

Financial Challenges and Coping Mechanism of Food Micro-Enterprises During Economic Recession

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Abstract—This qualitative case study examines the financial strategies of food micro-enterprises to thrive during economic recession. The study conducted during the 2024-2025 school year. This study focused on the experiences of various food micro-enterprise owners. The research explored the strategies implemented by the food micro-enterprise owners during economic recession. It explored the central question: How do the food micro-enterprises describe their experiences to cope with their financial challenges during an economic recession? The researchers were pursuing the study, a Qualitative-Case Study (QES) approach, specifically to food micro-enterprises. The sources of funds of food micro-enterprises during economic recession are personal fund, savings from business, and income from operation. Food micro-enterprises manage their cashflow by shifting of duties, agreement between suppliers on consignment for delay payments, and profit reinvestment. The financial challenges micro-enterprises encountered during recession are their sales decreased, financial struggles, and lack of manpower. Food micro-enterprises overcome the financial challenges by using coping mechanism such as consistency, consistency in product, and efficient time management. Through this, the study's findings provide beneficial insight for food micro enterprise owners or financial managers to seeking survivability of the business during an economic downturn and enhance their strategy to counter any dire situation that will impact the finances in the future.

Keywords— Economic Recession, Cash Flow Management, Food Micro-Enterprises, Financial Strategies, Coping Mechanisms, Challenges.

I. BACKGROUND OF THE STUDY

In a fast-changing, competitive business world, entrepreneurs face numerous problems. In today's economic landscape, many businesses often find themselves facing daunting challenges in sales and profits due to the recession, and different countries around the globe are witnessing its impact. Recessions are challenging times for micro businesses to become subject to the negative aspects of economic slowdown, despite having the largest population but still having the lowest contribution to the value added in the Gross Domestic Product of the country. Those Industries most affected by recessions include retail, restaurants, real estate, and manufacturing. Key factors causing recessions are lack of consumer confidence, high inflation, income inequality, poor management, tightening monetary policy, and falling asset prices (Kritikos, 2014).

Based on the report in Business Insider, economist Rosenberg (2024) predicts an 85 percent recession probability in 2024, in which the country U.K. suffers from low productivity, strict zoning laws, high regional disparities, and low infrastructure investment. This country suffered the most

recession in years, but some businesses started even in times of recession. Even in their challenging economic period, this is not a hindrance to launching their business. Still, they could use this opportunity to gain more profit and to expand their companies.

Economic recession is a significant decline in economic activities across the economy, lasting longer than a few months. It is visible in decline in industrial production, employment, real income and wholesale-retail trade (Osalar, 2016). Small and medium-sized enterprises (MSMEs) are essential for the economic development of most countries, as they drive growth and provide crucial goods and services to larger businesses. They face unique challenges, including difficulties in surviving and expanding during times of crisis and disaster. Without preparation, MSMEs are often ill-equipped to operate effectively during unexpected events such as pandemics or natural disasters, making them more vulnerable to disruption and potential collapse (Nasser, 2022).

Any unexpected crisis could jeopardise the viability of the local business units, which are frequently quite vulnerable to crises (Marjanski & Sukowski, 2021). Small business owners generally put their survival above long-term expansion. Furthermore, according to Piramanayagam et al. (2022), micro-enterprises commonly encounter diminishing demand, financial loss, high employee turnover and insufficient cash flow, an inability to meet contractual obligations, and even closure during times of crisis. But the ongoing pandemic has presented a distinct existential challenge for small businesses (Toanoglou et al., 2021). Consequently, due to COVID-19, proprietors of micro-family food businesses (MFFBs) need to think about how to enhance their operations for sustained economic viability. The financial crisis is a significant challenge that can affect the economic stability of individuals and organizations (Asy'Ari, 2024).

On the other hand, the research's goal is to learn more about the family's influences on business operations. By using this unique opportunity to look into how family roles work, specifically in Malaysia, this study will contribute to the body of knowledge on family businesses

Throughout history, numerous natural disasters and health crises have had a significant impact on small and medium-sized enterprises (MSMEs) worldwide. Examples include the devastating 1953 floods in Holland, Hurricane Katrina in 2005, the 2011 floods in Thailand, the Great East Japan Earthquake and tsunami, and Hurricane Harvey in 2017. Additionally, various pandemic outbreaks have also affected MSMEs globally, such as SARS, MERS, the 2009 H1N1

swine flu pandemic, the 2014 Ebola outbreak, Avian influenza, and the ZIKA outbreak, to name a few. (Auzzir et al., 2018; Eggers, 2020; Kim et al., 2020).

In the Philippine setting, like in other economies, there are challenges of economic recessions, which have a significant impact on its vibrant micro-enterprise sector. Due to factors such as consumer spending fluctuations, supply shortages, higher material costs, and input price inflation, production has declined, which has adversely impacted businesses in the Philippines. The relentless shocks brought by climate change-related disasters, combined with recent economic blows, including the COVID-19 pandemic and the Russia war, have plunged the country into a protracted recession, of which significant sectors are still recovering through the financial aspect (Mendoza, 2024).

Micro-enterprises serve as a vital source of income and employment for low-income individuals, allowing them to earn a living and support themselves. Additionally, they offer affordable goods and services to the public, making essential products and experiences more accessible to a broader range of people (Yesmin et. al, 2021). Micro-scale businesses play a vital role in driving local economic growth, and it is crucial for these micro-enterprises to implement robust business continuity plans to ensure their ongoing success and resilience in the market (Zaidi et al., 2022). It is thought that small businesses, such as microenterprises, are more susceptible to limitations and obstacles than more prominent firms, particularly during a crisis (Fabeil et al., 2020). The COVID-19 pandemic caused severe economic disruption worldwide, causing significant difficulties for companies to continue operating normally. Without a crisis management plan in place, entrepreneurs are at risk of sudden business shutdowns (Dagpin et al., 2022).

Micro businesses, characterized by their small scale, play a significant role in local economies worldwide. Economic recessions pose significant challenges to businesses of all sizes, with micro businesses being particularly vulnerable due to their limited resources and market exposure. This study's significant findings revealed that some of the micro-enterprises in Pagadian City were engaged in businesses such as food and clothing (Alawaddin et al., 2022).

The micro food enterprises have always taken into account ownership, nature and type of enterprise, and employees in their operations. Among the MSMEs, the micro food enterprise was strongly promoted in the Philippines, as the foods are in high demand throughout the market since it is considered one of the essential needs (Claveria and Mendoza, 2021). By promoting local sourcing and reducing reliance on industrial food systems, food micro enterprises contribute to environmental sustainability (Deller et al., 2017). Food micro enterprises often engage in food rescue initiatives, collecting surplus food from farms and retailers to redistribute to food-insecure populations, significantly reducing landfill contributions (Mittal et al., 2019).

