Readiness of Micro-Enterprises from 4th and 5th Class Municipalities of Nueva Vizcaya in Adapting Balanced Scorecard

Joseph Andrews P. Agpaoa, Jestoni B. Mariano, Krizel Mae C. Pacheco, Reishelyn Anne G. Surco, Krisha Mae A. Ubaldo, John Lindy R. Soriano, CPA

Saint Mary's University, Bayombong, Nueva Vizcaya, Philippines

ABSTRACT

Performance measure is important in a company's strategic planning and business operation, and one usually used performances assessor is the balanced scorecard (BSC) by Kaplan and Norton. Adaption of BSC is common among large and medium enterprises, but rare in micro-enterprises. This study quantitatively assessed the readiness of micro-enterprises in 4th and 5th class municipalities in Nueva Vizcaya in adapting BSC using the four perspectives: financial, customer, internal business process, and learning and growth, and their relationship among profile categories: initial capitalization, number of employees, years of business operation, and average annual sales. Snowball sampling was used to select 100-Department of Trade in Industry (DTI) accredited businesses in Ambaguio, Diadi, Quezon and Villaverde who were given survey questionnaires to accomplish. The study finds out that profile of respondents in terms of initial capitalization, number of employees, years of business operation, and average annual sales. The study revealed that micro-enterprises are most ready to adopt BSC based on financial perspective. Moreover, there is a moderately significant relationship in terms of initial capitalization and average annual sales and their readiness in adapting BSC, nonetheless, there is no indicator of connection in number of employees and longevity. Recommendations were crafted for business owners, future researchers and faculty for the use of the results and revisions of this study.

Keywords: Assessment, Evaluation, Industries, Performance Measure, Perspective

INTRODUCTION

Rationale

Businesses of various sizes and in a variety of industries are thriving globally. Whether small or big scale, companies, partnerships, sole proprietorships, or cooperatives, and whether they work in manufacturing, services, or commerce, each organization develops unique strategies to become the best in its industry. Nevertheless, despite their differences, they are all united by one important aspect, that is, assessment, which makes it possible to examine transactions and processes in great detail. By using this technique, firms may steer toward sustainable development and profitability.

Weber (2022) explains that assessment is important in an enterprise because there are many internal factors that affect business growth such as strategic plans, managerial decisions, and operational activities and external ones such as economic fluctuation, new competitors, new market trends and more. In addition, Nagel (n.d.) emphasized that business assessment can help identify business growth and development. This creates clarity, helps stakeholders to learn and plan, promotes strategic use of time, identifies strengths and weaknesses, and provides foundation for a smart business decision. Moreover, business must not be

evaluated solely quantitatively, but also qualitatively because adding qualitative data reinforces quantitative information to come up with the best strategic plan that can be applied for their next operation.

Meanwhile, Bartlett and O'Connell (2022) conducted a case study on strategy execution of Jollibee food corporation, a fast-food business, that originated here in the Philippines and currently expanding worldwide. Using the balanced scorecard by Kaplan and Norton as performance measure, they found out that the biggest advantage of this approach is the international expansion which provides executives a framework that they can use to develop a holistic strategy.

Moreover, this allows managers to look at the business from four different perspectives. Additionally, non-financial metrics provide a good framework which includes not only the efforts on overall strategy, but also strategies on how to communicate these efforts for overall strategy towards success.

Carpi et. al. (2017) reiterated that effective performance management is essential in any business, whether global, national or local. This aids in achieving the strategic goals of the systems, workers, and resources. Additionally, it gives managers early notice of possible issues so they may decide when and how to make adjustments.

Micro-Enterprises

Among the businesses where effective performance management is crucial are micro-businesses. Micro-enterprises play an important role in trade and industry, especially in smaller districts and local communities such as barangays and even in rural-remote areas. The Department of Trade and Industry (DTI) identifies these kinds of businesses as small operating businesses, mostly a sole proprietor and has fewer than ten employees. According to the Magna Carta for Micro, Small and Medium Enterprises or Republic Act 6977, as amended by R.A. 8289 in the year 1997 and again, amended by R.A. 9501 in year 2008, in the Philippines, business is considered micro when its assets are P3 million and below. As of 2021, the DTI reported that micro-enterprises comprise 90.54% of the whole businesses here in the Philippines with approximately 978,612 of them. Examples of these are sari-sari stores, mini- grocery stores, loading businesses, carinderia businesses, vegetable and fruit stands, rice farming and production, and others.

In her editorial, Bolido (2020) wrote about the big impact of micro, small, and medium enterprises (MSMEs). She emphasized that these are the backbone of the country's economy covering 99.52% of the whole business industry as of 2018. Moreover, in an interview, DTI stated that the MSME sector contributed 35.7 percent of the total manufacturing, contributing a share of 6.87%, which is about 6.21% from the micro- enterprises sector alone. Reyes (2021) also reported that this sector provided 1.58 million jobs or 29.38% out of 5.38 million jobs in the country. MSMEs contributed 35.7% in overall economic value in the Philippines, which is 32.3% of this from micro- enterprises but this is relatively low compared to the country's neighboring countries such as Indonesia, Vietnam, and Thailand with 53.28%, 39%, and 37.8% respectively.

In spite of this, micro-enterprises in the Philippines face a lot of dilemmas from starting up their business to management. Rapisura (2019) listed some internal and external challenges in this sector. First, is from establishing their business, where their capital is funded by micro-creditors, defined by Hayes (2020) as financial institutions that provide an extremely small amount of loan with low-interest to fund self-employed individuals who desire to create a small business. Also, as reported, micro- enterprises are dependent on micro-lenders and loan sharks which impose 20% interest such as the well-known 5/6 lenders. Another one is the managerial skills of the entrepreneur and the inadequate technical skills of workers. This includes technological awareness and using these tools to boost their business efficiently, such as using e-commerce.

Another is knowledge in financial management (Strutner, 2022) in which one enterprise must be technical and strategic in aiming profit maximization, tracking liquidity and cash flow, ensuring compliance, and developing financial scenarios. Another challenge is the interrelationship management between the government for the legality, creditors and customers for external affairs, and employees for internal concerns. This includes awareness of legal and financial obligations, meeting up the needs and demands of the customers, and taking care of employees. In 2019, the World Bank's Ease of Doing Report ranked the Philippines 124th out of 190 countries in this aspect.

4th and 5th Class Municipalities

Many of the MSMEs are spread across the various municipalities in the country. In relation to this, municipalities and cities in the Philippines are classified according to their income averaged over the past 3 years. Based on the National Statistical Coordination Board (NSCB), these are the sixth qualifications and classes among municipalities within the country:

Table 1. Average Annual Income of Municipalities

Class	Average Annual Income
First	₱55 million or more
Second	₱45 million or more but not less than ₱55 million
Third	₱35 million or more but not less than ₱45 million
Fourth	₱25 million or more but not less than ₱35 million
Fifth	₱15 million or more but not less than ₱25 million
Sixth	₱15 million and Below

Aside from the annual revenue, other basis for classifications includes local government unit (LGU) score, population, revenue weight and the total percentage.

To boost the economic performance of the lower-class municipalities such as entrepreneurship, livelihood, and services, considering they have limited capitalization and market, the 14th Congress passed the Republic Act 9509 of 2008 or known as the "Barangay Livelihood and Skills Act of 2008" which aims to establish livelihood and skills centers in fourth, fifth and sixth class municipalities and for other purposes. Also, it gives priority to social reform and focuses its intervention on poverty alleviation through rural empowerment; ensures the promotion of national economic development programs for more equitable distribution of opportunities, income, and wealth; enhances the quality of life of citizens through giving them knowledge and opportunity; and lastly, pursues rural development with social inclusion.

In the year 2022, the DTI and the Cities and Municipalities Competitive Index (CMCI) reported that the Province of Nueva Vizcaya has two 4th class municipalities: Diadi and Quezon, and two 5th classes: Ambaguio and Villaverde. As such, these were considered as the locale for this study.

Balanced Scorecard

Kaplan first introduced the Balanced scorecard (BSC) with David Norton, in their study which was first published in the Harvard Business Review in the year 1992 with the title, "The Balanced Scorecard Measures that Drive Performances." Their approach which included nonfinancial information aims to pool information in a single report, provide information on service and quality, addition to financial performances, and help improve efficiencies. Balanced scorecard, according to Tarver (2022), is a performance metric used in strategic management to identify and enhance different internal business

operations and the external results they provide. BSC is also used to collect vital data, like an organization's objectives, measures, initiatives, and goals.

