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Message of the Dean

It is my pleasure to announce the third volume of the COBE Business Review. The fifth annual issue of the journal focuses on the outcomes of the various College of Business Education courses.

The first two studies are the work of accounting students. The first section addresses the implications of the TRAIN Act on minimum wage earners in the City Government of Laoag. This research aimed to examine the consequences of the implementation of the TRAIN Law on the local economy of Laoag City, Philippines, as seen by various government workers, notably minimum wage earners. The second study intends to analyze the impact of the degree of knowledge and level of implementation of the TRAIN Law on microbusinesses in Laoag City. It aimed to determine the connection between TRAIN Law awareness and implementation.

On the other hand, MBA student output discusses the WHF plan. This study aims to evaluate the association between work-from-home programs and employee performance in Ilocos Norte. As a moderating variable, the study also sought to examine the impact of the demographic profile of these employees on the aforementioned connection.

In addition, the fourth research is a product of HRM students that discusses the situation of event management enterprises in Ilocos Norte.

Tourism students researched the impact of the Covid-19 epidemic on the travel risk and management attitudes of Ilocano visitors. 384 Ilocanos residing in Ilocos Norte were selected as research subjects. This study examines the travel risk and management perspectives of Ilocano tourists and their impact on society in the light of the pandemic's consequences.

While I hope that this collection will be of particular interest to new readers in NWU, I am confident that it will also be of interest to our regular readership of scholars and practitioners elsewhere due to the relevance and diversity of the contributions on Ilocos Norte, whose future is of central importance to us all.

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THE EFFECTS OF TRAIN LAW TO MINIMUM WAGE EARNERS IN THE GOVERNMENT SECTOR IN LAOAG CITY

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ABSTRACT

The Tax Reform for Acceleration and Inclusion (TRAIN) Act was signed into law to redesign the country's 20-year-old tax code in an effort to seek progress and a simpler tax system as part of the Duterte administration's initiatives to improve the lives of the country's poorest citizens. The purpose of this study was to determine the effects of the TRAIN Law implementation on the local economy of Laoag City, Philippines as perceived by various government employees, particularly the minimum wage earners. This study used a descriptive technique of research, utilizing Bunghanoy et. al.'s researcher-made questionnaire, which was used to conduct the same study. There were 72 respondents who are minimum wage earners in the city's government sector that participated in the data collection. Data was analyzed using frequency, simple percentage and weighted mean. The study found that the effects of TRAIN Law on the respondents' purchasing power was moderately evident in terms of affordability of necessary goods and services, while the effects of the said law as to disposal income, as well as to social overhead capital and infrastructure was slightly evident. However, TRAIN had no effect on the affordability of non-essential goods manifested by the imposition of excise tax duties brought by the reform. It was concluded that despite the fact that an assessment of TRAIN's full impact among minimum wage earners and it's still speculative due to the

program's early stages of implementation, the public still perceives an improvement in the delivery of public services and infrastructure.

Keywords: Tax Law, TRAIN Law, Tax Reform, Tax Changes, Philippines, Minimum Wage Earners

Introduction

According to Bayod (2021), the Philippine government, under the Duterte Administration, strives to level the playing field for citizens seeking a better life. As part of the many initiatives it has developed to improve the lives of the country's poorest citizens, Congress is becoming more proactive in the passage of bills and enactment of legislation. In an effort to raise the state to a higher level of democracy, global competence, and social and economic amelioration of Filipinos, statutes were passed and old laws were revised.

Every nation's governing bodies provide a variety of public services, including security, public order and safety, health, education, and social welfare, to name a few. In order for the government to establish growth and evident development, a holistic approach and long-term funding sources for social services and public projects should be imposed thus, applying the theory of taxation. In accordance with Tresch (2015), life blood theory is the theory of taxation, which provides that the existence of a government is a necessity. The government cannot continue to exist unless it has the means to pay its expenses; and for these expenses, it has the right to compel its citizens and property to contribute within its limits, which take the form of mandatory levies known as taxes. Furthermore, the distinction between resource allocation, income redistribution, and economic stability, according to American economist Richard A. Musgrave, is a useful way to look at the function of taxation. The primary goal of taxation is to raise funds and provide services to the general public through projects and programs designed by government-appointed authorities. According to Danug (2014), the accumulated revenues will be used to enable the government to carry out its relevant duties and functions.

According to Laudage and Harding (2018), tax reforms are being implemented in a number of countries, including Argentina, China, Indonesia, and South Africa, before the CoVid-19 crisis hits the rest of the world. The aforementioned countries are constantly reducing the personal income tax (PIT) burden, which is a significant source of revenue for a government's tax scheme, and have chosen to narrow their PIT bases lower than what was previously imposed. The goal of reforming some countries' tax systems is to promote equity and fairness, particularly for low and middle-income taxpayers.

Meanwhile, on December 19, 2017, President Rodrigo Roa Duterte signed the First Package of the Comprehensive Tax Reform Program (CTRP) Law No. 10963, also known as the Tax Reform for Acceleration and Inclusion (TRAIN) Act, in Malacanang. According to Dominguez (2018), TRAIN Law Package 1 includes provisions for personal income taxes, a tax on small self-employed and professional individuals, an estate and donor's tax, an expanded value added tax base, an adjusted oil and automobile excise tax, and the implementation of an excise tax on sweetened beverages. According to Gem (2019), TRAIN addresses a number of flaws in the 20-year-old National Internal Revenue Code (NIRC). TRAIN, according to the researcher, will provide significant income tax cuts to the majority of Filipino taxpayers while raising additional funds to support the government's accelerated spending on its Build, Build, Build, and Social Services programs. The government is providing targeted cash transfers of PHP 200 per month in 2018 and P300 per month in 2019 and 2020 to the poorest 10 million households, based on higher consumption taxes paid by the wealthy, as well as improved social services, health care, and education. All of the aforementioned are ways for people to get more job opportunities.