The pandemic has increased the necessity for micro-businesses to implement effective cash flow management. Consequently, this research investigates the cash flow management practices before 2020 and assesses how micro-

traders' lives were impacted when economic activities halted. Additionally, the research explores the sources of capital for micro-traders following the reopening of the economy. Effective management of cash flow is vital in any business, regardless of size, since its success or failure hinges on its capacity to generate and oversee its cash flow [7]. Businesses that struggle with cash flow management cannot endure because cash is fundamental to every business [8]. A business must ensure that it has sufficient cash to meet its needs and obligations and increase its profitability and sustainability (Ramli et al., 2022).

A financial crisis is a situation in which the economic system experiences severe pressure resulting in instability in financial markets and the economy. These crises can take many forms, such as liquidity crises, financial institution failures, drastic declines in asset values, or even widespread economic depressions. The experience of the global financial crisis in 2008, which was followed by a long recession, has confirmed how vulnerable the global financial system is to unexpected shocks. Not only developed countries, but also developing countries are not spared from the impact of the crisis that can extend to the whole world (Shifa et al., 2022).

There were as many respondents who indicated that financial records were kept as there were those who did not (44.9% and 46.4%). Only 7.2 % of the respondents indicated that nobody handles the accounting records. Most respondents don't keep proper financial records in the business. This finding could indicate that there is a perception of unimportance regarding cash management in these businesses. Moreover, the absence of records could be one of the major contributing factors for the high failure rate of small businesses. However, without proper financial records in the business, these businesses were merely estimating and assuming that they were generating a profit for the past three months. Keeping accurate financial records would enable a business to calculate its profits accurately. Moreover, accurate records would enable a business to identify its stronger areas of trade in which it could increase its volume and, consequently, profits (Maharaj, 2014).

A company's cash flow policies, which oversee working capital in the form of cash receivables from clients, inventory assets, and cash disbursements to suppliers, are fundamentally connected to the company's operations (Kroes and Manikas, 2014). Cash flows and their utilization help in understanding the capacity of an entity to create cash and cash equivalents through its operational activities and to maintain its uninterrupted functioning via its investment and financing activities (Toudas et al., 2022). The organization's cash levels may fluctuate significantly over time based on the payment and collection cycle. Made full and timely payment of sufficient operating capital to keep and disruption of operations, it is important to predict cash levels correctly (Oral & CenkAkkaya, 2015)

In addition, important measures such as portfolio diversification, prudent debt management, and liquidity strengthening are the main foundations in the face of economic uncertainty. On the other hand, a proactive approach in detecting early signs of a crisis, as well as rapid adaptation

to market changes, will help individuals and organizations to not only survive but also bounce back faster towards financial stability (Dewantara et al., 2021).

In the statement (Zakharova, 2023), The enterprise's financial ability and potential ensure that it is financially secure; the structural elements of the enterprise's financial strategy stresses, as well as the diversity of tasks solved within each strategy to achieve long-term financial objectives. The critical steps in developing a financial strategy involve several crucial stages. It is essential to have an explicit agreement on the organizational aspects of this process, as the quality of the resulting financial strategy, its alignment with the company's overall strategy, and its feasibility for implementation within a specified timeframe all depend on the expertise and competence of the professionals involved. A new segmentation of the strategic finance analysis objects added: dominant spheres and directions for the enterprise's strategic financial development. Approaches have been developed to develop a financial strategy that considers risks, depending on the general priorities for further development and management style.

In today's fast-paced and competitive business landscape, effective financial management is vital for a company's long-term success and growth. By efficiently allocating and utilizing financial resources, organizations can optimize their performance, make informed decisions, and stay ahead of the curve. Businesses may benefit from effective estimates of their resources and allocations, the management of risks, and decisions to take advantage of business opportunities through an appropriate Financial Management Strategy (Salamah, 2023).

The emphasis on financial methods is closely linked to financial literacy, and the inclination to prioritize short-term gains and liquidity may be a contributing factor. It identified that there is a greater propensity among younger and more educated managers to use more techniques. For managers to increase their chances of survival, it is advised that they make use of budgetary and financial techniques. Long-term planning can play a vital role in preventing reactive strategy behavior. Environmental constraints need to be predicted by managers through a combination of scenarios or testing the efficacy of strategic initiatives that use various tools, such as fiscal planning and control (Hendieh, 2023). Financial management is critical for a business to keep its finances and performance stable so that it can keep going even when the economy changes. Financial management concerns planning, analysis, and control activities carried out by financial managers (Hasanudin, 2022).

The primary purpose of this study is to explore the various financial management strategies employed by micro businesses to thrive during economic recession. To fulfill this research purpose, we come up with three specific objectives: (1) empirically confirm the challenges typically faced during the economic recession; (2) explore various strategies that micro businesses can employ to not only survive but also thrive during periods of economic downturn—understanding the specific financial challenges that micro-enterprises

encounter when scaling up to SMEs, along with examining the role of human capital in this transition.

Theoretical Framework

This study is supported by the Contingency Theory developed by Fred Edward Fiedler (1964), which is best used for decision-making in businesses in general. The idea is that there is no one right way to run a company. Instead, companies are like living things that change and adapt to the world around them. How they work and make decisions depends on the world they are in, the people they deal with, and the technology they use. Consequently, the features of an organization are influenced by the environment, the market, and the technology utilized (Lawrence and Lorsch, 1973).

This theory is appropriate for this study because economic recessions can occur unexpectedly, impacting micro-enterprises in profound ways. Understanding the financial management strategies employed by these businesses is crucial for assessing their resilience. The researchers seek to identify best practices that enable micro food enterprises to thrive amidst economic challenges. This approach offers valuable insights into the crucial role that sound financial management plays in achieving long-term sustainability. Ultimately, the findings could contribute to developing frameworks that empower food micro-enterprises to navigate economic uncertainties more effectively.

Statement of the problem

This study explores the effective financial management strategies that food micro-enterprises can employ not only to survive but also to thrive during periods of economic recession.

Specifically, the study aims to answer the central question, "How do the food micro-enterprises describe their experiences to cope with their financial challenges during an economic recession?". It seeks to answer the following questions:

1. What are the primary sources of funds of food micro-enterprises during economic recession?
2. How do food micro-enterprises manage their cash flow during economic recession?
3. What financial challenges do food micro-enterprises encountered during economic recession?
4. How do food micro-enterprises overcome the challenges encountered during economic recession?

