially Effective", suggesting that business activities were determined by insight and routine rather than organized performance.

Table 8. Effective Management Practices of Small Enterprises in Partido Area along Profitability

B. Profitability Indicators	Mean	Descriptive Rating
Keep and maintain high profit.	1.67	Less Effective
Enough goods/products offered in the market.	2.08	Less Effective
Expand sales through online marketing platform.	2.08	Less Effective
Create community activities to attract more buyers.	2.50	Partially Effective
Have system to easily transact sales.	2.50	Partially Effective
Keep our profit high while cost low.	3.33	Partially Effective
Comply with all local and national regulations.	2.92	Partially Effective
Build strong link to suppliers for better prices of goods.	2.50	Partially Effective
Reinvest portion of cash for expansion.	1.67	Less Effective
$\Sigma$ Mean	2.36	Less Effective

*Rating scale: (5) 4.50-5.00 - Highly Effective (4) 3.50-4.49 – Effective (3) 2.50-3.49 Partially Effective (2) 1.50-2.49 - Less effective (1) 1.00-1.49 - Not effective*

Table 8 presents the profitability practices of small enterprises in Partido Area with an overall mean of (2.36), with descriptive rating of “Less Effective”; this indicated a lack of growth capability among local

enterprises to generate, sustain, and reinvest cash returns. The general rating was the smallest among all management practices examined in this study, emphasizing immediate need for financial planning strategies that proceeded further daily operational survival. Amidst nine given indicators evaluated maintain high profit while low cost gained highest mean results with (3.33) with descriptive rating “Partially Effective”, this suggests that while business managers implement basic understanding of cost profit practices, their capacity to adopt strategies maintained inconsistent rather than evidence based. Following with obeying all local and national regulations with (2.92) “Partially Effective”, reflects a moderate level of regulatory compliance as results with consistent with the previous findings in human resource management that legal compliance cultivated to be more visible than practices among small businesses in this area.

In contrast, the data exposed alarming insufficiency in more strategic measurements of profitability practices. Keeping and maintaining high income and investing portion of profits for business scaling both scored (1.67) with descriptive rating “Less Effective”, this stands for two most crucial parts in the business profile along profitability. The incompetence to keep consistent profit health of the business indicated the deficiency of formal profit strategies, monitoring and minimal tools used. More substantially, the lack of investing behavior was notably concerning, as capital reinvest was broadly acknowledged as the primary process which small business shifted to business growth. Similarly, sufficient goods/product to market and expand sales through online marketing online both (2.08) with “Less Effective”, this reveals substantially risk in inventory management and technology market growth.

The minimal results on using online platforms were specifically notable given the supported shift of consumers purchasing characteristics towards digital channels in the post-pandemic. Meanwhile, provide community activities to attract more clients / customers, having system to easily monitors sales, build strong connections to suppliers for better product cost all scored (2.50) “Partially Effective”. This reflects the design of engagement with customers strategies, and transactional system. While these results suggested to understand the importance, the lack of stability and formal implementations limited their input to overall outcomes.

The findings on this study collectively pointed to structural deficiency, small enterprises operate without techniques that combine cost management, generated income, effective relationship and digital expansions. This examination was directly supported by Garcia et.al, 2021, who highlighted African business enterprises shows that Entrepreneurial Orientations (EO) has significantly enhance not only the profits but also non-financial practices outcomes such effective business operation and customers satisfactions, confirming the vital of strategically initiative.

The outcome was clear: Profitability was not just financial results but a representation of the business strategic orientations and capability to adapt to decision making. Small Enterprises in this area maintain instant operators responsibly the financial without profit planning, technological connections and reinvesting portions of profits for expansions remained limited in their ability to attain sustainable financial growth.

### **Barriers Faced by Small Enterprises**

This section aims to identify and evaluate what internal and external hindrances that hold business growth and effective operational practices among small enterprises in Partido Area. By gathering such important information and data from respondents, the study seeks to give a thorough understanding of why certain businesses face conflict to reach their maximum capacity despite obtainable local resources and government support. The current objectives are classified and rank the barriers based on their direct effect on their business productivity (the efficiency results) and profitability (achieving high income return) of small enterprises in Partido Area.