A balanced scorecard consists of the following four basic perspectives:

1. **Financial.** This report analyzes the sales, cost of sales, and other financial activity of a business. It may include the quantitative and qualitative type of financial information and answers the question, *"What monetary objectives do we have that will affect our company?"*
2. **Customer.** This is a piece of external information, which gathers the customers' feedback on the level of satisfaction according to quality, price, and availability in case of demand. It answers the question, *"What matters to our clients, as this will influence our financial situation?"*
3. **Internal-Business Process.** It assesses how well products are being made. This is more under the operation management, which answers the question, *"What must we accomplish internally to satisfy consumer goals that may affect our financial situation?"*
4. **Learning and Growth.** Analyzed through investigation of training and knowledge resources, it focuses more on human resources such as employees and their capabilities. It answers the question, *"What abilities, cultures, and skills are necessary?"*

Oyewo et al. (2022) conducted a study entitled "The Balance Scorecard Usage and Organization Effectiveness: Evidence from Manufacturing Sector." Their study revealed that company strategy, availability of specialized talents, and affiliation with a foreign entity are the three organizational elements influencing the intensity of BSC utilization. Additionally, the necessity of financial stability and significance of customer feedback are the main factors influencing the rate of BSC adoption. The study also showed that, albeit having a minor influence, the business process component had a favorable effect.

Tawse and Tabesh (2023) conducted the efficacy of Balanced Scorecard for the past 30 years and their study show that BSC is indeed a successful strategy implementation tool in assessing the quantitative and qualitative aspect of a business

Ma. Cristina Gamer Naguit, a doctor in business administration under the Department of Management at Holy Angel University, initiated a study on 2017 about the balance scorecard practices among medium and large enterprises in the province of Pampanga and learned that BSC is a useful performance measurement tool to align the measures to the company's strategy. The study provided empirical findings on the adoption of BSC among medium and large enterprises. On the ratings, the financial perspective is the highest, followed by the customers' perspective, while learning and growth and internal business perspective are the least.

Similarly, Malagueño et al. (2018) also surveyed small and medium enterprises in Spain and they found out that firms using BSC for feedforward control obtained better financial performance and presented higher levels of exploitation innovation.

Moreover, Jolović (2020) assessed the applicability of the balanced scorecard concepts in small and medium-sized enterprises in Serbia. The result of the study shows that the implementation of the BSC concept in these businesses is possible but at the same time quite complex and demanding due to the influence of different variables. The researchers of this study suggest simplifying the number of metrics in order to be more applicable among enterprises.

In this context, this study wants to find out the performance of micro-enterprises in the 4th and 5th class municipalities of Nueva Vizcaya despite limited capitalization and market comparing to 1st to 3rd class municipalities and their readiness in adapting the Balanced scorecard (BSC) as their performance measure.

Theoretical Framework

Figure 1. The Balanced Scorecard Diagram
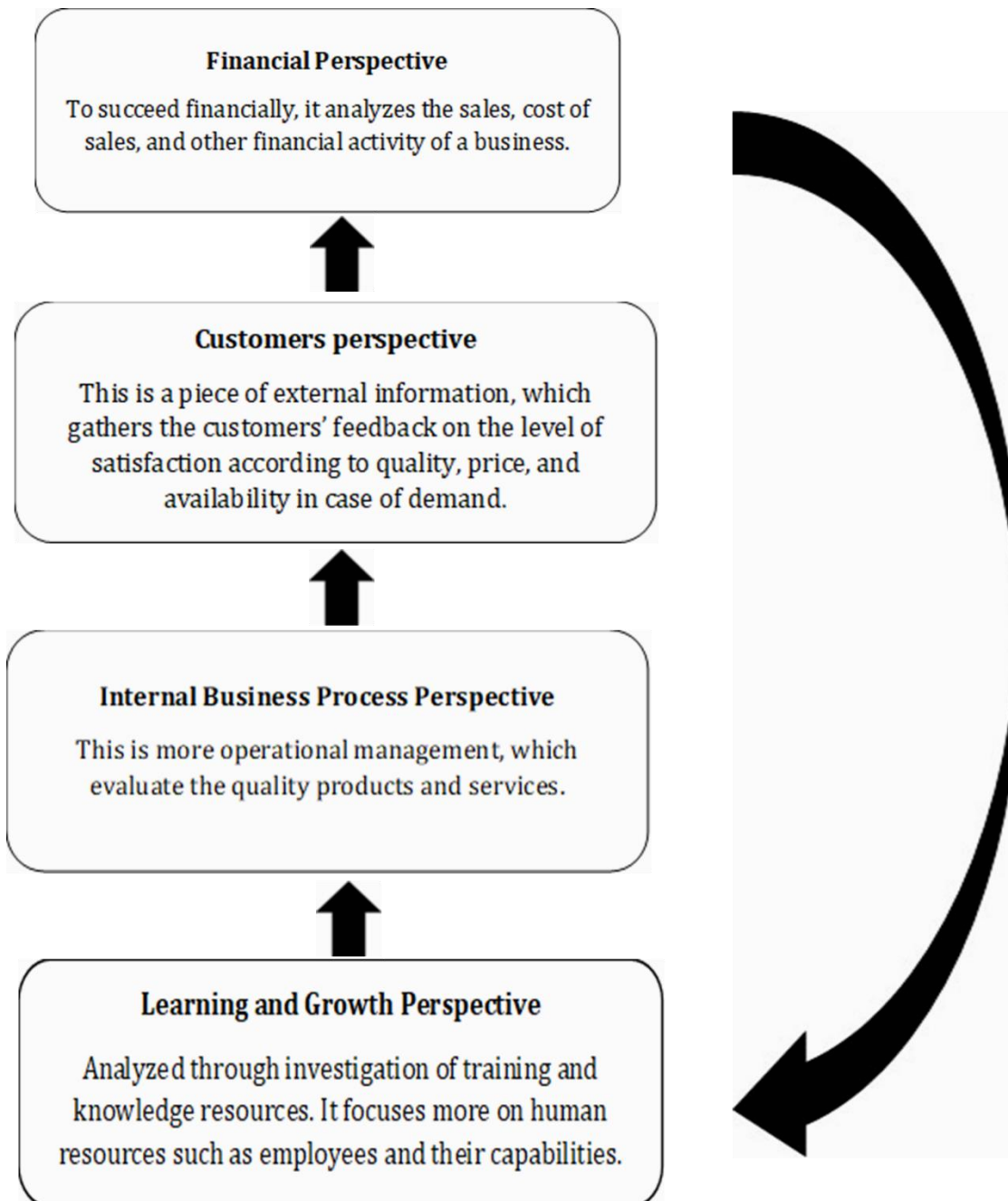
As shown in Figure 1, this study was anchored on the study of Robert Kaplan and David Norton who first introduced the concept of balanced scorecard which was first published in the Harvard Business Review in the year 1992. Their study was entitled, "The Balanced Scorecard Measures that Drive Performances," wherein they included non-financial information. The approach aims to incorporate qualitative information with financial data in a single report.

Tarver (2022) described BSC as a strategic management performance metric to identify and improve various internal business functions and their resulting external outcomes. The study of Malagueño et. al. (2018) surveyed small and medium enterprises in Spain and they found out that firms using BSC for feed-forward control obtained better financial performance and presented higher levels of exploitation innovation.