Significance of the Study

This study serves as a resource for determining the various financial management strategies that food micro-enterprises to thrive during economic recession. The result of the study will give knowledge and benefits to the following:

Entrepreneurs. This study is beneficial to entrepreneurs, especially micro businesses because it will give them an idea of various strategies that they can use during periods of economic recession. It will also give them a head start on the challenges that may be encountered, which will help them cope easily in the market and have a competitive advantage.

II. RESEARCH METHOD

Research Design

The researchers utilized a qualitative case study approach developed by Merriam (1998). This method involves non-

numerical data collection and analysis to explore concepts, opinions, and experiences, setting our research apart. The focus will be on the financial management strategies of Food Micro-Enterprises to thrive during an economic recession. Merriam (2009) defines a case study as an interdisciplinary analysis and description of a bounded system. According to Merriam, the most crucial aspect of case study research is the study area's limitations. In this study, the case centers on the food micro-enterprises that were active before, during, and after the COVID-19 pandemic. Merriam emphasizes that a case study approach is necessary to fully understand these problems, highlighting that the process is more significant than the context and outcomes of a particular variable.

Research Environment

The target local of this study are the food micro-enterprises in Pagadian City, located in the Zamboanga Peninsula region of the Philippines, which serves as the capital of Zamboanga Del Sur Province. Pagadian City is a dynamic urban setting, which could have many operational challenges for food micro-enterprises due to various factors associated with its location uniqueness. Pagadian City is one of the exciting places characterized by cultural diversity, bringing about rapid economic growth combined with a high population. This unique combination offers an excellent opportunity to study the strategies of food micro-enterprises during the economic recession.

Research Participants

The participants of this study are the owners or managers who oversees the financial management of the food micro-enterprises in Pagadian City. The researchers used the purposive sampling technique. Rather than randomly selecting participants, purposive sampling involves carefully choosing individuals who possess specific characteristics or attributes relevant to the research study, as determined by the researcher's expertise. This approach is particularly useful for small populations where the researcher can deliberately target specific individuals who align with the study's goals, allowing for a more focused research purpose.

The study focuses on food micro-enterprises operating within the city and should possessed the following criteria: (1) The assets of the business must be in minimum of PHP 250,000 with maximum of PHP 3,000,000. (2) The business operated before 2020 or COVID-19. (3) The business must be registered in the City Mayor's Office.

The participants chosen in this study was described by the criteria above. The participants were coded as P1 to P10. The participants profile are as follows:

P1 is married and already had their fast-food and bakeshop since 1970s. Their shop is located at Rizal Ave. Santiago District, Pagadian City.

P2 is married and their business operated before COVID-19, and it is now (6) years in operation. Their shop is located at Purok Mangga, Brgy. Sto Nino, Pagadian City.

P3 is married and their restaurant operates for almost (6) years. The shop is located at Brgy. San Francisco, Pagadian City.

P4 is married and their business is cakes, pastries and bread; and it operated before COVID-19. The shop is located at FS Pajares, Pagadian City.

P5 is married and their restaurant operates for almost (30) years. Their shop is located at FS Pajares, Pagadian City.

P6 is married and their food business operates for (50) years. Their shop is located at Datoc St. Pagadian City.

P7 is married and their restaurant operates way before COVID-19. The shop is located Brgy. San Jose, Pagadian City.

P8 is married and their resto operates for (12) years. Their resto is located at Brgy. San Jose, Pagadian City.

P9 is married and their restaurant operates before COVID-19. Their resto is located at FS Pajares, Pagadian City.

P10 is married and their restaurant operates for (7) years. Their resto is located R.T. Lim St., Pagadian City.

Research Instruments

The main instrument of this study is the semi-structured interview guide. The questions are crafted carefully to ensure they are clear, concise, and relevant to the study's objectives. Developing the interview guide allowed the researchers to tailor the questions to the study's objectives, ensuring that the data collected would be relevant and informative.

Data mining is also one of the instruments that is used in this study. It helps analyze patterns and extract valuable information from large datasets using advanced analytical methods. This helps the researcher extract hidden insights from the data or the answer of the participants that are not obviously stated as it helps finding an answer for the statement of the problem.

Field notes were also used in this study, the researchers maintain records during observation in the process of interview by capturing the context, non-verbal cues, and the researcher insights that complement and enhance the data obtained from the interview. The researcher utilized instruments such as recording devices such as a phone or camera as secondary instruments to gather the data. When using the recording devices, the researchers first asked permission from the participants. Thus, using interview guide questions provides a more targeted and comprehensive approach to data collection and enhances the study's validity. The participants may speak English, Tagalog, or Bisaya, depending on their preferences, and the researchers interpreted the data collected.

Data Gathering Procedure

The qualitative data-collecting procedure guides the said interview guide. To conduct this study, the researchers asked permission from advisers, validators, panelists, and the Dean of the College of Business Education to gather data from its participants with an authorization letter. The researchers also sought professional help from the adviser and any other experts in the field to validate the content of the interview guide, ensuring its credibility. The researchers personally asked the questions from the participants in a professional manner and with respect to using proper greetings and honorifics. The researchers are patient in terms of the availability of the participants. The researchers ensured that

the interview guide questions were enough to provide sufficient data needed in the study to explore the relationship of strategies of food micro-enterprises to thrive during an economic recession. Below are the steps during conducting of the interview:

First, the researchers asked permission to the participants in a professional manner to record the interview session. Second, recording device such as phone or camera are be prepared and used during the interview. Third, the interview begun: coming up with an introduction, warm-up questions, then the main questions. Fourth, the interview session is documented by using the recording devices stated above, then one of the proponents focuses on observing the participants and utilized the field notes to document their responses, record their behaviors, and summarize the most relevant information coming from the participant. Fifth, the researchers ensured quality of the responses, verifying the data for accuracy and legitimacy, also maintaining confidentiality for the data and the participants identity. Sixth, data gathered from the participants are examined and analyzed, the recording has been converted into text. Compiled the results; summarized the key findings, then the data were interpreted to its relationship with the objectives of the study. Lastly, the results were presented ensuring the participants confidentiality and integrity.

Data Analysis

The study utilized Merriam's data analysis. Extensive data collection is required for case study research to evaluate the subject, program, or process being studied (Merriam, 1998). Merriam supports collecting and analyzing data simultaneously for the researchers to obtain the necessary data for the research study (Mishra, 2021). Merriam's Direct Interpretation involves analyzing data by grouping instances to discover new meanings about the cases. Then, something about them all together might be addressed (Merriam, 2009). It is analyzed through simultaneous data collection.