Table 9. *Barriers Faced by Small Enterprises in Partido Area along Productivity*

A. Productivity Indicators	F	%
Faced poor infrastructures.	36	17
Faced difficulty on selecting best people.	25	12
Don't have sufficient funds for digital ads.	28	13
Faced hard to pay high taxes etc.	37	18
Experience rising inflations and costs of goods.	37	18
Struggle to access any government support.	27	13
Limited access to suppliers.	32	15
Have limited resources to fulfill customer's demand.	34	16
Prone to disturbances like: Typhoons, flood etc.	35	17
Failed to plan for business expansions.	28	13

The data presented in Table 9 revealed the barriers encountered by small enterprises in Partido Area. The challenges were under process, financial and managerial aspect collectively restraints the productivity ability and long-term viability of local businesses. Two of highest rankings problems faced by entrepreneurs is paying high taxes and experience increasing inflations of costs of goods both results (37, 18%), indicating that business compelled pressured that most prevalent and instant business productivity risk in this local area. The burden of paying high taxes and raising inflations rate was critical for businesses operating on minimal income return. When a substantial allocation of revenue was absorbed by tax allocable and by increasing costs, businesses were left with reduced capital for investing toward business improvements and expansions.

The results supported by Garcia et.al, 2021, emphasized that small enterprises with minimal business orientation and adaptive effective financial practices are exposed to difficulties, as their limited financial aspects that prevented them from facing high cost without yielding operational successions. For small enterprises in Partido Area, this interpreted into a systematic failure to strategies beyond urgent survival, thereby suppressing long-term growth productivity. Implies a very close, poor business infrastructure identified (36, 17%) and experiencing natural disturbance such as typhoons and floods reported (3, 17%), these indicators highlighted the situational and environmental risks of enterprises in Partido Area, this region is vulnerable to extreme weather conditions. Poor roads and prone to flood directly hindered business operations. Limited resources to fulfill customer demands with (34, 36%), were minimal access to suppliers (32, 15%), this was structurally interconnected, when business enterprises could not secure trusted suppliers, they were restraints in their capability to stay adequate inventory levels, achieve customers order and level of operations in response to consumer's needs.

The study conducted by Muriithi et.al, (2021), argued that human capital insufficiency and material limitations were among of the most threats for firms' productivity, especially in emerging market where foundations are underdeveloped. The implications were clear: business could not create credible sources would constantly underperform their productive progress, nevertheless of the quality of their business practices.

Insufficient funds for digital marketing and failed to plan for business expand opportunities (28, 13%), meanwhile, struggling to access support from government (27, 13%), these indicators collectively point a critical deficiency in strategic and digital capability among businesses in Partido Area. The failure to commit to business planning for expansions further reflects responsive rather than anticipatory business orientations, suggests that few enterprises maintained trapped in short-term operation without an effective pathway into sustainable growth. The low results of accessing support given by government whether due

to lack of awareness, applications procedure and inaccessibility, furthermore firms resources that could prompt productivity improvements.

Challenge of selecting best people (25, 12%), and difficulty in talent recruitment reflected the absence of recruitment procedures and competitive compensations arrangements capable of attracting effective and skilled people to small business sectors. Muriithi et.al (2021) emphasized human capital was a basic interventions plan for business productivity; without access to skilled and motivated personnel, small business firms could not efficiently execute enhancements in any other business operational area. This strengthened the arguments that manpower service quality was not simply a subsidiary concern but a primary factors of small enterprises productivity.

The consequences of these findings have huge impact on businesses and local policy makers. For small enterprises, that data strongly assisted with the need for human capital improvements program that provide to small enterprises managers-owners and staff with an effective skills and abilities to achieve financial practices, adapt digitalization and conduct strategically for business growth. This aligned on the study by Muriithi et.al, 2021, were targeted human capital development strategies impacted productivity particularly on resource limitations market condition, small enterprises allocated in labor capacity even gradual were better positioned to economic difficulty, improve resources and maintain competitive overtime.

At the management leadership level, the results emphasized the importance of ethical, transparency and business oriented. The existence of various challenges which include tax burdens, government mandates and limited support access from government suggested that few small enterprises operate without consistent compliance and government methods. As Treviño et.al, 2024 argued mandatory of ethical leadership and compliance applications were vital for the long-term integrity of small enterprises, as they give the basic structural for reliable decisions making, regulatory and reliable partners. For small enterprises in Partido Area, modify formalized ethical leadership practices would not only lessen its damage results but also boost business credibility, enhance access to government and increase culture awareness that sustained on productivity growth.

Table 10. *Barriers Faced by Small Enterprises in Partido Area along Profitability*

B. Profitability Indicators	F	%
Struggle in managing cash on hand.	40	19
Lack of funds for marketing and digital ads.	32	15
Rising cost of electricity and other bills.	37	18
High taxes for our whole operations.	37	18
Hard to attain high profit high cost of goods.	34	16
Low clear information about customer satisfactions.	26	12
Less discount due to minimal orders.	26	12
High debt from customers.	30	14
Experience unexpected expenses.	31	15
High-interest loans from banks.	26	13

The results presented in Table 10 revealed the financial barriers faced by small enterprises in Partido Area. The problems identified along with cash management, operational cost, business access limitations and credit difficulties, merging into barriers to maintained profitability towards long-term business development. The most cited barriers were struggling in handling cash on hand (40, 19%), creating highest rank among challenges in small enterprises' profitability in this category.