Conceptual and Analytical Framework
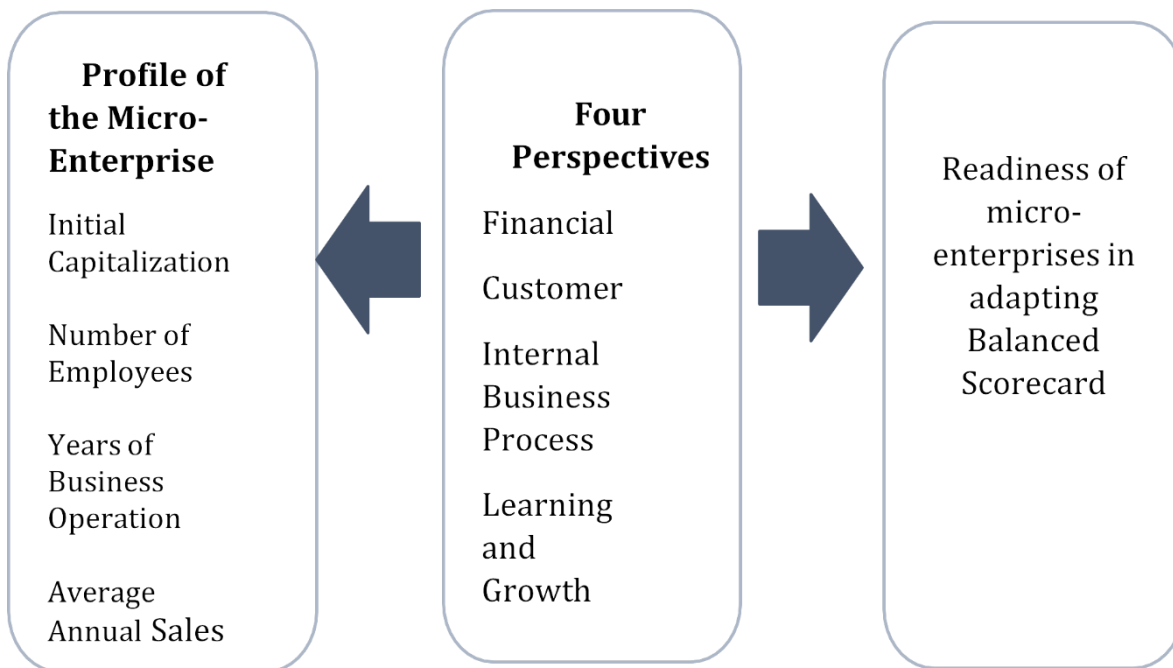
Figure 2. Research Paradigm

Figure 2 shows how the study was carried out. The profile of the micro-enterprise was identified in line with the four perspectives of the balanced scorecard namely, financial perspective, customer perspective, internal business process perspective and lastly, learning and growth perspective. These variables were used as an input in assessing the readiness of 4th and 5th-class municipalities in adapting the balanced scorecard. Subsequently, the data gathering procedure was conducted by crafting the questionnaire first and conducting a pilot test to examine the validity of each question. Then, copies of the finalized survey questionnaire were distributed among the research respondents.

Lastly, data gathered were brought to the research statistician for analysis and discussion of results. The final output of this study was used as a basis to provide better performance indicators among micro-enterprises in 4th and 5th-class municipalities in Nueva Vizcaya using the balanced scorecard.

Balanced scorecard was conceptualized by Robert Kaplan and David Norton in their study in 1992. Meanwhile, Dobrovic et al. (2018) explained the numerous perspectives of the balancing scorecard in their paper. First is **financial perspective,** and this is described as the objective of the financial perspective which is to increase the owner's sales, market share, profits, and returns. Second is **customer perspective** which concentrates on the viewpoint of the customer, which is typically measured by the rise in customer happiness, the acquisition of new clients, and the rise in client retention. Next is the **internal business process,** where the value chain, innovation, and operational processes of the business are typically used to evaluate how well the internal business processes are performing in relation to the goals connected to the processes that need to be improved to accomplish the goals established from a financial and customer perspective. And lastly, is the **learning and growth perspective,** which focuses on the objective of the company's relatedness as well as the training and expertise of its employees.

Statement of the Problem

The study aimed to assess the extent of readiness of Nueva Vizcaya's fourth and fifth-class municipalities'

micro-enterprises to adapt the balanced scorecard (BSC) as their performance indicator. The study was carried out in the first semester of the academic year 2023-2024.

This research specifically sought to answer the following queries:

1. What is the profile of the micro-enterprise in terms of
   - Initial Capitalization;
   - Number of Employees;
   - Years of Business Operation; and
   - Average Annual Sales?

2. What is the extent of readiness of micro-enterprises in the fourth and fifth-class municipalities in adapting the balanced scorecard along the following perspectives?
   - Financial
   - Customer
   - Internal Business Process
   - Learning and Growth

3. Is there a significant relationship between the profile of the micro-enterprises and their readiness to adapt the balanced scorecard (BSC)?

Statement of the Null Hypothesis

There is no significant relationship between the profile of the micro-enterprises and their readiness in adapting the balanced scorecard (BSC).

METHODOLOGY

Research Design

This study used a descriptive-quantitative type of research. Bhandari (2020) emphasizes that numerical data can be a tool to observe reliability because these will be collected in the form of figures. These are also used to identify trends and averages, formulate hypotheses, examine causality, and extrapolate findings to larger populations. Since the purpose of this study was to address questions posed by numerical data, the quantitative technique is the most suitable to use.

Research Environment

The study was carried out in fourth and fifth class municipalities of Nueva Vizcaya. As of 2022, Cities and Municipalities Competitive Index (CMCI) identified the towns of Diadi and Quezon as fourth-class municipalities, while Ambaguio and Villaverde belong to the fifth-class. According to DTI, these municipalities host one thousand seven hundred fifty-six (1,756) micro enterprises. In addition, Philippine Statistics Authority (PSA) and CMCI had listed that Diadi and Quezon have a population of 18,122 and 21,056 respectively while Ambaguio and Villaverde have a population of 15,250 and 18,507 which caused them to become a fourth and fifth class municipalities regardless of their revenue.

On June 18, 1996, Ambaguio was established as an independent municipality under the authority of the republic act. Meanwhile, the missionaries discovered Diadi around 1740 while Quezon was also established by Republic Act No. 4327, which was passed on June 18, 1991. Finally, Alejandro Vidal, a Dominican friar, founded Villaverde, a neighborhood in Solano, in 1767.

Figure 3. Map of 4th and 5th Class Municipalities

Research Respondents

The respondents of this study were the DTI-registered micro enterprises owners in the 4th and 5th-class municipalities of Ambaguio, Diadi, Quezon, and Villaverde, Nueva Vizcaya who have perspectives regarding the four parts of the balanced scorecard (financial, customer, internal, and learning and growth perspective). There were 1,756 micro enterprises owners in the population, with 100 being the average sample size for this study.

Table 2. Total Number of Micro-Enterprises in 4th and 5th Municipalities

Municipalities	No. of Micro-Enterprises
Diadi	481
Quezon	650
Ambaguio	123
Villaverde	502

The snowball sampling approach was chosen to select the respondents of the study since there were a sizable number of micro enterprises. This method considered the wide range of entrepreneurs from businesses that employ parts of a balanced scorecard. The micro enterprises that were listed were those enterprises that are DTI registered such as cafeterias, or eateries, hardware, agribusiness, agritourism, retail shop, water refilling stations, cellphone repair shops, bakeries and enterprises that offer services like vulcanizing shops, wellness spa and parlors that operate with owners and employees.

Table 3. Number of Prominent Micro-Enterprises in the Municipalities

Municipalities	Industries	No. of Industries
Diadi	Sari-sari store	85
Quezon	Sari-sari Store	290
Ambaguio	Sari-sari Store	49

Villaverde	Sari-sari store	132

Table 3 presents the number of micro enterprises in each of the four municipalities. On the other hand, Table 4 lists the number and kind of small businesses that were included in this study.

Table 4. The Number of Industries Present in the Municipalities

Municipalities	Industries	No. of Industries
Diadi	Retail Shop	6
	Agribusiness	5
	Hardware	4
	Cafeterias or Eateries	3
	Cellphone Repair shops	3
	Service business	2
	Bakeries	1
	Water Refilling Station	1
Quezon	Retail shop	7
	Agribusiness	5
	Hardware	5
	Service business	3
	Cafeterias or Eateries	2
	Water refilling station	1
	Cellphone Repair shops	1
	Bakeries	1
Ambaguio	Agribusiness	6
	Retail shop	6
	Hardware	4
	Cafeterias or Eateries	3
	Agritourism	2
	Cellphone Repair shops	2
	Bakeries	1
	Service business	1
Villaverde	Agribusiness	8
	Retail shop	6
	Hardware	3
	Cafeterias or Eateries	2
	Water refilling station	2
	Bakeries	2
	Cellphone Repair shops	1
	Service business	1

Enterprises that are not DTI registered and all enterprises that are sole operated, with no perspectives of the balanced scorecard, like sari-sari store with a total of 556, are excluded.