First, the researchers used category construction, which utilizes categories or themes to organize and analyze data. The second is sorting categories and data, where researchers organized and arranges the identified categories and the corresponding data within each category. Lastly, naming the categories where descriptive and meaningful names were utilized for the categories or themes that emerged in the data analysis. The data could be collected and analyzed simultaneously in the field or outside. The primary focus of analyzing the gathered data is to convey a complete comprehension of the case. The data will be obtained through interviews conducted, observation of the subjects in their natural environment, and examination of relevant documents, which was a beneficial method for the researchers to understand the phenomena (Merriam & Tisdell, 2016).

Ethical Consideration in Research

The participants of this study were informed regarding the objectives of this study and their right to see its results. Also, full consent was requested from the participants. The participants were not subject to any harm whatsoever; they were reassured of the confidentiality of personal information and responses.

Honesty and Integrity. The research required a commitment to truthfulness, transparency, and accuracy. This build trust with readers and stakeholders who rely on these findings to make informed decisions. The researchers present accurate data and don't manipulate results to fit a desired outcome.

Informed consent. The researchers made sure that anyone involved in the study understands what the research will involve and how their information will be used, so that the business owner knows what they're getting into before they agree to be part of a study. The researcher needs to explain to the business owners or employees what the research is about, how their data will be collected, and how it will be used. This way, everyone can agree to participate knowing all the facts, and their privacy and choices are respected.

Privacy and Confidentiality. The researcher keeps sensitive information safe and private. This means that any details or data about businesses, like financial records or internal processes, should not be shared with anyone who isn't supposed to see it. Researchers protected this information so that it isn't exposed or misused. If a study looks at how companies manage their budgets, the details of each company should be kept secret to avoid any harm or misuse of their information. This helps ensure trust and respect for the people and businesses involved in the research.

Respect for Participants and Justice. The researchers listened to their concerns, ensuring their participation is voluntary, and value their time and input. Respect is important because it builds trust between the researchers and participants, which is essential for getting honest and accurate information. The researcher also applies "justice" to ensure that all these small businesses are treated fairly in the study. This is important because food micro-businesses often operate with limited resources and face unique challenges.

Voluntary Participation. The participants had the right to decline to participate or withdraw in any interview without any pressure or coercion. The researchers did not force any participants to participate. The researchers made sure that the participants were participating at their own accord.

III. RESULTS AND DISCUSSIONS

This study targets micro business here in Pagadian City who use financial management to maintain business stability. The researchers aim to solve this study by answering the questions in the statement of the problem. The categories that emerged from the study are the following: *Primary Sources of fund, Cash Flow Management, Challenges during Economic Recession, and Coping Mechanisms.*

Primary Sources of Fund for food Micro-enterprises during economic recession

Food micro-enterprises can access several primary sources of funding to help them thrive, especially during tough economic times. Many entrepreneurs start by using their personal savings, tapping into their own money to kick off or keep their business going. Together, these funding sources help food micro-enterprises navigate challenging economic landscapes.

The subcategories that the researchers found during the analysis of the participants answers are *Personal Fund, Savings from business, and Income from Operation*.

Personal Fund. The first subcategory that came up is other sources of income. This refers to the methods and strategies used to generate extra revenue for the business, as illustrated in the statements below:

"Our Business didn't establish any loans. They used their family's own money during the pandemic just to make sure they had enough." – P3

"We have several businesses that we owned that is why we have multiple resources." – P4

"During COVID, we used funds from our family. We keep on steady pace until the business will be back on normal state." – P7

"We only used our own money during COVID because it was easy to recover since there were orders for deliveries." – P5

The employees' experiences during the pandemic reveal a strong focus on resilience and self-reliance. Many of them chose not to take out loans, relying instead on their own money or support from their families. This cautious approach shows their desire to stay stable rather than risk going into debt.

A staff corroborated the claims of the participants. He said that the fund of the business comes from external source, saying that the owner has several businesses which funded the food micro business during the economic downturn. The researchers observed that the owner has several businesses that is known to other people which evidently funded the food micro-enterprise.

During the observation, the researchers support the claim of the participants. By emphasizing small but steady sales through deliveries, they demonstrate their ability to adapt to new circumstances. This is important in times of uncertainty, as it helps keep cash flow going, even if the sales aren't large.

Based on data presented, owning multiple businesses provides a safety net, allowing them to tap into different sources of income, which is especially useful during tough times.

Giving a person full ownership and managerial authority is one benefit of personal funding a small business. Without consulting outside lenders or investors, they in full ownership of all significant business choices (Rauva, 2023). One benefit is having control over the finances, especially if personal funds are being used. Being the main investor makes you much more committed to making sure the company is successful. It also implies that you have only one person to answer to: yourself (Oxley, 2017).

Savings from business. The second subcategory that emerged was founded on savings. This refers to the strategies and practices that help businesses reduce costs and optimize resources. The following evidence statement is shown below:

"When we opened, we used our savings, and it was only for take-out and deliveries; we didn't have dine-in." – P8

"When we reopened, we used our business savings. We didn't close because we were losing money, but because it was mandated that everyone had to close." – P9

"We closed not because we were losing money, but because it was required by the government. When we reopened, we only used our savings for the business." – P10

One participant mentioned that they relied on their savings when reopening using those funds for take-out and delivery services. This shows they focused on adapting to the situation, meeting customer needs while keeping safety a priority during uncertain times. Another participant explained that their decision to stay open wasn't about losses; it was required by law. This shows their smart thinking rather than closing completely, they found ways to keep things running within the rules.

An employee credited the participants claim. She said that the business did a lot of savings before the economic downturn which then the owner used to fund the business during the difficulties in business during the economic recession. During the observation of the researcher is highlighting the participants' resilience and ability to adjust during the pandemic. Their responses show a taking initiative to staying in business and adapting the changing conditions.

Data presented that those participants focused on creative solutions, like enhancing improving delivery methods, to connect with customers effectively. Using alternative way by having a saving taking the risk is very important in the business.

Saving is an essential instrument for capital accumulation and formation which further enhance economic growth and development through investing the saved fund (Pulka, 2015). Savings for each case helps us to overcome such crisis in our lives. Saving helps us to overcome significant problems in our lives (Doda & Fortuzi, 2015).