These findings were highly significant, as cash flow was regarded as the lifeblood of small enterprises' operations. Followed by rising costs of utility bills and high taxes (37, 18%), jointly ranking as the second most common profitability challenge. The two indicators reflected the cost burden faced by small firms which affect their operations profit returns. Unlike big businesses that could absorb utility cost increases through economic scale or tax improvements strategies, small enterprises in Partido Area had limited ability to offset these increasing costs. Hard to sustain high revenue, due to high cost of products (34, 16%) underscore the ongoing challenges of price pressures experienced by businesses.

Meanwhile, when the product costs and raw products surpassed the small enterprise's ability to adjust selling prices, profits became tighter. This indicator was close to supplier access challenge determined in the productivity section. High debt from consumers was (30, 14%), reflects informal credit plan within local business transactions. Unexpected expenses were mentioned by respondents (31, 15%), while lack of funds for marketing and digital marketing resulted (32, 15%). Lack of funds reserved small enterprises into responsive financial management, this address emergency plan for business, while insufficient budget for marketing to expand customers relations and increase income return. With these challenges, small enterprises caught into sequence of operations without meaningful growth.

The lowest ranked indicators had less transparency on customer satisfactions information and with minimal discount on less product orders both (26, 12%), and high interest loans from banks (26, 13%) stated less frequently, results carried considerably strategic results. Findings on limited customer satisfaction lacked small enterprises with usable information needed to improve service quality and retain buyers. The inability to negotiate discounts due to low order returned with disadvantages that characterized small enterprises, while high percent interest borrowed cost additional limitations to financial growth needed for capital expansions and investment.

These findings matched in the study conducted by Garcia (2021) that small enterprises showing entrepreneurial orientations (EO) substantially enhance not just their financial practices but also their non-financial extent, such as business excellency and customer satisfaction. The study of African business confirmed that the strategic approach generated value beyond only profit, a results directly relevant in small enterprises in Partido Area, where profit difficulties were not isolated financial barriers but a foundational issue than a minor shortfall. The findings are vital both to small enterprises and policy makers. In the business sector, small enterprises in this area were urgently modified to have structured financial system, which includes basic monitoring cash in and out transactions.

### **Strategic Measures of the Respondents**

In this section, Table 11-12 shows the strategic measures conducted by small enterprises owner-manager in Partido Area to maintain and improve their productivity and profitability impacted their overall performance. The data indicated the extent to which small enterprises actively implement the strategy as responses to enterprises challenges identified in previous sections. Each strategic measure is situated on the frequency and stability of its applications among the respondents surveyed. Moreover, the results serve as basis for understanding which are most commonly conduct by small enterprises in this area, thereby offered a foundation for target interventions and recommendations intended to strengthen small enterprises towards long-term competitiveness in the market.

Table 11. *Strategic Measures by Small Enterprises in Partido Area along Productivity*

A. Productivity Indicators	F	%
Provides training for staff productivity.	39	19
Implement customer referral strategy.	32	15
Conduct community activities.	25	12
Build strong relationships with customers.	36	17

Adopt new technology for business.	27	13
Sustain high level customer service offered.	33	16

Presented in Table 11 the strategic measures adopted by small enterprises to maintain and improve their productivity capability. The results reflected an average level of strategic strategy with human capital and customer engagement, getting stronger observance than technology concerns and activity of their community practices. The most adopted productivity strategy was offering training for their staff improvements (39, 19%). These results show the significant part of small enterprises recognized the important role of employees' development towards high performance.

Following creating strong connections with their customers (36, 17%) and sustaining quality service to their customers identified (33, 16%), strengthen the service offered as productivity measure among enterprises in this local area. Taking besides the customer relationship indicators, these results suggested small enterprises in this area secured their productivity strategies profoundly with effective customer performance. Moreover, implementing referral strategy (32, 15%) showing moderate results on network marketing to enhance customer reach.

In contract, using digital technology (27, 13%) and performing community activities recorded with low frequency (25, 12%). The two indicators presented the least ranked prioritized strategy practices among small enterprises, directing them to underdeveloped local areas of productivity development. The least technological results were particularly notably provided by the increasing functions of digital tools in business operations, managing transactions and effective communications to prospect buyers.

Likewise, the limited community service practices a missed opportunity to develop business presence and social relationships. As Duran et.al, 2023 emphasized, the CEOs entrepreneurial orientations were important indicators of a business capability to produce and implement successful innovations, without intentional strategic positions adapt technological aspect and community innovations, small enterprises risked limiting their productive potential growth of business.