Following the disclosure by the Department of Finance of the features of the said tax reform, it is strongly emphasized that one of the key provisions of the tax law is lowered and simplified personal income taxes. As stated by the National Tax Research Center, The Tax Reform for Acceleration and Inclusion Law (TRAIN) exempts the first P250,000 annual taxable incomes from the payment of their taxes. Nevertheless, those who are above the said price will be struck by higher taxes and burdens. Those whose salaries have been deducted from their tax rate by 5%-32% in the past will now have a 0

per cent tax deduction starting in 2018. However, according to Layug (2018), upon implementation of the said tax reform package, many sectors especially those in the government who are earning a minimum wage have lamented and believed that this law is really a “burden” for the poor. Moreover, according to Tuaño et. al, (2019), TRAIN likely exacerbated Philippine poverty (by 0.26 percentage point) even with the cash transfers in place. The same can be said for a variety of sectors of the economy, especially social workers, who, according to the most recent government data, are among the lowest-paid workers.

This research study aims to facilitate the opportunities and obstacles of minimum wage earners (MWEs) in Laoag City upon the enactment of the Tax Reform for Acceleration and Inclusion (TRAIN) Act. It should be noted that this research was conducted during the occurrence of the Corona Virus Disease 2019 (CoVid19) which may contribute to a significant differences of information gathered from respondents. However, researchers emphasized and thoroughly explained to their respondents that the information that are given are based on their knowledge prior to the implementation of the TRAIN Law. Moreover, this research comprehensively discusses the quantitative effects of the tax reform on the sustainability of MWEs’ financial resources and commodities in their daily living and expenses amidst the imposition of higher and additional excise duty on such that escalates the inflation and poverty rate. The distinctive feature of this research from other studies is that it arrives at conclusions from various perspectives and insights from different taxpayers especially the minimum wage earners in the government sector of the City. Furthermore, the researcher not only aims to provide explicit understanding about the tax reform but also impart strategic approach and solutions to Filipinos and the Philippine government itself regarding the aftermath that the TRAIN Law is giving to minimum wage earners in the City of Laoag.

Research Framework

Implementation of TRAIN Law

In the year 2018, the Filipinos were introduced under a new taxation statute. The new Republic Act (RA) No. 10963, also known as the Tax Reform for Acceleration and

Inclusion (TRAIN) Law, has elicited a variety of responses from taxpayers. The duty program redesigns the country's 20-year-old assessment routine governed by the National Internal Revenue Code, in an effort to make the expense framework more appealing and more direct. The TRAIN law is the primary package of the CTRP to address a few deficiencies in the duty framework to make it less stressful, more appealing, and increasingly useful to support the government's plan on raising the majority of needed funds for the Duterte administration's ambitious infrastructure drive.

Gimena (2019), states that the first package of TRAIN ushered in a slew of new features. One of its goals was to collect funds for the government's social and development initiatives. The tax reform lowered personal income taxes after a 20-year period with no rate changes; however, it increased excise taxes on cars, petroleum products, cigarettes, sugar-sweetened drinks, and other non-essential items. According to the Department of Finance, TRAIN corrects the tax system's long-standing inequity by lowering income taxes for 99 percent of income taxpayers, providing them with much-needed relief after 20 years of non-adjustment. It also generates substantial revenue to fund the President's priority infrastructure programs, which aim to reduce poverty incidence from 21.6 percent in 2015 to 14 percent by 2022.

In addition to that, DOF stated that TRAIN's incremental revenues will go to infrastructure and the Build, Build, Build program, with the remainder going to social service programs. TRAIN passed two-thirds of the needed revenue for 2018 and is expected to pass the remainder in 2018 to help us meet our revenue and deficit targets.

TRAIN's Adverse Effect to the Community and Economy

The TRAIN arrived with much commotion, both literally and metaphorically. There were heated debates in both chambers of Congress. Some supporters claim it came at the perfect time and was a Godsend. Others claimed it was rushed through without properly informing ordinary taxpayers of its many implications. According to the findings of Bunghanoy et. al. (2019), the implementation of the TRAIN Law elicited a wide range of negative reactions from the public. The observed impact on the quality of life of Philippine consumers was both desirable and unfavorable.

Lower personal income tax rates have a positive impact on people's purchasing power as a result of legislative enactments. However, because increases in income are offset by increases in the prices of goods and services, including necessities, the unfavorable outcome is the perception of a constant, if not deteriorating, living condition. According to Castillo et al. (2019), because the tax cut affects a large number of people, increases in demand will have an impact on consumer prices and economic activity. Increasing the excise tax on certain goods, such as petroleum products, would raise the prices of both entities that use the taxed commodities as intermediate inputs in their production and entities that do not use the taxed commodities as intermediate inputs in their production. Furthermore, as Walsh and Yu (2012) stated in their journal on the implementation of the tax reform program, TRAIN law affects commodity prices by imposing high market costs.

Furthermore, because the concept of rapid growth has pushed up commodity prices around the world, TRAIN raises concerns about any seemingly unstoppable rise in food price burden that the poor face around the country. While inflation is frequently viewed as exacerbating poverty and worsening income distribution, a distinction between food and non-food inflation can be made.

Effects of TRAIN Law to the Purchasing Power of Minimum Wage Earners

TRAIN Law was signed into law on December 21, 2017 with the intention of relieving the middle classes of the burden of high income taxes. It is a tool used by the government to increase tax collection and revenue in order to fund major infrastructure projects. According to Paul (2017), TRAIN Law is expected to help alleviate poverty through government services, which will be funded by increased revenue from this new tax package. According to Punongbayan and Aurello (2019), one of the salient provision of the said law is to reduce personal income taxes after 20 years of no tax rate adjustment. However, a workers' group named Associated Labor Union (ALU) claimed that minimum wage earners have become poorer after the implementation of the aforementioned law.

Minimum wage earners are those who earn less than the statutory minimum wage set by the Department of Labor and Employment's Regional Tripartite Wage and

Productivity Board (RTWPB) (DOLE). The RTWPB of each region is responsible for determining the statutory minimum wage (wage rates) in each region based on established criteria. The wage rates that will be set in each region will now serve as the foundation for tax exemption from income tax. According to RA 9504, an act amending section 22, 24, 34, 35, 51 and 79 of RA No. 8424, as amended otherwise known as the National Internal Revenue of 1997, states that the holiday pay, overtime pay, night shift differential pay and hazard pay received by such minimum wage earners shall likewise be exempt from income tax. A minimum wage earner is exempt from income taxes as long as he/she satisfy the requirement of being a minimum wage earner.