Income from operation. The last subcategory that emerged was focused on income from operations. This refers to the revenue generated directly from the core activities of the business, such as sales of products or services. The following evidence statement was shown below:

"We didn't get funds from any other business or loans; we only used our operating funds." – P1

"We still managed to sell because we had deliveries. They were small sales, but we had some every day." – P2

"Our main source of funds comes only from sales here. It's because we don't pay rent since the owner owns the building, so we don't have many difficulties." – P6

The participants' statements highlight their smart approach to managing money, focusing on using their own resources. The first participant explains that they didn't borrow money from other businesses or take out loans; they only used their operating funds. This shows they are committed to being financially independent and prefer not to take on debt. The second participant adds that their main source of funds comes

from sales at their location. They mention that since they own the building, they don't have to worry about paying rent, which makes things easier for them. This lack of rental costs helps reduce their financial strain and allows them to concentrate on making sales.

One of the employees validated the participants answer saying that the source of their funds did not come from any external sources such loans. Their source of fund only comes from the income of the operation of the business. If they are not capable enough of generating income, the business possibly faces a negative outcome.

The size of the net profit obtained by the company is influenced by operating income and operational expenses. (Dewi, 2023). Profitability and investment opportunities have a significant and positive effect on earning quality of the companies (Hanif et al., 2023).

This approach offers valuable insights into the crucial role that sound financial management plays in achieving long-term sustainability. Ultimately, the findings could contribute to developing frameworks that empower micro-enterprises to navigate economic uncertainties more effectively.

Based on the Contingency Theory of Fiedler (1964) that supported by the Contingency Theory Understanding the financial management strategies employed by these businesses is crucial for assessing their resilience. The researchers aim to investigate whether the leadership style and strategic decisions of financial managers significantly influence the economic performance of micro-enterprises during such downturns.

Having the right primary source of funds during an economic recession is crucial for food micro-enterprises as this helps for survival of the business. Food micro-business owners should utilize everything to fund their businesses especially during economic recession, whether it comes from the own pocket of the owner, or savings from the business, as it will help the business to be stable.

Management of Cash Flow During Economic Recession

In this category, the management of cash flow by the food micro-enterprises to thrive during economic recession will be presented. This will inform readers on how food micro-enterprises manages their cash flow during a downturn of economy.

The subcategories that emerged from this category during the analysis of the claims of the participants are *Shifting of duties, Agreement Between Suppliers on Consignment for Delay Payments, and Profit Reinvestment*.

Shifting of Duties. The first subcategory that emerged was reducing work hours. It refers to the strategy of food micro-enterprises during economic recession to reduce cost without removing employees. The following statements provides evidence for this:

"We didn't stop our employees from working. We did manage some shifting schedules." – P1

"As what I've said earlier, to prevent firing an employee, I decided to do the rotation basis instead." – P3

"During the pandemic, employees' duties are alternate. Different employees in MWF

and in TTH instead of having no salary." – P4

"When we were allowed to open again, we brought back our employees, but they were on a skeletal schedule since dine-in was still limited, so only a limited employees could work each day." – P7

From the perspective of the owners and or managers, maintaining employees and reducing work hours during an economic recession plays a crucial part in the operation of the business, especially in food micro-enterprises. Employees, especially those who are very loyal to the business can help the business maintain its operation during hardship and can prevent foreclosure. This will benefit both the business and employees to bring better outcome for the present to the future. Reducing work hours also helps the food micro businesses reduced its cost while maintaining its day-to-day operation. This will also help them to improve the operation further and maintain consistency in its operation regardless of what phenomena they will be facing in the future.

One of the employees credited the claims of the participants. He said that shifting of their duties really impacted him to sustain his need and the business to maintain its operation during the economic recession.

During the observation of the researchers, the food micro-enterprises prioritize maintaining its employees regardless of what they have experienced during an economic recession.

Regarding to the answers of the participants, reducing work hours is one of the crucial things that they have done in surviving the economic recession. This has benefited both the employees and the business.

Implementing a flexible work management provides various advantages to both employers and employees. First, it can be a solution for business continuity during emergency circumstances such as a pandemic. Other benefits include creating a better work/life balance for employees, enhancing their morale, managing employee attendance, reducing absenteeism, and boosting productivity (Guerriero & Guido, 2022). Flexible working is likely to become more common in the future as demands for flexible working increases among both new and older generations of workers for diverse reasons (Chung & Lippe, 2020).

Agreement Between Suppliers on Consignment for Delay Payments. The second category that emerged from this category. It refers to another strategy that is used by food micro-enterprises during economic recession to have negotiation with the suppliers to halt the payment of supplies or having a desired time to pay the supplies than following the normal due to maintain its cash flow. The following statements provides evidence for this:

"The owner and suppliers reached an agreement to pay the obligation after everything will start to become normal." – P1

"We leave the pigs to the buyers, but if someone orders lechon, we pay right away to the suppliers." – P5

"We have an agreement to our suppliers to buy stocks and pay only if it is sold." – P8

"And as to our suppliers, we have an agreement that we will only purchase if we were sure that the goods will be sold." – P9

Agreement between suppliers on consignment for delay payment is one of the methods used by the food micro-enterprises to thrive during economic recession. It is a method that the owner will negotiate their suppliers for some reasons related to supplies, example is by paying obligation to some certain time than the normal due because of some external aspects such as the pandemic that cause global economic recession. It helped the food micro-business to maintain its cash flow without experiencing loss during an economic downturn. It also impacts the overall business operation and preventing the business to experience downfall. Negotiating with the suppliers is a crucial method that the micro businesses use during economic recession through it will help the profit to be consistent to sustain the operation of the business and to pay the obligation if some conditions will be met.

One of the employees corroborated with the participants answer. She said that temporarily stopping paying of obligations to suppliers brought positive impact to the business maintain its operation without experiencing heavy debt that could potentially brought the business to its demise.

According to the answer of the participants, having a negotiation with suppliers or agreement will help the food micro-business to maintain its cash flow for them to not be brought into the state of losses. This will highly benefit the business survivability.

Relationship with suppliers has significant positive impacts on three dimensions of manufacturer resilience, that is, preparedness, responsiveness, and recovery capability (Yang et al., 2022). Establishing a robust partnership with suppliers ensures backup supply availability during disruptions, enhancing operational stability (Zeng & Xia, 2014).

Rolling of Cash. The third subcategory that emerged is Rolling of Cash. It is a method that is used by the food micro-enterprises during economic recession. It is the strategy that the business will reinvest its profit to cover up expenses even though it will not gain neither it will experience loss. The following statements proves this:

"What is our income during that day, we used it to buy inventory." – P2

"Our cash flow was just a cycle; whatever we earned was used for expenses. At that time, we lost our inventory storage because we were rolling over our income and whatever we sold that day was exactly what we would spend" – P6

"When the time comes where everything is starting to return to the normal state, what we have done is we roll our cash on hand, for the salary of the employees and to pay for the obligations." – P10

Food micro-enterprises during economic recession tends to fight to market for survivability and to avoid bankruptcy. They have done whatever method that will work just to survive in the market. Making profit is the main goal of any businesses in the world but when there is an economic recession, the main goal of making profit will diverge into another path when the time is much more challenging. The goal is just maintaining its profit for reinvestment just to survive in an economic downturn until it will come back to normal over time. Food micro-enterprises are the business that is prone to this risk especially it is a micro business with a lot of competitors. Making profit just to cover up expenses is a crucial method or an emergency tactic for survival in an economic downturn. Through this method, food micro-enterprises survived during the economic recession.