Research Instrument

The questionnaire was adapted and modified from a comparable study, "A Survey on the Adoption of the Balanced Scorecard by Selected Companies in Kenya" by Kiragu (2005).

There were two parts to the questionnaire. First, Section A questions were designed to provide general information about the business, such as initial capitalization, number of employees, years of business operation, and average annual sales. Second, the Section B objectives provided enterprise performance measurement. Furthermore, the questions concerning the effects of performance metrics in their firm were divided into four categories: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. A four-point Likert rating scale was used to assess respondents' opinions (where 4=always, 3=often, 2=sometimes, and 1=never).

Moreover, a reliability analysis utilizing Cronbach's alpha was employed to analyze the research instrument's reliability. The questionnaire had good internal consistency since the Cronbach's alpha was 0.82.

Data Gathering Procedure

Figure 4. Flowchart of Data Gathering
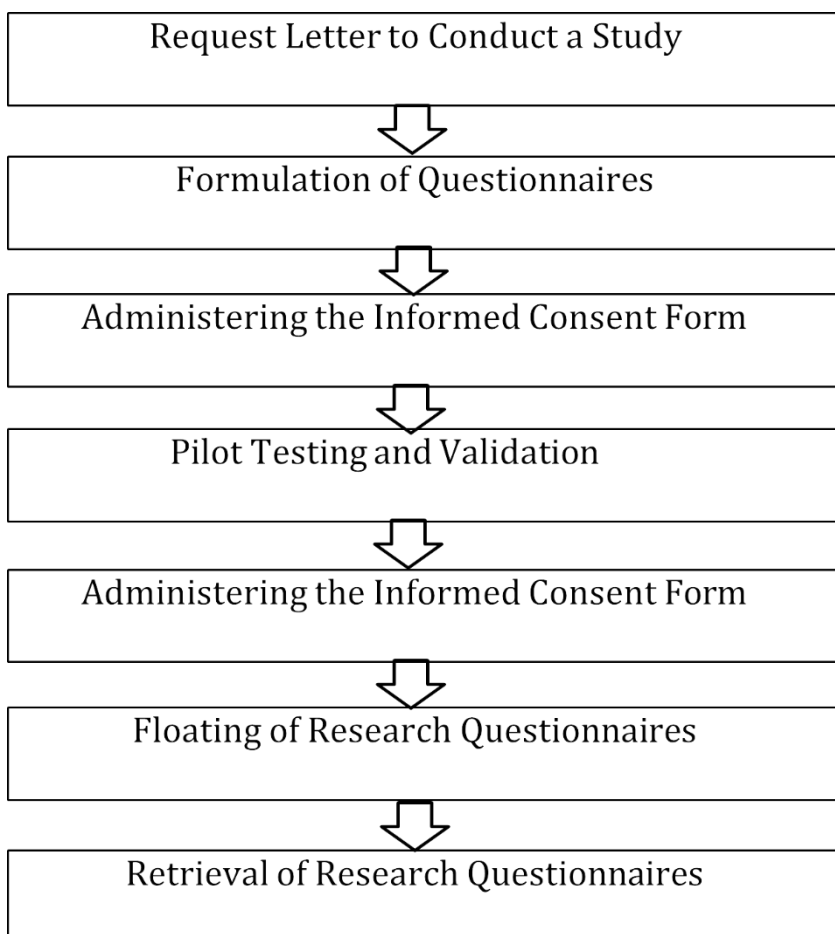
As shown in Figure 4, the researchers first prepared a letter of request to conduct the study and asked for a

list of micro-enterprise businesses from the Department of Trade and Industries located in fourth and fifth class municipalities of Nueva Vizcaya to be the respondents of the study. Then, researchers crafted a questionnaire that was validated by their research adviser. After the validation of the questionnaire, the researchers proceeded to gathering data. They administered the informed consent form to the respondents and then proceeded to the pilot testing in order to examine the validity of each question. And after that, the researchers proceeded to the URC for the validation of the questionnaire and the result of the reliability analysis showed that the questionnaire has a good internal consistency since the Cronbach's Alpha is greater than 0.80.

Subsequently, the researchers distributed again the informed consent form to the respondents from 4th and 5th class municipalities then later on the questionnaires were distributed to the selected micro-enterprises. Face to face distribution of questionnaire were implemented to ensure the accuracy and reliability of the respondents' answers. The data gathered was sent to the research statistician for statistical analysis. Then, the statistically analyzed data were interpreted by the researchers. Finally, the researchers were able to show the outcome of the study after all the data gathering procedures were fulfilled and were now ready to construct recommendations for the progress and growth of the research sample.

Treatment of Data

The statistical methods outlined below were used to evaluate and interpret the data collected from each respondent. After that, the data was compiled and encoded in a Microsoft Excel application. Additionally, the Statistical Package for Social Science (SPSS) was used to evaluate the data.

In order to answer the first statement of the problem, the researchers examined the micro-enterprise profile and employed descriptive statistics, which include frequency analysis. Whereas, descriptive mean and the standard deviation were the variables applied which helped assess the readiness of municipalities in the fourth and fifth classes in terms of the financial perspective, customer perspective, internal business process perspective, and learning and development perspective.

Table 5. Mean Rating Scale

Scale	Score Range	Mean Rating	Interpretation
4	3.50 – 4.00	Always	Very Ready
3	2.50 – 3.49	Often	Approaching Readiness
2	1.50 – 2.49	Sometimes	Developing Readiness
1	1.00 – 1.49	Never	Not Yet Ready

On the third problem, the perceived relationship between the micro-enterprise profile and preparedness to implement a balanced scorecard was demonstrated using inferential statistics the Pearson correlation coefficient was used. The Likert scale was also employed by researchers to construct measurements.

Scale parameters were used in interpreting the readiness of micro-enterprises in fourth and fifth-class municipalities to implement the balanced scorecard.

Ethical Considerations

This study was approved by the Saint Mary's University Research Ethics Board (SMUREB) at Saint Mary's University, Ponce Street, DMM, Bayombong, Nueva Vizcaya, with a cellphone number: 09177053041 and email: reb@smu.edu.ph.

This study was conducted without any conflicts of interest. The responders would not directly gain from

their involvement in the study, and there is no known danger associated with it. Nonetheless, their efforts to determine whether the microenterprises in fourth and fifth class towns in the Province of Nueva Vizcaya are prepared to adapt a balanced scorecard can be of value to business growth.

The responders were briefed through an informed consent form. Participants in question were informed about the study's significance and goal. Instead of using their names, respondents were given codes in order to protect their privacy and confidentiality. Data collected were safeguarded by making sure that all sensitive and private information were handled properly. After the study is over, all collected data would be properly disposed away.

Since the responders were the study's primary source of information, they had been chosen as participants. The project aimed to acquire data from 100 micro-enterprise owners who were willing to serve as informants. The informants might quit their involvement at any point throughout the data collection period.

Throughout the text, references to ideas and information from other writers were made using the APA citation style.

The study's intellectual property would belong exclusively with acknowledgment to each of the study's authors and to Saint Mary's University.

RESULTS AND DISCUSSION

This section deals with the findings following the gathering of data from micro-enterprises in the 4th and 5th-class municipalities of Ambaguio, Quezon, Diadi, and Villaverde. The main objective of the study is to determine the readiness of micro-enterprises in these municipalities of Nueva Vizcaya in adapting a balanced scorecard.

Section 1. Profile of the Micro-Enterprises

This section shows the profile of the micro-enterprises in terms of initial capitalization, number of employees, years of business operation, and average annual sales.

Table 6. Frequency and Percent Distribution of the Micro-Enterprise in Terms of Initial Capitalization

Initial Capitalization	Frequency	Percent
Less than 500,000	72	72.00%
500,001-1,000,000	18	18.00%
1,000,001-2,000,000	9	9.00%
2,000,001-3,000,000	1	1.00%
Total	100	100.00%

Table 6 displays the Initial capitalization of the micro-enterprise owners in the 4th and 5th-class municipalities in Nueva Vizcaya. As shown in the table, 72 out of 100 microenterprises, representing 72%, had an initial capitalization of less than 500,000. Meanwhile, 18 micro-enterprise owners had an initial capitalization of 500,001 to 1,000,000, representing 18%, and 9 micro-enterprise owners had an initial capitalization of 1,000,001 to 2,000,000, representing 9%. Lastly, 1 out of 100 micro-enterprise owners had an initial capitalization of 2,000,001 to 3,000,000, representing 1% of the total. Generally, most micro-enterprise owners in the 4th and 5th-class municipalities of Nueva Vizcaya had an initial capitalization of less than 500,000.