According to Paul (2017) in his journal about the effects of TRAIN Law to minimum wage earners, RA 9504 amended RA 8424 (NIRC) in which minimum wage earners have become tax exempted on their income as minimum wage earners. RA 10963 (TRAIN Law) did not amend anything with respect to minimum wage earners. The provision of minimum wage earners in the Old Tax Code will still apply. Although TRAIN Law was not so explicit in its provisions about the MWE; TRAIN Law have a silent provision that MWE can take advantage of. An MWE can sacrifice losing the Minimum Wage Earner status as long as his income is below the zero (0%) rated Php 250 000. However, with the implementation of TRAIN Law, it gives minimum wage earners high commodity prices. The Bureau of Internal Revenue reported to a recent meeting of the Congressional Oversight Committee on the Comprehensive Tax Reform Program that excise tax collection increased in the first quarter of the year, particularly in petroleum products, tobacco, and sugar-sweetened beverages thus imposing more burden in the purchasing power of consumers especially to minimum wage earners who are earning salaries only enough for their daily living cost.

According to a 2020 study on the effects of the TRAIN Law on Metro Manila's minimum wage earners, all 50 respondents said that the TRAIN Law increased their day-to-day expenses. As a result of the findings, it can be concluded that the TRAIN Law affects almost all minimum wage earners in Metro Manila in their daily expenses. This also suggests that the cost of living in Metro Manila has risen as a result of increases in

fuel and excise taxes, which have influenced commodity prices. In the NCR, the nominal minimum wage remains far below the rising family living wage.

However, TRAIN's impact on other cities in the Philippines in terms of minimum wage earners' purchasing power differs and is expected to be variable because cities classified as first class have higher cost of living than cities classified as second and third class, such as Laoag City. The Tax Reform for Acceleration and Inclusion legislation, which is the primary cause of rising inflation, would result in rising living costs, making meeting the basic needs of any family member in the future impossible. TRAIN Law has a significant impact on minimum-wage workers and those in low-wage, volatile jobs. It can be concluded that, despite the fact that these minimum wage earners are exempt from paying income taxes, the increase in their daily expenses caused by the implementation of the TRAIN Law has a significant impact on their net take home pay, resulting in an increase in the poverty rate.

Research Problems

The purpose of this study is to learn about the effects of the Train Law on minimum wage earners in the government sector in Laoag City. Its specific goal is to provide answers to the following questions:

1. What is the demographic profile of the respondents?
 - a. Age
 - b. Gender
 - c. Civil Status
 - d. Number of Family Households
 - e. Average Monthly Income
 - f. Position in the Government
2. How many respondents are familiar with TRAIN Law?
3. What are the possible effects of TRAIN Law as to: a. the affordability of basic goods and services, b. the non-essential commodities of minimum wage earners, c. the social overhead capital and infrastructure, d. the disposable income of the minimum wage earners?

4. What are the programs to be proposed in order to minimize the effects of TRAIN Law to minimum wage earners?

Prepositions

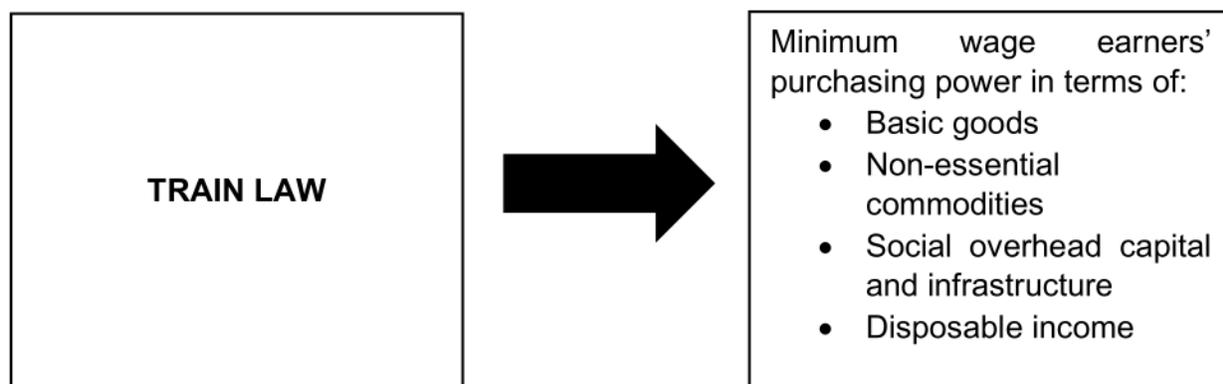
H1. There is no significant effect of the TRAIN Law to minimum wage earners in terms of affordability of basic goods and services, on non-essential commodities, to social overhead capital and infrastructure as well as the disposable income of the minimum wage earners.

H2. There is a significant effect of the TRAIN Law to minimum wage earners in terms of the affordability of basic goods and services, on non-essential commodities, to social overhead capital and infrastructure as well as the disposable income of the minimum wage earners.

Research Paradigm

The research paradigm presents the relationship between the variables in the research study. The independent variable includes the purchasing power of government minimum wage earners. On the other hand, the dependent variable is the TRAIN Law.

Figure 1. Research Paradigm



Methodology

Participants

The participants in the study are Laoag City government employees earning the minimum wage. The respondents will be chosen using the convenience sampling technique. Using Raosoft's sample size calculator, with a margin of error of 5% and a level of confidence of 95%, and a total population of 87 minimum wage earners in Laoag City (City HR Department, 2021), a total sample size of 72 respondents was calculated.

Research Instruments

The research study used a survey questionnaire as the instrument in gathering the responses of the participants. The survey questionnaire has patterned with the research-develop survey tool of Bonghanoy, Etcuban, Bueno and Medio (2019). In this study, the questionnaire contained two parts. The first part pertains to the profile of the respondents in Laoag City regarding age, gender, civil status, number of dependents, and average monthly income level and the second part determines the effect of the imposition of TRAIN Law to the consumers regarding affordability of the essentials goods and services, affordability of non-essential commodities, social overhead and infrastructure and disposal income.