One of the employees validated the participants claims. She said that the business did not make higher profits, just enough to cover up their salaries and other expenses of the business. This strategy really works well, and the business survived during those time until it become normal again.

During the interview, the researchers observed that the business going well. This concludes that the business is efficient in its strategy. It was evident that it has survived and still thriving currently.

Regarding to the participants claims, it proves that profit reinvestment is highly effective in the survivability of the business in an economic recession. Making the profit to cover up the expenses is a good strategy to maintain its operation until it will change overtime.

For smaller companies, the choice to reinvest profits can be crucial for determining their strategic direction and operational focus (Pokorná, 2020). Reinvesting profits is a strategic decision that can significantly influence a company's growth and profitability. Research indicates that the motives behind reinvestment decisions are multifaceted, often driven by factors such as risk tolerance, competitive advantage, and managerial experience (Pokorná & Šebestová, 2019).

Based on the Contingency Theory of Fiedler (1964), the idea is that there is no one right way to run a company. Instead, companies are like living things that change and adapt to the world around them. Shifting of Duties, agreement between suppliers on consignment, and rolling of cash are an example of this where the business adapted depend about the business. Normal cycle of the business does use these categories but when an economic recession occurred, using this management of cash flow, the business adapts this kind of situation to maintain the operation in the market and to avoid bankruptcy.

Food micro-business owners should adapt these kinds of strategies to counter through economic recession. Business owners should utilize the shifting of duties to minimize costs as well as preventing from unemployment that would also benefit both the business and the employee. By negotiating with suppliers also helps the business owners to not just delay the payments but also strengthen the relation between their suppliers and improves trust. Lastly, food micro-business owners should utilize the rolling of cash to cover up their

expenses even though they will not gain, however they will not experience loss either.

Financial Challenges of Food Micro-Enterprises Encountered During Economic Recession

Food micro-enterprises, defined as small-scale businesses often run by individuals or families, face significant challenges during economic recessions. These challenges arise primarily from reduced consumer spending, rising costs, and increased competition, which can threaten their viability. Financial constraints are a major concern; many micro-enterprises experience decreased cash flow due to lower sales and find it increasingly difficult to cover rising ingredient costs.

During the coding of the participants responses, the researchers come up with these subcategories: *decrease in sales, financial challenges, and Lack of Manpower.*

Decrease in sales. The first subcategory that came up is other decrease in sale. This problem involves several factors that can seriously affect these small businesses. The following statements provide evidence for this:

"One thing you will encounter during recession were your sales: how to manage it, even just to reach breakeven to sustain the business. During that time, our sales were very low because dine-ins were not allowed. Before COVID there were many bookings for birthday celebrations but then, during COVID even though there was no lockdown, there were no bookings because people were afraid to gather." – P3

"During pandemic, our sales decreased because of the limited people can go outside and some supplies became pricier. It was hard for us to manage the cash of the business during that time." - P8

"There were just few dine-in during COVID because people were afraid to go outside during that time, especially to those who have little kids, they were afraid of infliction of COVID, another reason is that limited people only can go outside. It is hard for us how to increase our sales." - P9

"Our sales dropped drastically that time. We admit that our goods were a bit pricier, however we have expected the outcome that our sales will be decreasing, the worst thing also is that the limitation of people that can go outside. Even though we have deliveries, still it did not went well." – P7

The participant emphasized the importance of closely monitoring expenses. Many participants noted that understanding their fixed and variable costs allowed them to identify areas where they could cut back without sacrificing quality. For instance, some mentioned renegotiating contracts with suppliers or reducing overhead costs, which helped improve their cash flow.

One of the participants emphasized a strong reliance on sales as the main way to sustain their operations, showcasing

their adaptability through strategies like shifting to delivery services and adjusting staffing schedules to maintain customer engagement.

The pandemic disrupts the purchasing preference of consumers such as shopping or going to the store itself which brought a reduce in sales of food businesses (Kusz et al., 2023). Sales losses were largest in businesses affected by mandatory lockdowns such as accommodations at 91%. But other types of businesses experienced large gains, such as online sales, which grew by 180% as consumers substituted away from in-store purchases. The pandemic-induced recession created large losses for many types of businesses (Fairlie & Fossen, 2021).

Financial Struggles. The second subcategory that came up is other Financial Struggles. It refers to lack of financial support can restrict their ability to invest in their business or cover unexpected costs. The following statements provide evidence for this:

"We really have a problem figuring out how to pay for employee benefits like Pag-IBIG, PhilHealth, and others and we have a lot of employees, even though they have shifting schedules, we did not fire any of them because they have families to sustain." – P1

"Sometimes it is hard to budget when your income is low because you need to pay compensation then other obligations needed pay. We cannot force the customer to buy from us." – P3.

"Our challenge during that time is where the lock down is announced. We have many supplies bought for our stock for 1 week. 200kls. of chicken supposed to be for business instead we ate it because it would rot in the freezer if stayed for long time and it will cost more electricity." - P4

"Our challenge that time was our finances. Almost there were no dine-in, it's hard for us to manage our financial, there are obligations need to be met. If we do not have delivery maybe the business would be close because there are plenty take-out orders." – P6

"Our challenge that time is on how to balance our cash from the business, especially our income was low at that time. It is complicated for us on how maintain the business, however we need to find a way for the business to survive." - P8.

They mentioned that they can meet customer demands, particularly for takeout orders, which helps keep customers happy. However, they also pointed out a concern: if their business relied only on dine-in customers, they would likely see a drop in sales. This indicates that while customers are satisfied with their orders, the overall experience in the restaurant could be improved, especially during tough economic times.

One of the employees corroborated the participant responses saying that businesses are having a tough time paying employee benefits like Pag-IBIG and PhilHealth, highlighting their financial challenges. They also struggle when customers are not allowed to dine in at their store.

During the observation of the researcher, participants expressed their struggles with financial challenges, especially when it comes to paying for employee benefits like Pag-IBIG and PhilHealth. They shared that these costs put a strain on their budgets, making it tough to provide the support their employees need.