Moreover, most of the respondents of the researchers are under retail business, followed by agribusiness and hardware, as shown in Table 8. According to Triple I Consulting (2023), enterprises have different types through which initial capitalization will also vary. To add, starting a business in the Philippines would need an initial capitalization of Php 100,000 to Php 1,000,000.

Table 7. Summary of Industries Based on Total Research Respondents

Industries	No. of Industries
Retail shop	25
Agribusiness	24
Hardware	16
Cafeterias or Eateries	10
Cellphone Repair Shops	7
Bakeries	5
Service Business	7
Water Refilling Station	4
Agritourism	2

The Department of Trade and Industry divides MSMEs into three asset categories: micro-enterprises, with an asset value of Php 3 million or less; small enterprises, with an asset value of Php 3 million to Php 15 million; and medium enterprises, with an asset value of Php 15 million to Php 100 million.

DTI also listed the top 5 industry sectors under MSMEs in 2022 namely: 1.) wholesale and retail trade; repair of motor vehicles and motorcycles; 2.) accommodation and food service activities; 3.) manufacturing; 4.) other service activities; and 5.) financial and insurance activities.

In the study of Almeda and Pobre (2013) in twenty-nine (29) cities outside the National Capital Region, was revealed that out of 1,740 respondents under a micro-enterprise, 30% (522 respondents) started their business with a capital of less than 150,000 Php.

Table 8. Frequency and Percent Distribution of the Micro-Enterprise in Terms of Number of Employees

Number of Employees	Frequency	Percent
1	42	42.00%
2	35	35.00%
3	11	11.00%
4	5	5.00%
5	3	3.00%
6	2	2.00%
9	2	2.00%
Total	100	100.00%

Table 8 displays the number of employees of the micro-enterprise owners in the 4th and 5th-class municipalities in Nueva Vizcaya. As shown in the table, 42 out of 100 microenterprises, representing 42%, only had 1 employee. Meanwhile, 35 micro- enterprise owners had 2 employees, representing 35%, 11 micro-enterprise owners had 3 employees, representing 11%, 5 micro-enterprise owners had 4 employees, representing 5%, 3 micro-enterprise owners had 5 employees, representing 3%, 2 micro-enterprise owners

had 6 employees, representing 2%, and lastly, 2 out of 100 micro-enterprise owners had 9 employees, representing 2% of the total. Overall, the majority of micro-enterprise owners in the 4th and 5th-class municipalities of Nueva Vizcaya only had 1 employee. True to the definition set by the Philippines Statistics Authority (PSA) on MSMEs (micro, small, and medium-sized enterprises) in the Philippines as an enterprise that employs fewer than ten people, the microenterprises in this study have fewer than 10 employees.

The number of employees usually vary according to the industry of the micro-enterprise. Nonetheless, with a percentage of 32.69% of 5,607,748 jobs in the Philippines, or 1,833,172 employees, micro-enterprises accounted for the largest share of employment, according to data from the Department of Trade and Industry.

Table 9. Frequency and Percent Distribution of the Micro-Enterprise in Terms of Years of Business Operation

Years of Business Operation	Frequency	Percent
Below 3	38	38.00%
3-6	39	39.00%
6-9	7	7.00%
10 above	16	16.00%
	100	100.00%

Table 9 displays the years of business operation of the micro-enterprise owners in the 4th and 5th-class municipalities in Nueva Vizcaya. As shown in the table, 38 out of 100 micro-enterprise owners, representing 38%, had been operating their businesses for less than three years. Meanwhile, 39 micro-enterprise owners had been operating for three to six years, accounting for 39%, and 7 micro-enterprise owners had been operating their businesses for six to nine years, accounting for 7% of the total percentage. Lastly, 16 out of 100 micro-enterprise owners had operated for more than ten years, making up 16% of the total. Overall, the majority of micro-enterprise owners in the 4th and 5th class municipalities of Nueva Vizcaya had been operating for three to six years.

Similarly, the study conducted by Micabalo et al. (2022) in Lapu-Lapu City, Central Visayas found that the majority of the micro and small business enterprises mostly from merchandising and trading sector, had been operating their business for less than three (3) years. In contrast, in the study conducted by Viljoen (2018), 135 of the 162 microenterprise owners in South Africa's nine provinces had been in business for more than ten (10) years.

Table 10. Frequency and Percent Distribution of the Micro-Enterprise in Terms of Average Annual Sales

Average Annual Sales	Frequency	Percent
1,000,000 below	88	88.00%
1,000,001-2,000,000	9	9.00%
2,000,001-3,000,000	3	3.00%
	100	100.00%

Table 10 shows the average annual sales of the micro-enterprise owners in the 4th and 5th -class municipalities in Nueva Vizcaya. According to the table, 88 out of 100 microenterprise owners had average annual sales of less than one million pesos, equivalent to 88%. This was followed by 9 micro-enterprise owners who reported annual sales between one million and two million pesos, representing 9%. Lastly, 3 micro- enterprise owners had annual sales ranging from two million to three million pesos, accounting for

3%. Generally, the majority of micro-enterprise owners in the 4th and 5th -class municipalities of Nueva Vizcaya had average annual sales of less than one million pesos.

In contrast, in the Ilocos region, it was revealed in the study conducted by Parilla (2017) that the majority of the microenterprises in Laoag City, Ilocos Norte had average annual sales of PHP 150,000.00 and below, which was equivalent to 64.92% of the total percentage. Additionally, when compared to the study published by Gallo and Historiador (2022), the average annual sales of micro-enterprises and small enterprises in Negros Occidental, Philippines were approximately PHP 31,000.00. In their study, it was concluded that average annual sales volume was a key determinant in the business performance of micro and small enterprises.

Section 2. The Readiness of the Micro-Enterprises in the Fourth and fifth-Class Municipalities in Adapting the Balanced Scorecard as their Performance Indicator

This section discusses the readiness of micro-enterprises in adapting the balanced scorecard as their performance indicator based on the financial perspective, customer perspective, internal business process perspective, and learning and growth perspective.

Table 11. Descriptive Statistics on the Readiness of Fourth and Fifth-Class Municipalities Based on the Financial Perspective

Statements	Mean	Standard Deviation	Interpretation
Statement 1. How often do you compute your growth in sales or revenue?	3.55	0.69	Always
Statement 2. How often do you compute growth in operating profit?	3.44	0.76	Often
Statement 3. How often do you compute your operation expenses or costs?	3.55	0.70	Always
Statement 4. How often do you compute your Return on Investment?	3.24	0.79	Often
Statement 5. How often do you compute your growth in market share?	3.01	0.92	Often
Overall	**3.36**	**0.77**	**Approaching Readiness**
Legend: Very Ready: 3.50-4.00, Approaching Readiness: 2.50-3.49, Developing Readiness: 1.50-2.49, Not Yet Ready: 1.00-1.49			

Table 11 shows the descriptive statistics on the readiness of fourth and fifth-class municipalities based on the financial perspective. Statement 1 obtained a mean of 3.55 and the "always" interpretation implies that microenterprises frequently calculate and monitor their growth in sales and revenue. Statement 2 shows a mean of 3.44 and the "often" interpretation suggests that businesses calculate and monitor the growth in their operating profit most likely on a recurring basis such as monthly or quarterly.

Statement 3 obtained a mean of 3.55 and the "always" interpretation suggests that businesses consistently compute their operating expenses on a day-to-day or monthly basis. This practice enables them to maintain cost efficiency for them to prepare a more accurate budget planning. Statement 4 has a mean of 3.24 which means that the respondents always compute their return on investment. This practice allows business owners to evaluate the effectiveness of their investments to be able for them to achieve their expected returns. Lastly, statement 5 shows a mean of 3.01 which means that businesses from the 4th and 5th-class

municipalities often compute their market share. The financial perspective's average rating, which stands at 3.36, indicates that micro-enterprises are steadily moving toward a level of readiness where they can effectively embrace balanced scorecard as their key performance indicator.