Data Analysis

The organizational profile was analyzed using frequency and percentage. The weighted mean was calculated based on the responses given by respondents to each item pertaining to the effects of TRAIN Law to the affordability of basic goods and services as well as the effects on the non-essential commodities. Furthermore, this calculation was also utilized in getting the results of the effect of the said law to social overhead capital and infrastructure and for the effect of TRAIN to minimum wage earners' disposable income. The respondents were made to check under the column that corresponds to answers for each given item.

Results

I. Cronbach's Alpha Analysis Test of Reliability

To measure the reliability or internal consistency of the set of questions in the survey questionnaires, the researchers used the Cronbach Alpha. According to the Institute for Digital Research and Education, cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. The researchers utilized the Jamovi application. Jamovi, according to Zheng (2018), is a statistical software spreadsheet that provides all of the standard analyses required for an undergraduate statistics program, one of which is the reliability assessment of test items.

Table 1

Test of Reliability

Effects of TRAIN Law to Minimum Wage Earners	Number of Items	Cronbach Alpha
As to affordability of basic goods and services	5	0.85
As to affordability of non-essential commodities	5	0.81
As to social overhead capital and infrastructure	5	0.80
As to disposable income	5	0.89
AVERAGE		0.8375

After adjusting for the reversed-worded item, scales of questions as per their category have a reasonably strong average coefficient of 0.8375 based on 10 responses from people who were not included in the research's sample size. Because of this coefficient, as well as the items' strong face validity and construct validity, the researchers are confident that these items tap into an underlying construct of egalitarianism among respondents.

II. Demographic Profile of the Respondents

The following section provides an overview of the demographic factors of the respondents.

Table 2.1

Profile of the Respondents in Terms of Age

	Frequency	Percentage
18-30	21	29.17
31-43	35	48.61
44-57	16	22.22
Mean:	36.21	100
Standard Deviation	9.51	

Taking into account the number of respondents and their ages, data shows that the majority of minimum wage earners in Laoag City's government sector whose ages ranges from 31 to 43 years old. This analysis reveals that people in the aforementioned age bracket are in high demand in the city's government sector for various duties and jobs.

Table 2.2

Profile of the Respondents in Terms of Gender

	Frequency	Percentage
Female	27	37.5
Male	45	62.5
Total	72	100%

Table 2.2 indicates that there were forty-five (45) male respondents and twenty-seven (27) female respondents. In total, there are 72 respondents. As the table clearly shows, there is imbalance between male and female respondents. Generally, men are by far in the majority which might be attributed since most of the respondents are male employees. Based on the number of male and female respondents, it has been determined that the number of males earning minimum wage in the government sector in Laoag City is growing.

Table 2.3

Profile of Respondents in Terms of Civil Status

	Frequency	Percentage
Married	41	56.94
Single	31	43.06

According to Table 2.3, the number of married respondents outranks the number of single respondents. According to this analysis, more males are assigned to jobs paying the minimum wage in the city's government sector.

Table 2.4

Profile of Respondents in Terms of Number of Household

	Frequency	Percentage
1-5	47	65.27
6-10	25	34.77
Mean:	4.74	
Standard Deviation:	2.4	

Table 2.4 shows that, with a proportion of 65.27 percent, respondents who work in the government sector in the city and earn minimum salaries had the majority of 1-5 people in their households. On the other hand, 34.77 percent of respondents live in a home with 6-7 people. This data shows that with the respondents' minimum wage, it is difficult for them to meet all of their living expenses, especially now that the TRAIN Law has increased and imposed additional taxes on goods and commodities, causing the inflation rate to rise despite the fact that their net income is not subject to personal income taxes, as stated in the provision of the tax reform program.

Table 2.5*Profile of Respondents in Terms of Average Monthly Income*

	Frequency	Percentage
Below 1,000	0	0
1,000-3,000	0	0
3,000-5,000	0	0
5,000-7,000	30	41.67
7,000-9,000	42	58.33

The most common monthly earnings of respondents working in the city's government sector range from 6,000 to 9,000 pesos as per stated in the table above. According to the National Wages and Productivity Commission (2019), which is part of the Department of Labor and Employment, minimum wage earners in Region I, which includes Laoag City, fall into this income bracket with 340 pesos daily minimum wage rate.

Table 2.6*Profile of Respondents in Terms of Position in the Government*

	Frequency	Percentage
Civil Security Service	16	22.22
Utility Worker	17	23.61
Admin Aide I Dietary	5	6.94
Admin Aide I Laborer	9	12.5
Admin Aide III	1	1.39
Admin Aide IV	1	1.39
Local Disaster Risk Reduction and Management Officer	7	9.72
Traffic Enforcer	11	15.28
Others:	5	
Government of Laoag Employees Development Cooperative	1	1.39
Security (DSWD)	1	1.39
Security (PSA)	1	1.39
Metro Aide I	1	1.39
Metro Aide II	1	1.39
TOTAL	72	100%

As seen in the data above, the majority of respondents who work in the city's government sector and earn minimum wage are utility workers, accounting for 23.61 percent of all respondents. On the other hand, the least number of minimum wage earners are from the Administrative Aide III and IV with only one on each department. This just shows that the majority of minimum wage earners are persons who are working as utility workers

III. Familiarity of Respondents towards TRAIN Law

TABLE 3

Familiarity of Respondents Towards TRAIN Law

	Frequency	Percentage
Yes	58	80.55
No	14	19.44

In examining respondents' views on the TRAIN Law, table III shows that 80.55 percent agreed that they are aware of the tax reform, whereas 19.44 percent said they are not aware of the said provision of the tax law. This study found that the execution of the TRAIN Law was visible to minimum wage employees in the government sector in Laoag City.

