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**CORPORATE SOCIAL RESPONSIBILITY PROGRAMS AND FINANCIAL
PERFORMANCE OF SMALL AND MEDIUM FOOD ENTERPRISES IN
SELECTED CHARTERED CITIES OF CAVITE**

Undergraduate Thesis
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ABSTRACT

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The study was conducted from January to March 2018 in Dasmariñas City and Tagaytay City. This study aims to describe the relationship of corporate social responsibility programs to the financial performance of small and medium food enterprises in Dasmariñas City and Tagaytay City. It aimed to determine the business profile of small and medium food enterprises in Dasmariñas City and Tagaytay City; level of implementation of corporate social responsibility programs of small and medium food enterprise in Dasmariñas City and Tagaytay City; perceived benefits of corporate social responsibility programs of small and medium food enterprises in Dasmariñas City and Tagaytay City; financial performance of small and medium food enterprises in Dasmariñas City and Tagaytay City using profitability ratio analysis, in terms of return on asset, return on sales and return on equity; the relationship between business profile and financial performance of small and medium food enterprises in Dasmariñas City and Tagaytay City; and the relationship between corporate social responsibility programs and financial performance of small and medium food enterprises in Dasmariñas City and Tagaytay City.

Thirty small and medium food enterprises in Dasmariñas City and Tagaytay City were identified and interviewed using interview guide. The dataset includes cafe and restaurants of SMEs and covers years 2014-2016. Descriptive and correlational research

design were used to collect information about corporate social responsibility programs and financial performance of small and medium food enterprises in selected chartered cities of Cavite while correlational research design were used to evaluate CSR programs of the selected small and medium food enterprises.

Majority of the small and medium food enterprises were operating their business for 3 years and above, corporation owned, and with assets amounting to Php 3,000,000 to Php 15,000,000. By using Spearman Rank Correlation Coefficient, the results show that CSR programs and financial performance of SME's have a significantly positive relationship only in terms of sales and equity specifically in terms of community and environment, leaving the rest insignificant. Results also indicate that increased CSR leads to increases in sales and equity, indicating that the community and environment plays a big role in the financial performance of the business. Despite the result on assets return, researchers argue in this paper that businesses can increase their assets by increasing CSR programs investments— assuming increases in CSR programs investments leads to higher involvement of the community, customer, environment, employee—as long as the perception of programs transform from socially responsible, philanthropic actions to programs promoting corporate social responsibility.

Lastly, it was asserted that CSR programs is positively related to financial performance in the long-run because it helps increase the value of intangible assets like business reputation, increased sales and customer loyalty, and better brand recognition. Thus, a more reliable data to measure such intangible assets becomes available, it may be beneficial to assess how CSR programs increase the value of the assets and ultimately financial performance.

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