Table 12. *Strategic Measures by Small Enterprises in Partido Area along Profitability*

B. Profitability Indicators	F	%
Provide affordable prices to customers.	38	20
Give freebies and discounts.	27	13
Minimized credit transactions from customer.	32	15
Set "quota" to ensure earnings.	36	17
Adopt "cost cutting" to attain more profits.	33	14
Income remains high and stable.	26	13

Illustrated in Table 12 are the profitability measures adopted by small enterprises. The findings showed that small enterprises are owner-managers in terms of pricing and profit strategy as one of their primary tools for sustaining their financial performance. Majority of respondents reported was providing affordable prices to customers (38, 20%). These results have made the cost conscious to local consumers in this area, sustains strategy for customers especially regarding the relevant retail and services where competitive pricing frequently identify support over brand positioning. Setting "quota" to secure income with (36, 17%), demonstrating significant portion of small enterprises employed minimum sales target as to maintain financial stability. This strategy reflects an awareness among local business of the important to create earnings, more especially in enterprises where daily profits fluctuated noticeably due to seasonal demand, weather disruptions and irregular customers given in Partido Area.

Implementing “cost cutting” to achieve more profits (33, 14%), suggesting that expense management was acknowledged as corresponding profitability revenue generation, a strategy implemented such as minimize expenses, limit spending and negotiate supplier. Meanwhile, minimizing credit transactions from customers (32, 15%), which reflects efforts among businesses to lessen financial risks connected with uncollected receivables. In many small enterprises in this area, the practice of widening informal credit practices or also known as “utang” was profoundly rooted in social conventions, which makes difficult to decline to avoid damaging customer relations. The moderate adaptation of these practices proposed that while certain small enterprises were started to implement stricter cash transaction policy, multiple small firms navigate the pressure both the financial prudence and community responsibility.

On the other hand, providing freebies and discounts (27, 13%) and maintaining high and stable income (26, 13%) recorded low results. Limited applications for promotional incentives were many small enterprises who lacked financial capacity to take the cost of discounts or giveaways as to maintain marketing strategy. Collectively, the results highlighted that profitability among small enterprises maintained informal.

This aligned with the study conducted by (Naranjo-Gil et.al, 2020), emphasized the vital analytical in assessing financial tools and enhancing financial performance and business sustainability providing the informational foundation that needed by small entrepreneurs to shift beyond reactive cost practices into effective planning. These implications to small enterprises are clear, that they need to be equipped not just the basis cost pricing strategy, but also the attainable financial management procedure that allowed enterprises to track their performance, foresee risk, ultimately make effective decisions towards long-term business progress.

## CONCLUSION

Examined in this study are the management practices, effective management performance, barriers faced and strategic measures implied by 48 small businesses in Partido Area, Camarines Sur. All participants in this study were classified as small enterprises operate as sole proprietors with business capital range from P3,000,000 to P15,000,000 pesos. Nearly half of them (46%) operate for 1 to 5 years, while (21%) sustained their business for more than 15years operations, majority (63%) were engaged in retail/wholesale while remaining percents fall into service sector. In connection with their current business practices, the results revealed that human resource management noted the strongest observance with (96%) of respondents maintain the safety, healthy and better workplace environments. Operational Management correspondingly reflected to customer focused (88%), offered high quality service to client, adopting modern options and recording UpToDate transactions with (85%), however, (58%) separate personal and business expenses, indicated a significant gap in formal financial standing. Moreover, Marketing practices demonstrate the weakest part of strategies' structure, as only (42%) utilized ecommerce platforms like Shopee and Lazada to expand more sales. With regards to the effective management practices along productivity with the mean of (2.73) interpreted as "Partially Effective", suggesting that while basic operational safety was well-observed (4.17), competitive monitoring maintains critical underdeveloped (1.67). The composite profitability of (2.36) was rated "Less Effective", with the lowest results recorded for maintaining high business income and expanding business opportunities both (1.67). Indicating a structuring inability among local businesses to maintain and grow their financial performance to further their day-to-day survival.

While the barriers faced by the respondents further strengthen these weaknesses. Among productivity challenges, rising inflations rate and high taxes both results of (18%) and poor business structures (17%) were the most frequently sited constraints. In terms of profitability, difficulties in managing cash (19%), rising utility costs (18%) and high operations taxes (18%) collectively dominated, confirming the macroeconomic pressures and confined financial safeguards were primary threats to

business sustainability in Partido Area. In response to these challenges, the strategic measures adopted by entrepreneurs were hugely reactive and informal. The most often stated productivity strategies were providing staff trainings (19%), was then followed by building strong customer relations (17%), while community engagement activities recorded lowest adaptations (12%). For Profitability, offer affordable amount of product price to customer (20%) and setting sales quotas (17%) were the leading strategies, while income stabilizations and incentive approach remained underutilized. Those collected results indicated that strategic planning among small business scale in Partido Area was still in an early and largely intuitive stage, with limited integrations for formal financial, digitalization's and growth mindset system.

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