IV. Effects of TRAIN Law to Minimum Wage Earners

TABLE 4.1

Effect of Train Law as to Affordability of Basic Goods and Service

Indicators	Weighted Mean	Interpretation
1. Fuel, gasoline, and cooking gas have become more expensive to buy for mass consumers.	3.31	Moderately Evident
2. My family can buy medicines and other medical commodities.	2.49	Slightly Evident
3. Goods such as canned goods, poultry, meat, eggs, fish, beverages, water, and processed foods can be bought on more quality.	3.01	Moderately Evident
4. the cost of electricity, water, and other utilities is still affordable.	2.36	Slightly Evident
5. My family can still afford to pay tuition fee and have more access to quality education from primary, secondary, and tertiary level.	2.21	Slightly Evident
Aggregate Mean	2.68	Moderately Evident

The statistics in Table IV demonstrate that the highest weighted mean of 3.31 indicates that the installation of the TRAIN Law causes fuel, gasoline, and cooking gas to become costlier for the general public, and the effect was relatively visible. The constant growth in the market pricing of these commodities during the time of the research reduces consumers' capacity to acquire an adequate number or quantity of items for their daily home consumption requirements. This suggests that the increased tax reduces the buying power of customers' earnings.

The lowest mean of 2.21, on the other hand, implies that it was slightly evident that the family of a minimum wage employee can still slightly afford to pay tuition fee and still have access to quality education. This simply implies that the application of TRAIN has an influence on the cost of schooling in Laoag City. With that stated, the implementation of the TRAIN Law has resulted in a considerable increase in school fees because an educational institution is also a commercial organization that must survive and is exempt

from taxes, but the rates differ from other types of taxes that are imposed on other businesses.

Furthermore, the aggregate mean of 2.68 suggests that the effect of the TRAIN Law's imposition on the affordability of required products and services was relatively noticeable in the consumption of minimum wage individuals. This results indicate that the imposition of additional excise taxes on other goods like fuel cause the prices of all essential commodities that are sold in the market to increase. However, despite the increase in inflation rate, results still said that minimum wage earners can still afford to buy canned goods and processed goods available for their consumption.

TABLE 4.2

Effect of Train Law as to Affordability of Non-Essential Commodities

Indicators	Weighted Mean	Interpretation
1. I can buy expensive electronic products such as cellular phones, Tablets/iPods, laptops, and other electronic products.	2.06	Slightly Evident
2. Recreation like movies, going to bars and concerts can be afforded for a consumer like me.	1.40	Not Evident
3. I can buy signature bags, shoes, and other accessories of high value.	1.22	Not Evident
4. Traveling to other places for vacation and leisure has become my hobby.	1.14	Not Evident
5. I can afford to vehicles like a car.	1.25	Not Evident
Aggregate Mean	1.41	Not Evident

The highest weighted mean of 2.06 suggests that the introduction of the TRAIN Law has had a minor impact on minimum wage employees' capacity to purchase expensive electronic devices such as cellular phones, tablets/iPod, laptops, and other electronic devices. As a result, the respondents find it difficult to acquire such items. On the other side, the lowest mean of 1.14 indicates that it is unclear if respondents would be able to go to other areas for vacation and enjoyment as a result of the TRAIN Law's implementation. Even though TRAIN lowered and simplified personal income tax, employees' incomes are still insufficient to maintain their household's need due to inflation

created by the adoption of excise taxes on commodities, rather than saving for hobbies such as travelling.

The most notable feature in the tax reform was the imposition of a higher tax rate on autos and a rise in the excise tax on gas and fuel, making it difficult for low-income employees to acquire vehicles for everyday use and fuel-generating equipment. Moreover, the aggregate mean of 1.41 indicates the effect on the benefits of the imposition of the TRAIN Law was not evident to the minimum wage earners. Furthermore, the effectivity of TRAIN Law was not felt as to the affordability of non-essential commodities because the tax reform was still in its first package and some provisions are to be made for the following package.

Table 4.3

Effect of Train Law as to Social Overhead Capital and Infrastructure

Indicators	Weighted Mean	Interpretation
1. Improvement to public utilities and education is visible and accessible to all Filipino people.	2.33	Slightly Evident
2. The general welfare of children, women, destitute, victims of crimes both in government organizations gives other marginalized groups priority attention.	2.10	Slightly Evident
3. Public infrastructure like roads, highways, bridges and streetlights are available to all and are in good functional condition.	1.89	Slightly Evident
4. The service of the government agencies are productive and give us contentment.	2.05	Slightly Evident
5. The services of the government agencies are productive and give us satisfaction.	2.07	Slightly Evident
Aggregate Mean	2.09	Slightly Evident

The weighted mean of 2.33 indicates that the benefits of enacting the TRAIN Law for minimum wage earners were only marginally apparent in terms of visibility and accessibility to all Filipinos in terms of improving public utilities and education. It only shows that, as a result of the government's revenue collected from the imposition of excise taxes on many commodities and transactions, respondents assessed that there is

a slight improvement in essential governmental services provided to citizens, particularly in the construction of public roads, bridges, and other infrastructures, as well as social welfare services.

Additionally, the lowest weighted mean of 1.89 signifies that respondents perceived the effects of TRAIN Law as still slightly evident in the framework of being contented to the functionality of public infrastructures such roads, highways, bridges, streetlights and flyovers. As a byproduct of the TRAIN Law's implementation, the government's increased taxation creates more cash to finance the many initiatives and projects under the Duterte administration. The data show that the government's services to individuals from diverse sectors of the economy have improved slightly, since the public will always be impacted by the government's position in the economy and society as a whole.

The TRAIN Law was enacted to help fund the Duterte administration's "Build Build Build" initiative. By 2022, the Duterte administration's twin pillars for economic inclusion—the Comprehensive Tax Reform Program and massive infrastructure development under its "Build, Build, Build" initiative — will produce an insurgency in the country's financial development, raising per-capita income to the level of high-center pay economies.