According to Manjunatha (2022), a good financial management practice can lead to plenty of growth opportunities by lowering the cost and defaults, if any. By possessing the appropriate financial management capabilities in their business, they can unlock their full potential. Thus, by computing metrics such as growth in sales or revenue, growth in operating profit, operating expenses, return on investment, and market share, these businesses can make informed decisions, control costs, and seize growth opportunities.

Table 12. Descriptive Statistics on the Readiness of Fourth and Fifth-Class Municipalities Based on the Customer Perspective

Statements	Mean	Standard Deviation	Interpretation
Statement 1. How often do you record customer complaints?	2.88	1.13	Often
Statement 2. How often does your business prioritize customer satisfaction and meeting customer needs?	3.74	0.61	Always
Statement 3. How often do you conduct customer satisfaction surveys?	3.19	0.97	Often
Statement 4. How often do you check the entrants of new customers?	3.52	0.78	Always
Statement 5. How often do you check customer profitability?	3.61	0.75	Always
Overall	**3.39**	**0.85**	**Approaching Readiness**
Legend: Very Ready: 3.50-4.00, Approaching Readiness: 2.50-3.49, Developing Readiness: 1.50-2.49, Not Yet Ready: 1.00-1.49			

Table 12 shows the descriptive statistics on the readiness of fourth and fifth-class municipalities based on the customer perspective. The first statement obtained a mean of 2.88 resulting in an "often" interpretation that suggests that businesses from the said municipalities frequently record and track customer complaints likely on a recurring basis such as daily, weekly or monthly. Recording of customer complaints is important for them to address customer issues promptly leading them to improved customer satisfaction and loyalty. Statement 2 shows a mean of 3.74 which implies being committed to ongoing improvement to meet and exceed customer expectation.

The third statement obtained a mean of 3.61 resulting in an "always" interpretation which suggests that businesses routinely assess the profitability of individual customers. The "always" interpretation highlights the significance of continuous monitoring and assessment of customer profitability as a standard practice for businesses enabling them to maximize their financial performance and make strategic decisions based on the value each customer brings to the business. Statement 4 shows a mean of 3.19. The data implies that business owners regularly conduct customer surveys. The "often" interpretation suggests that they actively use survey results to make improvements in their products and overall operations. Also, this practice enables them to build stronger relationships with their customers. Lastly, the last statement shows a mean of 3.52 resulting in an "always" interpretation. This suggests that businesses consistently check the entrants of new customers. The "always" interpretation implies that owners place a high emphasis on verifying the identity and information of new customers.

According to Kong and Li (2018), businesses that give importance to pleasing their customers typically see greater customer loyalty, boosted sales, and enhanced profitability. They also agree saying that companies concentrating on customer satisfaction perform 80% better in revenue growth compared to their competitors.

Table 13. Descriptive Statistics on the Readiness of Fourth and Fifth-Class Municipalities Based on the Internal Business Process Perspective

Statements	Mean	Standard Deviation	Interpretation
Statement 1. How often do you check the number of spoilage in your inventory?	3.46	0.78	Often
Statement 2. How often do you use technology to boost the efficiency of your business operation?	2.71	1.10	Often
Statement 3. How often do you plan for new products and services?	3.32	0.90	Often
Statement 4. How often does your business conduct research about the market?	3.11	1.00	Often
Statement 5. How often do you identify trends for your products or services?	3.31	0.96	Often
Overall	**3.18**	**0.66**	**Approaching Readiness**
Legend: Very Ready: 3.50-4.00, Approaching Readiness: 2.50-3.49, Developing Readiness: 1.50-2.49, Not Yet Ready: 1.00-1.49			

Table 13 above shows that the five questions regarding the practices of a micro- enterprise had been often practiced by business operators from the municipalities of Ambaguio, Diadi, Villaverde, and Quezon. For the first question "*How often do you check the number of spoilage in your inventory?*", the results showed that the respondents often checked the number of spoilage in their inventory which resulted in a mean score of 3.46. The respondents also often used technology to boost the efficiency of their business operations which resulted to a mean of 2.71 as stated in statement 2. According to Statement 3 with a mean of 3.32, the micro-enterprises from 4th and 5th-class municipalities often planned for new products and services to offer. Statement 4 had a mean score of 3.11, meaning the respondents often conducted research about their market. Lastly, the fifth statement had a mean of 3.31 implying that micro-enterprise owners often identified trends for their products or services.

The overall mean resulted in an often-mean rating, which is 3.18. These results suggest that micro-enterprises were approaching readiness for them to adapt the balanced scorecard as their financial and non-financial measurement indicator.

According to a study published by Sondakh (2015), a senior lecturer at Universitas Pelita Harapan in Indonesia, operational aspects are essential for MSEs. When MSEs concentrate on their internal business process, it will lead to higher efficiency, and will result in enhancing the satisfaction of customers, and increased market share, which ultimately leads to an increase in the company's overall performance and success. This is why the more often a business operator practices the provided statements and develops a better internal business process within their enterprise, the more they are capable of attaining a better flow in their business operation as well as the inflow of income in their respective field of business.

Table 14. Descriptive Statistics on the Readiness of Fourth and Fifth-Class Municipalities Based on the Learning and Growth Perspective

Statements	Mean	Standard Deviation	Interpretation
Statement 1. How often do you check the daily performance of your employees?	3.57	0.82	Always
Statement 2. How often does your business promote employee growth and development?	3.45	0.91	Often
Statement 3. Do you check the level of skills of your employee?	3.50	0.86	Always
Statement 4. How often do you assess employee satisfaction?	3.40	0.94	Often
Statement 5. How often do you check your employee turnover rate?	2.33	1.19	Sometimes
Overall	**3.25**	**0.75**	**Approaching Readiness**
Legend: Very Ready: 3.50-4.00, Approaching Readiness: 2.50-3.49, Developing Readiness: 1.50-2.49, Not Yet Ready: 1.00-1.49			

As shown in Table 14, the question on how often do micro-enterprise owners check the performance of their employees had a mean score of 3.57 meaning owners of microenterprises always checked the daily performance of their employees. Statement 2 earned a mean of 3.45 which means businesses from the 4th and 5th-class municipalities often promoted the growth and development of their employees. The respondents always checked the level of skills of their employees which resulted with a mean score of 3.50 according to statement 3. The statement asking "*How often do you assess employee satisfaction?"*, had a mean score of 3.40 meaning that the business owners often assessed the satisfaction of their employees. Lastly, the fifth statement had a mean of 2.33 implying that the owners sometimes checked their employee turnover rate.

The overall mean rating for the perspective of learning and growth is often which had a mean score of 3.25, which implies that enterprises from 4th and 5th-class municipalities were approaching readiness for the adaptation of the balanced scorecard as their tool to measure the business performance and financial efficiency.

According to a blog written by Symonds (2023), learning and development can be attained through the evolution of a person's behavior, the exchange of knowledge and insights, and the cultivation of attitudes that improve employee performance. The author added that this perspective frequently emphasizes improving or upskilling employees so they may take on new duties or carry out their current tasks more effectively. Additionally, this helps in the acquisition, growth, utilization, and retention of the personnel's talents and attributes. She added that the more this perspective is put into practice, the more the employee contentment increases, the better the employee experience is, and the lower the turnover rate is. Thus, it is important for owners of micro-enterprises from 4th and 5th-class municipalities to often implement the correct practices under the learning and growth perspective. As such, they are more likely to build a more prosperous business with knowledgeable, highly skilled, and satisfied workers working for the enterprise.

Section 3. Significant Relationship Between the Profile of the Micro-Enterprises and their Readiness to Adapt the Balanced Scorecard

This section discusses the relationship between the profile of the micro- enterprises and their readiness to

adapt the balanced scorecard.

Table 15. Results of Pearson's r, P-value, Remarks, and Qualitative Description of the Profile of the Micro-Enterprises

	Pearson's r	p-value	Remarks
Initial Capitalization	0.331*	0.001	Significant
Number of Employees	0.189	0.060	Not Significant
Years of Business Operation	0.037	0.716	Not Significant
Average Annual Sales	0.213*	0.034	Significant

*Significant at 0.05 level.