Businesses must continuously monitor financial indicators to identify potential issues like bankruptcy or insolvency. Effective models for diagnosing these difficulties vary by industry, complicating the application of universal solutions (Savickiene & Svagzdiene, 2023). For micro, small, and medium enterprises (MSMEs), financial constraints significantly impact growth, with owner and firm attributes playing a crucial role in these challenges (Mittal & Raman, 2021).

Lack of Manpower. The last subcategory that came up is other Lack of Manpower. It refers in lack of maintaining service quality and limits their ability to grow and innovate. The following statements provide evidence for this:

"Manpower is one of our challenges that time. There were only few people who can go outside; I will be the one to cook and the one to deliver because customers were afraid to go outside. If I don't deliver, I could not gain some profit. But the real struggle was that there were new orders while I was on delivery, I cannot handle everything simultaneously, some of the customers will cancel their orders due it would take too long." – P2.

"It's manpower, during COVID after the lockdown, orders on lechon were high and food package but the problem is that we lack manpower. We have two people or three, but it is still not enough because some will be assigned into cooking the lechon; some will help prepare the food package. That's why we cannot cater all orders." – P5

"Manpower is one of the challenges we have encountered during the pandemic. We lack people, we even offer them free meals and free room to sleep; but still, they decline because they want to be with their family. There are times that they ask not to go from work right when there are lot of orders. We cannot cater all orders, that's why we hesitate to accept some orders." – P10

Another participant highlighted the manpower issue by explaining that they offered employees the option to stay at work instead of going back and forth home. They understood that while this could help keep the business running, many employees had families to think about, which made it hard for them to stay.

Participants responses that limited manpower was a significant issue was credited by an employee, as many workers were afraid to go out due to safety concerns. They mentioned that they had to cook and deliver orders themselves. Another shared that they offered employees the option to stay home because of family responsibilities, which meant only a few could work.

During the observation of the researcher, participants shared the challenges they faced with manpower. One participant mentioned that only a few people felt comfortable going out during that time. Because of this, they had to cook and deliver orders themselves, showing how safety concerns affected their staffing.

Lack of personnel affects effectiveness and efficiency of an organization's performance which affect general aspects such financial performance, organizational performance, and such (Engetou, 2017). Furthermore, firms facing manpower constraints often experience longer order backlogs and increased capacity utilization, which can hinder growth and investment opportunities (D'Acunto et al., 2020).

Understanding the financial management strategies employed by these businesses is crucial for assessing their resilience. The researchers aim to investigate whether the leadership style and strategic decisions of financial managers significantly influence the economic performance of micro-enterprises during such downturns. Additionally, the study will explore how these organizations prepare for and adapt to potential future recessions. By examining the interplay between managerial decisions and financial outcomes, the research seeks to identify best practices that enable micro businesses to thrive amidst economic challenges.

By examining the interplay between managerial decisions and financial outcomes, the research seeks to identify best practices that enable micro businesses to thrive amidst economic challenges. According to the theory by Fiedler, Theory of Contingency (1964), How they work and make decisions depends on the world they are in, the people they deal with, and the technology they use. Consequently, the features of an organization are influenced by the environment, the market, and the technology utilized.

Financial challenges are common in business, especially in the time of economic recession. Decreasing of sales in business during economic recession are the number one that businesses will face. Customers during recession are also experiencing hardship in their finances, it is the reason that is why customers are declining during economic recession. Food micro-businesses also encountered financial struggles on how to pay benefits to their employees, how to budget their finances when their income is low and as well as lack of manpower also affects their financial. In general, these three challenges act as a chain that is connected to each other; starting from decrease of sales, the other two occurs as they connect and reconcile to each other that affects the whole financial aspect of the food micro-business, it is the reason why owners implement coping mechanisms to counter these challenges.

Coping Mechanisms with The Challenges Encountered During Economic Recession

This category will be the last category in this research. Challenges are inevitable on food micro-enterprises, especially in the time of economic recession. There are lot of stores that did not go well with surviving during economic recession. Some micro-enterprises experiences bankruptcy and the worst is foreclosure during the downturn of economy. This category will present coping mechanism on how food micro-enterprises overcome those challenges in the time of economic recession and how to survive in the market. It would inform the readers to understand how food-micro enterprises survived during economic recession.

According to the answers of the participants, the researchers found the subcategories that emerged in this which are the *Consistency*, *Consistency in Product*, and *Efficient Time Management*.

Consistency. The first subcategory that emerged was consistency. It helps the food micro-enterprises avoid foreclosure and to remain their consistency in the market regardless of any economic downturn occurred. The following statements provides evidence for this:

"Be diligent in delivering orders for the costumers. We can't have costumers if we did not deliver." – P6

"The key is to fight through those challenges, overcome them, and break down barriers to achieve success. That's what you have to focus on building resilience." – P3

"We just took our time to recover and didn't do any advertisements on social media, none at all." – P7

"Consistency only. Because in business, it needs consistency. Do not be affected by the challenges." – P8

"Just stay consistent because not every time the business is at its highest state, sometimes it becomes high, sometimes it's going low." – P10

The data above shows that consistency is one of the important things food micro-enterprises will do to maintain their operation in the market in the time of economic recession. If the business is not consistent enough to handle its operation during an economic downturn, this means it can bring negative impact to the business and can possibly face worst scenarios.

One of the employees corroborated the participants claims. She that she worked from the business before an economic recession until it happened and survived, claiming that business just stay consistent in its operation before economic recession until the happening, however the business faces some great challenges those time, but the important thing is that it survived and still thriving.

According to the participants' claims, service quality is one of the important aspects that the businesses should highly focus on maintain its customers regardless of any phenomena that will come. High quality service will make the customer remember the business for a long-time and bring a positive impression for them.

Service consistency positively affects brand loyalty by enhancing brand trust, as shown in studies focusing on omni-channel retailing (Liu & Liu, 2023). Organizations that implement strategies to ensure service consistency can improve their corporate image and attract new customers (Herath et al., 2019).

Consistency in Product. The second subcategory that emerged is consistency in product. This is the second remedy of owners of food micro-enterprises to deal with the challenges encountered during economic recession. The following statements provides evidence for this:

"How did I overcome... just same tactics, delicious foods, the costumers service." – P4

"Same quality of products again to keep the customers on coming back." – P6

"Here in our establishment, our only strategy is the quality of our products." – P8

"The quality of our products has stayed consistent, the taste, and the sauce." – P9

The data above shows that consistent quality of products is also one of the crucial things that a food micro-enterprise should focus on when surviving through an economic recession. It is highly evident that the quality of products is the lifeblood of a food micro-enterprise for the customers to be keep attracted to the business and this will help maintain the business operation in the market.