Table 4.4

Effect of Train Law as to Disposable Income

Indicators	Weighted Mean	Interpretation
1. Income is not enough to support my family's basic needs and wants.	2.51	Moderately Evident
2. Per capita income has increased and felt by each people in the economy.	2.11	Slightly Evident
3. Income is more than enough to buy basic needs and wants.	1.64	Slightly Evident
4. Excessive income is invested in profitable securities or save it to the bank.	1.74	Slightly Evident
5. Excessive income is spent on luxury activity and leisure.	1.08	Not Evident
Aggregate Mean	1.82	Slightly Evident

The highest weighted mean of 2.51 from the respondents perceived that it was moderately evident that the imposition of TRAIN Law indicates that income is not enough for the minimum wage earners to support their dependents basic needs and wants. Even though one of the goals of TRAIN Law is to reduce the PIT in order to improve the disposable income of income earners, such an increase in purchasing power produces greater demand for products and services, which in turn raises the prices of these commodities. So, the final conclusion is that people's purchasing power has actually diminished as their disposable income has grown.

The lowest mean of 1.90, on the other hand, indicates that respondents indicated that it was slightly obvious that surplus income was spent on luxury activities and leisure. This finding demonstrates that, despite an increase in their net pay owing to the reduction in personal income tax, people's or consumers' capacity to engage in luxury and leisure activities has not improved as a result of the rise in disposable income. Other consumables, on the other hand, become more expensive. As a result, their affordability had not increased considerably.

Furthermore, the aggregate mean of 1.82 suggests that minimum wage consumers thought it was only marginally obvious that the above-mentioned law had boosted their buying power or actual income. This simply implies that lowering the personal income tax will not raise people's purchasing power unless there is a matching development in the economy's productive ability to produce better products and services for and by people. That is, production should take place inside the local economy rather than importing things from other nations, as the economy is now dependent on importing commodities from other nations.

Discussions

Conclusion and Recommendation

The implementation of TRAIN Law has received an extensive impact on government employees from their spending ability to deciding what to purchase with their monthly income. Given the data that was collected from the survey within Laoag City in which the data shows that the majority of minimum wage earners in Laoag City's

government sector are age's ranges from 31 to 43 years old. Generally, among the 72 respondents, most of them are male employees. In addition to that, the respondents are mostly married and had 1-5 people in their households. The study also showed that the respondents are aware of the execution of TRAIN Law in the government sector in Laoag City.

According to the results of the survey, the legislative enactments of lowering personal income tax rates has a negative impact on people's purchasing power because improvements in income are offset by changes in the pricing of products and services unless there is a corresponding increase in the economy's productive capacity to generate better products and services for and by people in order for them to limit their purchasing power. Moreover, the additional amount added to the usual price of the goods and services resulted in basic needs not being met. However, the effectivity of TRAIN Law was not felt as to the affordability of non-essential commodities. Furthermore, as a result of the TRAIN Law's implementation, the government's higher tax generates more revenue to fund the Duterte administration's numerous programs and projects. The results indicated that the government's services to individuals from the government sector of the economy have slightly improved, since the public will always be influenced by the government's position in the economy and society.

When compared to a similar study conducted in Cebu City, the findings of this study appear to differ in contexts of the affordability of non-essential goods, as well as social overhead capital and infrastructure. Comparison shows that in Cebu City, the effects of TRAIN Law to minimum wage earners as to the affordability of non-essential goods was slightly evident while in Laoag City it was not. Moreover, the effects of TRAIN Law as to social overhead capital and infrastructure in Cebu was moderately evident while in Laoag it was just slightly evident. It was determined that the gap was caused by the disparities in the cost of living between these two cities. According to Marcelo (2017), Cebu City was the richest city in the Philippines in 2016, while Laoag City did not make the top ten. This just explains why the development of infrastructure and Cebu has more jobs and working facilities than Laoag, as evidenced by their total assets. This explains why minimum wage earners in the former mentioned city responded that the effects of

the tax reform are visible in terms of the affordability of non-essential goods, public infrastructure is constantly being built, and they can still manage to save a small portion of their take-home pay.

The Philippine government focuses on the tax impact on marginalized sectors, but fails to consider the public spending and higher growth that will benefit all. With that, the researchers suggest that they should initiate a public awareness campaign to educate the public on the key aspects of the TRAIN Law. The Local and central government must make substantial efforts to increase public understanding of local taxation and how Local Government receives funding and spends money. This should be clear and transparent to taxpayers throughout their experience of the system. The researchers, on the other side, believe that minimum wage earners should be informed of the country's social difficulties so that they can respond if the government has a problem. They should be able to identify and weigh between their needs and wants in order to cut down on unnecessary spending and improve their financial capacities. Furthermore, the researchers advise minimum wage earners to be more patient with the situation because the executive and implementing body of the government believe that this tax reform would result in a more progressive country with the goal of eradicating poverty.

Public Awareness Campaign is a way to bring a certain issue to the attention of a group of people. This type of project can take many forms, ranging from a poster contest to a fair at a local mall or a program on one of town's radio or television stations, distributing flyers or even having seminars in schools, barangay or in the city. Raising awareness and educating the public is a great way to highlight the need for educating the target audience (employees) which will help them the chance to manage their decisions. Too often employees usually don't care and they don't know how to address issues in the government. With that, the researchers came up with a solution that might help them to better understand the effects of TRAIN Law. They suggested that by conducting seminars through the barangay level and even schools for students and employees. They can make a difference by learning the facts which is imparting knowledge to the students and employees will give them a sense of accomplishment, developing a message and getting the word out about the solution is way better than doing nothing to make a change.

The following are the specific procedures for the researchers' public awareness campaign on the tax reform program:

1. Government officials in charged will provide a modality to be used to disseminate information about taxes and the provisions of the TRAIN Law through special software such as website or email campaign generator to effectively spread the message especially now that we are still in a global pandemic.
2. Engage community leaders to share the information about this topic with specific audiences that other audiences may not be able to reach. These leaders are most often business leaders, policymakers or influential community members.
3. By developing a media strategy, government coordinators can deliver information to their target audiences with the swipe of a thumb. By holding a once-a-month activity or holding seminars about tax reform programs and publishing articles about them each month, people can help spread the word and attract the attention of people who are interested in the subject.
4. To become fully aware of their future, the government can implement a webinars series, say once a month, about the responsibilities and rights of every tax payer for business or nonbusiness students. This will serve as their foundation in becoming aware of their duties as tax payers.