Table 16. The Interpretation of the Pearson's r Corresponding Score Range

Pearson r	Qualitative Description
±0.80 − ±0.99	Very High Correlation
±0.60 − ±0.79	Moderately High Correlation
±0.40 − ±0.59	High Correlation
±0.20 − ±0.39	Moderately Low Correlation
±0.01 − ±0.19	Very Low Correlation

Relationship between the Initial Capitalization of the Micro-Enterprises to their Readiness in Adapting Balanced Scorecard

The data shows that there is a moderately significant relationship between the initial capitalization of the micro-enterprises to their readiness in adapting balanced scorecard with a Pearson's r rate of 0.331, at 0.001 P- value. This means that the higher the capital, the more micro-enterprises are ready to adapt the said performance measure even at slight connection. This is similar to the study of Asiaei and Jusoh (2017) entitled "Using a Robust Performance Measurement System to Illuminate Capital", which shows that companies with higher levels of capital emphasize a greater diversity of performance measures. Also, diversity and intensity of measurement mediate relationships with the company's capital and their organizational performance. However, this contradicts the study of Alarcon and Sanchez in 2013 entitled "External and Internal R&D, Capital Investment and Business Performance in the Spanish Agri-Food Industry", which resulted in an inverse relationship between profitability and the initial capitalization spent by the agri-food firms.

Table 17. The Correlation of the Profile and Readiness of the Micro-Enterprises

Profile of Micro-enterprise	1	2	3	4
1. Initial Capitalization	–			
2. No. of Employees	0.326*	–		
3. Years of Business	-0.130	0.018	–	
4. Annual Average Sales	0.540*	0.237*	0.085	–
Overall Readiness	0.331*	0.189	0.037	0.213*

*Correlation is significant at 0.05.

Relationship between the Number of Employees of the Micro-Enterprises to their Readiness in Adapting Balanced Scorecard

On the relationship between the number of employees and the readiness of the micro-enterprises to use BSC, the study shows that there is no significant relationship between the two, and it was categorized at a very low correlation with Pearson's r rate of 0.189 and P-value of 0.060. This means that there is no significant connection between whether they have a higher number of employees, and the readiness of the micro- enterprise to adapt the said performance measure. In a related study, Groen and Wouters (2012) explored why employees take the initiative to improve their performance after co-developing performance measures. The study found out that participatory development has increased employee's attitudes, perceived social pressure, and perceived capability to take initiative, and the departmental performance had improved after the performance measure. However, the study did not mention that there is a significant relationship between the number of employees, and their necessity to use performance measures.

Relationship between the Number of Business Operations of the Micro-Enterprises to their Readiness in Adapting Balanced Scorecard

The study also wants to find out the relationship between the number of years of business operations and their readiness to adapt BSC. At Pearson's r rate of 0.037 and P- value of 0.34, it was found out that there is no significant relationship between the two and it was categorized with a very low correlation. This shows that the longevity of business does not highly require micro-enterprises to use the balanced scorecard as a performance measure. Runyan (2019) conducted a study entitled *"Entrepreneurial Orientation versus Small Business Orientation: What Are Their Relationships to Firm Performance?",* which tested performance measures among businesses with entrepreneurial orientation versus small business, affects longevity. The study showed that a business with an entrepreneurial orientation significantly predicts performance in a shorter period of time while a small business predicts better performance within a longer period of time. This means that small business takes a longer time to predict better performances and this means that there is no necessity to use performance measures as to the longevity of smaller businesses, such as micro-enterprises.

Relationship between the Average Annual Sales of the Micro-Enterprises to their Readiness in Adapting Balanced Scorecard

Lastly, the study shows that there is a significant relationship between the average annual sales of the micro-enterprises with regards to their readiness to adapt balanced scorecard as performance measures. The results were listed with a Pearson's r rate of 0.213, and 0.034 p-value. This was categorized with moderately low correlation. This means that the higher the sales, the readier for micro-enterprises to use BSC as their performance measure. This is related to the research study entitled "Sales Branches Performance Evaluation: A Multiple Attribute Decision Making Approach" by Aghdaie et al. (2014) showing result that decision criteria, which is a result of a performance evaluation, influence the performance of sales. Moreover, this approach is more of a managerial approach and adding more criteria on the decision process. Therefore, micro- enterprises with higher sales are more ready to use a performance measure, which can help to sustain and even increase their sales.

CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the conclusions drawn from the findings and the corresponding recommendation.

This study was conducted with the general objective of determining the readiness of micro-enterprises in 4th

and 5th class municipalities of Nueva Vizcaya in adapting balanced scorecard.

Conclusions

The following information were reached based on the study findings:

1. The majority of the micro-enterprises from 4th and 5th-class municipalities in Nueva Vizcaya has an initial capitalization of less than P500,000 and only has 1 employee. Most of them have been operating in business for less than 3 years, and have an average annual sale of P1,000,000.
2. Micro-enterprises in Nueva Vizcaya's fourth and fifth class municipalities are approaching readiness to adapt the balanced scorecard in assessing the performance of their enterprise based on four perspectives which are: financial, customer, internal business process, and learning and growth.
3. The majority of the profile of the micro-enterprise from 4th and 5th-class municipalities of Nueva Vizcaya and their readiness in adapting the balanced scorecard have no significant relationship like the number of employees and years of business operation. However, there is a moderately significant relationship between the initial capitalization of the micro-enterprises to their readiness to adapting balanced scorecard. Thus, the higher the initial capital and average annual sales, the readier the micro-enterprise to adapt balanced scorecard as their performance measure. These two aspects both fall under the financial measures of BSC.

Recommendations

The following are the recommendations based on the findings and conclusions of the study.

- **To the Micro-enterprises.** Under financial perspective, they need to compute for the return of investment more often as well as frequently compute for the market share and record customer complaints. Moreover, they must adapt more technological innovations in their operation to execute their business work more They must also frequently check for employee turnover rate. Lastly, they must also focus not only the financial aspect but also, on non-financial perspective in order to boost their businesses holistically.
- **Department of Trade and Industry.** That may this study will help their office in identifying the strengths and weaknesses among micro-enterprises in 4th and 5th class municipalities of Nueva Vizcaya. They may use this study as their reference in conducting any related interventions, especially among enterprises for the improvement of their business, help business owners for more efficient and effective execution, especially in far-flung areas.
- **To the School of Accountancy and Business** That they may use this study as reference for lecture purposes. They may use the results of this study as recommending reference for their students who have a similar field of study. They may also correct and validate this study for further refinement and improvement for both present and future researchers. They may also recommend for their students to reconduct or adopt this study, with some variables subject-to-change or in a more concentrated manner to validate more the results and discussions, as well as to see if there are similarities or contrasts between studies.
- **To Future** That they may use this study as a reference for related topics such as assessing the efficacy of balanced scorecard, or other financial measures to the performance of the micro-enterprises, or any related field. They may adapt the concept of this study and conduct a larger sample size. They can also appoint micro-enterprises from 1st to 3rd class municipalities as their respondents in order to compare their results with this current study. They may also change some variables, such as the profile of respondents in order to come up with a more appropriate profile that can be significant for the beneficiaries. Lastly, they may also conduct a study of pre and post- comparison between business

before using performance evaluation and after performance evaluation, in order to see if there are significant differences among the two variables.