One of staff corroborated the participants claim. He said that if not because of the quality of the product, the business would experience demise same as to the businesses that experienced foreclosure during the economic recession.

The researchers observed that the quality of the products of food micro-enterprise is evidently crucial to maintain the business in the competition regardless of what they will be facing eventually. This would also strongly help maintain the customers satisfaction.

It is clear producing quality products is one of the business goals. High quality products will make the customer to be attracted to the business and will keep buying the product. This would bring an impression on no matter what situation the world is facing; a loyal customer will always find a way to buy what they were craving and this will impact the business even more.

Consistent product quality reinforces customer trust, leading to repeat purchases and loyalty. (Liu & Liu, 2023). Customer loyalty is a function of customer satisfaction, and customer satisfaction is a function of the firm product quality. (Sambo et al., 2022).

Efficient Time-Management. The last subcategory emerged is the efficient time-management. This is the last remedy of owners used to survive during an economic recession. This is about how owners manage their time efficiently to handle different tasks for the business and how this impacted to the business. The following statement provides evidence for this:

"My strategy during that time is only multi-tasking, I will do all the work but if I can't

handle it myself, I will call someone to help me.” – P2

“What we did at that time in order just to maintain is managing the time efficiently, we divided the work, we did not force everything, we did just what we can cater. If there are too many orders, we did not accept some of it.” – P5

“We multi-task, manage the time efficiently. We have time frame; we set a work schedule on certain hours and disregard any irrelevant things.” – P10

The data above shows that multi-tasking is effective coping mechanism for food micro-enterprise to survive during economic recession. It helps the business to simultaneously focus on different job at a time for efficient operation. This also helps the productivity of food micro-enterprise.

One of the employees corroborated the participants claims. He said that the owner highly multi-tasked everything during the economic recession which highly helped the business to survive in a recession.

The researchers observed that the business is still going well. Customers are not reduced, the services stayed consistent, and the quality of products has improved.

According to the answers of the participant, efficient time management boosts the business operation and improves productivity during an economic recession. Without multi-tasking, the business would have been closed or possibly faced a worst situation.

Luckily, the owner is hardworking enough to bring the business to survive during economic recession.

Effective time management practices lead to increased worker productivity, particularly in high-demand environments like restaurants (Enes & Koşan, 2024). By focusing on time management, food businesses can enhance product quality and customer service, which are critical for competitiveness. (Geminarqi & Purnomo, 2023).

This analysis highlights the coping mechanisms used by the food micro-enterprises to thrive during and economic recession such as the quality of service and products, as well as time management that keeps the food micro-enterprise operate and survive during economic crisis. Applying this to The Contingency Theory of Fidler (1964), the researchers determine the importance of these coping mechanisms to food micro-enterprise on how they will adapt and survive to the situation where an unexpected economic downturn has occurred.

In real life scenario, problems could occur unexpectedly. It is also the same on businesses, that is why businesses are better to have contingency plan to face any problems that will come unexpectedly. With the right source of funds, good management of cash flow, and efficient coping mechanisms, food micro-enterprises will thrive in economic recession that has a strong chance to happen again in the future. By applying the coping mechanisms, the financial challenges encountered were stabilized, and the food micro-enterprises keep thriving up unto this day. This will also help any food micro business owners to have them a guide on what are the effective

implementation of strategies during economic downturn. This would also help the researchers, and any aspiring entrepreneurs in the future that has plan on venturing into the business world. This would give them insight on what is the reality in the business world.

IV. SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

Summary of Findings

The following are the main results of the study that was based on the responses of the Food micro business owner or manager during the interview:

1. What are the primary sources of funds for food micro-enterprises during economic recession?

The sources of funds of food micro-enterprises during economic recession are personal fund, savings from business, and income from operation.

2. How do food micro-enterprises manage their cash flow during economic recession?

Food micro-enterprises manage their cashflow by shifting of duties, agreement between suppliers on consignment for delay payments, and profit reinvestment.

3. What financial challenges do food micro-enterprises encountered during economic recession?

The financial challenges micro-enterprises encountered during recession are their sales decreased, financial struggles, lack of manpower.

4. How do food micro-enterprises overcome these challenges?

Food micro-enterprises overcome these by using coping mechanism such consistency, consistency in product, and efficient time management.

Conclusion

In conclusion, food micro-enterprises owners use various coping mechanisms to maintain their business stability or to survive during economic recession. As the COVID-19 hits, lots of businesses were facing hardships due to decrease of sales, reduction of customers due to lockdown, but unfortunately some business was shut down due to losses during that time. But food micro-enterprises owners found a way to fight through those challenges. Even though they experienced decrease of sales, financial struggles, and lack of manpower, these constraints affected their financial in general; budgeting were hard, daily income decreased while cost increased. Food micro-enterprises owners did not give up but instead they fought through it and adapt to the situation.

Being consistent in general helped the food micro-business owners to adapt the situation during an economic recession. Their vision what drove them to survive in such situation. Also, by adding consistent in the quality products, this helps them maintain their customers no matter what the situation they are facing. In this way, customers always find a way to buy from them. This will help them maintain their sales for gaining profit. And lastly, being efficient in time management also helps them to counter their lack of manpower or personnel which adds up as an additional trait to cope with their daily sales quota for more profit and less opportunity cost.

According to the observation of the researchers to the responses of the participants, food micro-business owners think long-term than thinking short-term which can affect the moral of some business owners that potentially led them to foreclosure of their business. Food micro-business owners are risk takers, they are not afraid to take risk in the market. Their determination is above everything, this is the reason why they survive during economic recession which occurred during the pandemic. Some of them became more successful than before COVID-19.

Recommendations

Based on the study conducted, the researchers would like to recommend the following:

1. Food micro-business owners may prioritize paying off high-interest debts to reduce future liabilities and free up cash for operational needs.
2. Food micro-business owners may identify areas where expenses can be reduced without compromising quality. This could involve negotiating better terms with suppliers, downsizing inventory, and eliminating non-essential expenses. Consider relocating to smaller premises or utilizing shared spaces to lower overhead costs.
3. Future researchers may use this study to explore more about how food micro-businesses survived through an economic recession. This would also help owners of food micro-enterprises to be prepared for any upcoming unexpected happenings that will bring negative to the business.
4. Business programs in higher educations may implement seminars or training for any micro-business owners or any aspiring entrepreneurs focusing about this study on how to thrive if there is an economic recession.
5. Food micro-business owners may focus on their customer service and quality of products to maintain customers loyalty and attract more.

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