In contrast with previous attempts at reform, we are not persuaded that a single tax instrument can simultaneously deliver greater equity for taxpayers and autonomy for Local Government whilst also being efficient and readily implementable. A replacement system, therefore, would benefit from including multiple forms of tax which would allow local taxation as a whole to be fairer. A well-designed system that draws revenue from multiple sources would provide more options for local democracy, delivering greater financial accountability and autonomy to local government.

Implications and Future Research

The data and information gathered, as well as the outcomes of this research study, can be utilized to measure minimum wage earners' level of awareness of the government's tax reform program. This research can serve as a guide in implementing

various programs that can alleviate the burden on minimum wage earners in terms of purchasing power prior to the implementation of the TRAIN, and it can prompt the government to carry out the act of transparency in subsequent packages of this tax reform program to ensure that every tax payer is aware of the provisions of such transitions.

Other academics might use this work as a starting point to learn more about the TRAIN Law's benefits and shortcomings. Because the researchers of this study recognized that there hasn't been a recent study involving solely the government sector in determining the effects of TRAIN, future studies on the effects of taxes on the government sector in other cities can utilize this study as a source.

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INFLUENCE OF THE LEVEL OF AWARENESS AND IMPLEMENTATION OF TRAIN LAW TO MICRO BUSINESSES IN LAOAG CITY

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ABSTRACT

The study aims to assess the influence of the level of awareness and level of implementation of TRAIN Law to micro businesses in Laoag City. It sought to determine the relationship between the level of awareness and level of implementation of TRAIN Law. In addition, to determine the moderating effects of demographic profile and organizational profile in the relationship of level of awareness and level of implementation of TRAIN Law to micro business owners. The level of awareness in TRAIN Law was measured cost in time, cost in money, complexity in compliance process, appropriateness of the TRAIN Law and the user satisfaction. It also reviewed the effectiveness of the BIR tax administration reforms in the implementation of TRAIN Law and were assessed by current tax laws, tax compliance activities, tax administrative control, taxpayers' support and education, and information sharing. The participants were the micro business owners in Laoag City. In selecting the participants, researchers used convenience-sampling technique. The study is a descriptive quantitative research. Survey questionnaire via google form was the main instrument used. The reliability was measured using Cronbach's Alpha as given by Glien and Gliem (2003). The quantitative data used Pearson Correlation in analyzing. From the findings, the study reveals that the micro business owners in Laoag City are aware of the TRAIN Law, they pose tax knowledge

and understanding on the reform of the tax system, and the BIR strategies or the level of implementation are revealed to be effective to the micro business owners in Laoag City.

Keywords: TRAIN Law, Micro Businesses, Awareness, Implementation

Introduction

The Tax Reform for Acceleration and Inclusion (TRAIN) or the Republic Act No. 10963 was signed into law by President Rodrigo Duterte on December 19, 2017 and implemented on January 1, 2018. It was the initial package of the Comprehensive Tax Reform Program, which aims to rationalize the Philippine tax system. TRAIN amended several provisions of the National Internal Revenue Code of 1997 (Tax Code) on individual income taxation, passive income for both individuals and corporations, estate tax, donor's tax, value-added tax (VAT), excise tax, and documentary stamp tax (DST), among others. The law supports the government's plan on raising the bulk of needed funds for the Duterte administration's ambitious infrastructure drive, "Build, Build, Build" program that will sustain high and inclusive growth of the country and finance investments in all Filipinos through enhanced education, health and social services. It was implemented to make a fairer and simpler tax system. (Department of Finance, 2018)

As an element of the reform, personal income tax is reduced on the majority of the individual taxpayers. According to the Department of Finance (2018), an individual with a taxable income of P250, 000 or less will be exempt from income tax. Those with a taxable income of above P250, 000 will be subject to the rate of 20% to 35% effective 2018, and 15% to 35% effective 2023. This is negatively pictured because of its impact on poverty, affecting the incentives for economic decisions and in the distribution of the funds for the improvement of the society, and particularly due to the drastic increase in the consumer prices and custom duties particularly on petroleum products and sweetened beverages.

According to International Trade Centre (2020), Small and medium-sized enterprises are defined as firms with fewer than 100 employees. The term 'SME' thus includes microenterprises. Small and medium-sized enterprises (SMEs) are the economic lifeblood of the Philippines. They account for more than 99% of registered businesses in the country and provide 60% of jobs. The government has adopted

AmBisyon Natin 2040 as the long-term vision for the country. The road to achieving this vision is charted in the Philippine Development Plan 2017–2022 and its 10-point socioeconomic agenda, which underscores the role of SMEs in helping to increase competitiveness and make it easier to conduct business. This is further elaborated in the Micro, Small, and Medium Enterprise Development Plan 2017-2022, including through efforts to streamline business permit and licensing systems; reduce regulatory burdens; strengthen institutional support; and generate and analyze relevant data.

Small and Medium Sized Enterprises significantly contribute to employment and the country's gross domestic product in emerging countries. Many claim that the growth of emerging economies significantly depends on SME performance. SMEs in emerging economies are a major part of the industrial economies and their survival and development growth is an important issue (Ale Ebrahim et al., 2010).

In the commercial setting, taxation crucially affects operations of small businesses however, they generally receive little attention from tax administrations as they are the most difficult sector to tax under accounts-based taxes, such as the income tax or VAT. This happens for both developed and developing countries as asserted by Reside, Renato E.; Burns, Lee (2016).

Atty. Aranas concluded that the BIR's goal of increasing the taxpayer base came closer to reality, as MSMEs will now find it less burdensome to declare their income and pay the proper taxes under the administration's tax reform law. With the simplified tax procedures under TRAIN law, it lessens the crucial business environment barrier, increases voluntary compliance of business owners, positively impacts productivity and growth, and even increases tax revenues. Because according to BIR Commissioner Caesar R. Dulay, bringing the tax collection drive to the grassroots level is one of the bureau's programs designed to further improve tax enforcement activities and voluntary compliance.

The uniqueness of this study is that the researchers can assessed influence of the level of awareness and implementation of TRAIN law as viewed by the micro-businesses in Laoag City. Since, common relevant topics about TRAIN law are focused on poor families and consumers. This research focuses on the micro-businesses which are really

affected in the current inflation rates and tax changes in the country. Furthermore, this will relate most of business owners of Laoag City since this law was implemented recently.