REFERENCES

1. Aghdaie, M. H., Zolfani, S. H., & Zavadskas, E. K. (2014). Sales branches performance evaluation: A multiple attribute decision making approach. In *8th International Scientific Conference "Business and Management* (pp. 1-7).
2. Alarcon, S., & Sanchez, M. (2013). External and internal R&D, capital investment and business performance in the Spanish agri-food industry. *American Journal of Agriculture Economics, 63*(3), 654-675. https://doi.org/10.1111/1477- 9552.12015.
3. Almeda, S. Z., & Baysic-Pobre, I. (2012). *Micro, small and medium enterprises (MSMEs) in the Philippines: What we know and what we don't know.* Social Science Research Network. https://doi.org/10.2139/ssrn.2316569
4. Asiaei, K., & Jusoh, R. (2017). Using a robust performance measurement system to illuminate intellectual capital. *International Journal Accounting System.* https://doi.org/10.1016/j.accinf.2017.06.003
5. Bartlett, C. A., & O'Connell J. (2022*). Jollibee food corp.: International expansion balanced scorecard analysis and solution/ MBS resources.* EMBA Pro. https://embapro.com/frontpage/balancescorecardanalysis/14896-noli-jollibee.
6. Bolido, L.B. (2020). *Small businesses big economic impact.* Inquirer.net. https://business.inquirer.net/287195/small-businesses-big-economic impact.
7. Carpi, R., Douglas, J., & Gascon, F. (2017). *Performance management: why keeping score is so important, and so hard.* McKinsey and Company. https://www.mckinsey.com/capabilities/operations/ourinsights/performance- management-why-keeping-score-is-so-important-and-so-hard.
8. Cities and Municipalities Competitiveness index. CMCI. (n.d.). https://cmci.dti.gov.ph/provprofile.php?prov=Nueva+Vizcaya&year=2022.
9. Congress of the Philippines (2008). *Magna carta for small enterprises (R.A. No. 9501).* Government of the Philippines Official Gazette. https://www.officialgazette.gov.ph/2008/05/23/republic-act-no-9501/
10. Department of Trade and Industry. (2023, October 6). MSME Statistics | Department of Trade and Industry Philippines. Department of Trade and Industry Philippines. https://www.dti.gov.ph/resources/msme-statistics/
11. Dobrovič, J., Urbański, M., Gallo, P., Benková, E., & Čabinová, V. (2018). Balanced scorecard concept as a tool of strategic management and its usage in the construction industry. *Polish Journal of Management Studies*, *18*(2), 59-72.
12. Gallo, A. C., & Historiador, V. R. (2022). financial literacy of the select micro and small enterprise owners and business performance. *Res Militaris, 12*. https://resmilitaris.net/menuscript/index.php/resmilitaris/article/download/220 3/2321/3858
13. Groen, B. A., Wouters, M.F., & Wilderom, C.P. (2012). Why do employees take more initiatives to improve their performance after co-developing performance measures?: A field study. *Management Accounting Research*. https://doi.org/10.1016/j.mar.2012.01.001
14. Jolović, I., & Jolović, N. (2020). *Assessment of applicability of the balanced scorecard concepts in small and medium-sized enterprises. Skola Biznisa,* 1,112-136.Research Gate. DOI:10.5937/skolbiz1-28253
15. Kaplan, R.S., & Norton, D.P. (1992). The balanced scorecard- measures that drive performance. *Harvard Business Review*. https://hbr.org/1992/01/the-balanced-scorecard- measures-that-drive-performance-2
16. Kiragu, D.N. (2005). A *survey on the adoption of the balanced scorecard by selected companies in Kenya.* http://erepository.uonbi.ac.ke/bitstream/handle/11295/22708/Kiragu_A%20surv

ey%20on%20the%20adoption%20of%20the%20balanced%20scorecard%20by%20selected%20companies.pdf?sequence=3

17. Kong, L. W., & Li, Y. (2018). The effect of transformational leadership on normative commitment: A study of Chinese teachers. *International Journal of Educational Management, 32*(3), 434-448. https://www.qeios.com/read/6SVWNR?fbclid=IwAR3B9NSyalDNnuWlaYtiRaIAPHj VpO6soNhn1ajYEJ7Y6jC2nBtfa2_8FWw

18. Malagueño, R., Lopez-Valeiras, E., & Conde, J.G. (2018). Balanced scorecard in SMEs: Effects on innovation and financial performance. *Small Business Economics, 51* (3). DOI:10.1007/s11187-017-9921-3

19. Manjunatha K. (2022). Financial management practices in micro business enterprises. *International Journal of Advances in Engineering and Management (IJAEM)*, 4, 349-353. https://ijaem.net/issue_dcp/Financial%20Management %20Practices%20in%20Micro%20Business%20Enterprises.pdf

20. Micabalo, K., Poliquit, W. M., Pondare, R., Idjao, J., Vilbar, M. R., Pendon, Y., & Hitutuane, Y. (2022). Analysis of the bookkeeping practices and its impacts on the growth of micro and small enterprises in Central Visayas, Philippines. *International Journal of Research in Commerce and Management Studies, 4* (6), 75-91. https://doi.org/10.38193/IJRCMS.2022.4604

21. Monitoring update: October 11, 2022. Nueva Vizcaya Philippines. (n.d.). https://nuevavizcaya.gov.ph/quezon/

22. Municipal profile |LGU villaverde. (n.d.). https://villaverdenvizcaya.gov.ph/municipal-profile/

23. Nagel, J. (n.d.) *The power of a business assessment on your business goals*. Synnovatia. https://synnovatia.com/business-coaching-bid-144513-the-power-of-a-business- assessment-on-your-business-goals/

24. Naguit, M.C. (2017). Balanced scorecard practices of medium and large enterprises in the province of Pampanga. *Recent Advances in Harmony Search Algorithm*, 5803. https://www.researchgate.net/publication/321081765_Balanced_Scorecard_practi ces_of_medium_and_large_enterprises_in_the_Province_of_Pampanga

25. Oyewo, B., Moses, O., & Erin, O. (2022). Balanced scorecard usage and organizational effectiveness: Evidence from manufacturing sector. *Measuring Business Excellence, 26*(4), 558-582. https://doi.org/10.1108/MBE-01-2021-0005

26. Parilla, E. (2017). The role of micro-businesses in the socio-economic development of Ilocos Norte, Philippines. *Journal of Business and Retail Management Research, 6*(1). https://jbrmr.com/cdn/article_file/i-14_c-118.pdf

27. Philippine Statistics Authority. (2022). *Philippine city and municipal classes*. Philippines Information. https://www.in-philippines.com/philippine-city-and-municipality- classes/

28. Philippine Commission on Women. (2022, March 11). *Micro, small and medium enterprises development sector*. https://pcw.gov.ph/micro- small-and-medium-enterprises-development/

29. Rapisura V. (2019). *Challenges microenterprises face in the Philippines*. Business, Family, Microenterprises. https://vincerapisura.com/challenges-microenterprises-face-in- the-philippines/

30. Reyes, M.A. (2021) *MSMEs are key to Philippines growth*. Philstar Global. https://www.philstar.com/business/2021/08/28/2123064/msmes-are-key- philippine-growth

31. Runyan, R. (2019). Entrepreneurial orientation versus small business orientation: What are their relationships to firm performance? *Journal of Small Business Management, 46*(4). https://doi.org/10.1111/j.1540- 627X.2008.00257.x

32. Sondakh, O. (2015). *The effect of strategic management balanced scorecard on micro enterprises' (MIEs) business performance in Surabaya – Indonesia with intellectual capital as an intervening variable.* https://www.researchgate.net/publication/302192115_The_effect_of_strategic_management_balanced _scorecard_on_Micro_Enterprises%27_MIES_business_performance_in_surabaya Indonesia_with_intellectual_capital_as_an_intervening_variable

33. Senate of the Philippines. *Barangay kabuhayan act (R.A. 9509).* Government of the Philippines

Official Gazette. https://www.officialgazette.gov.ph/2008/10/21/republic-act-no-9509/

34. Strutner, S. (2022*). Financial management explained: Scope, objectives and importance.* Oracle NetSuite. https://www.netsuite.com/portal/resource/articles/financial- management/financial-management.shtml

35. Symonds, C. (2023). *What is the role of HR in learning and development (L&D)?* https://factorialhr.com/blog/learning-and-development/

36. Tarver, E. (2023). *What is a balanced scorecard (BSC). How is it used in businesses?* Investopedia. https://www.investopedia.com/terms/b/balancedscorecard.asp

37. Tawse, A., Tabesh, P. (2023). Thirty years with the balanced scorecard: What we have learned. Business Horizon. Volume 66, Issue 1, January–February 2023, Pages 123-132. https://doi.org/10.1016/j.bushor.2022.03.005

38. Viljoen, E. (2018). *The readiness of exempted micro enterprises for digitisation.* North-West University. https://repository.nwu.ac.za/bitstream/handle/10394/ 33146/Viljoen%20E.pdf?sequence=1&isAllowed=y

39. Weber, J.L. (2022). *What is business impact analysis and why is it important? Business planning risk management.* https://www.projectmanager.com/blog/business- impact-analysis