This research study also considered their point of view if this law brings hope for a better economy. The researchers would also like to identify their insights and feedback on the tax compliance and tax literacy of the business owners. As it talks about how micro-business owners be able to adjust the new tax law and how does it applies to our current situation. This study serves as an awareness for all business owners in Laoag City for them to understand the effect of TRAIN law on their respective businesses. And also, this study focuses on how this law can be a way to make the Philippines a better place to live in, with better opportunities and a prospect for every Filipino.

Research Framework

Level of Awareness

Taxpayer awareness is a condition in which taxpayers understand and understand the meaning, function and purpose of paying taxes to the State. With a high taxpayer awareness will have an effect on increasing tax compliance that is even better. "Regarding to the implementation of Self-Assessment System, ethical tax awareness of a taxpayer refers to the satisfaction and pride for fulfilling tax obligation when it is due. It also refers that tax is likely to a duty of every citizen therefore paying the tax is a prior expenditure, and all related data must be honestly provided (Rahayu, 2017). One of the fundamental ways to increase public awareness is for taxpayers to have knowledge about taxation. Reference observes that general education level is significantly related to tax evasion (Oladipupo and Obazee 2016). Duty execution could be somewhat brought about by accepted practices, which assume a significant part in consistence however are regularly disregarded by open and expense policymakers, notwithstanding different variables that impact charge consistence, like view of reasonableness, seen benefits, and saw punishments. This sets the reason for the analyst to examine the connection between accepted practices, citizens' confidence, and assessment consistence among SBEs in Uganda (Tusubira 2013).

A small business growth, can be constrained by tax regimes whose knowledge and skill requirements to achieve compliance can inadvertently become bureaucratic red tape. Taxes like Value Added Tax, Skill Development Levies and Pay as you earn are the most burdensome taxes for small businesses. Due to the lack of tax knowledge, small businesses owners have resorted to the use of external service providers in order to be tax compliant (Taruvunga 2013). Small businesses draw on their strong tax law literacy with this knowledge, such as how to best source advice to fulfill their responsibilities and to realize the benefits that can be realized through tax compliance. Small companies should be able to ensure that they meet their commitments, reducing the risk of financial penalties, as well as assert all of their entitled deductions and offsets, with improved tax literacy (Freudenberg, Chardon, Brimble, and Isle 2017). SMEs are likely to evade their taxes. SME owners must be informed of the penalties that can be imposed for tax non-compliance and these aspects of tax awareness will help enhance tax compliance among SME business owners (Twum 2020). Small business owners should be personally engaged in their activities and do regular assessments of their companies to ensure that their tax commitments are fulfilled. The small business owners have to be equipped with skills that are necessary for understanding the tax language. The communication frequency as well as the information technology communication will play a vital role in ensuring the effectiveness of the communication (Nontshinga 2018). Small business taxpayers could give a better understanding of what would be helpful in terms of policy, in reducing tax compliance burdens. The development of a small business tax regime to reduce the tax compliance costs will require more work (David Ma 2015).

Adjustments in tax rates lead to the adjustments in costs of different products and services. At whatever point costs increase because of expansion in tax rates; costs of merchandise and services increase and there is a drop in the utilization rate and a decrease in deals volumes which prompts retracted development of SMEs. Besides, tax payment is among the outflows of money from the business which decrease the buying power of an enterprise (Kamleitner, Korunka and Kirchler, 2012). To enhance tax compliance among small business taxpayers, there should establish a harmonious working relationship with all stakeholders and vigorous public relations to reverse the

negative image of the institution. There should be massive sensitization programs to increase awareness, educate the public and remind them that they are partners, as opposed to mere subjects forced to pay taxes (Tusubira and Nkote 2013). New tax regime for micro-businesses increased the number of newly licensed formal firms by 18–30% below the eligibility threshold during the first year of their existence, but not in subsequent years (Bruhn & Leopruck 2014).

Level of Implementation

SMEs play an important role in the growth and development of the economy. Taxes for SMEs have been more harmful than beneficial as they increase running costs and slow down growth (Ojeka 2011). SMEs are important drivers of innovation, diversification and export growth. SMEs are the economic backbone as they usually account for the majority or nearly all of GVA and jobs, pay a large share of corporate taxes, and are important drivers of growth, innovation, and diversity (Miller and Wongsaroj 2018). Small business enterprises are being affected by the tax of which they would lead to the destruction of the economy in general and reduction in the output relative to the current tax. Through modification of fiscal policy changes the economy and the analyst believe it will take the country and the region of Voi into recessions (Kimani 2013). For the SMEs to perform sufficiently, the tax system set up should advance the endurance of such firms. Accordingly, the tax collection, evaluation and utilization should be SMEs arranged as this will thus effect on the development of the economy (OECD 2019). SMEs do not comply with tax law as they pose only basic tax knowledge and lack a deeper understanding of tax issues. Therefore, an introductory tax course should be introduced, perhaps as an elective subject at the beginning of higher learning education so that students are aware of their responsibilities as future taxpayers (Wadesango and Mwandambira 2018).

The compliance costs would be reduced through 'learning-by-doing', and businesses that were more efficient tended to achieve greater gains in cost reduction and would actually benefit from compliance. Malaysian SMEs before the introduction of the GST and found that most were still not prepared for the implementation. Only around 8%

were equipped with GST guides and software and less than 10% had undergone human resource training for the GST (Palil et al. 2013). Tax knowledge is the level of awareness or sensitivity of the taxpayers to tax legislation. Tax knowledge refers to the processes, by which taxpayers become aware of tax legislation and other tax-related information. The level of formal general education received by taxpayers is an important factor that contributes to the understanding of tax requirements, especially regarding registration and filing requirements (Oladipupo and Obazee 2016). Tax-related administrative burdens might be testing particularly for SMEs because of their disproportionate nature. Accordingly, it is vital that the capable authorities perceive the previously mentioned (Ravšelj, Kovač and Aristovnik 2019). Tax avoidance is characterized as the inventive plan of the tax statement in a legal manner with the point of income reduction of consumptions. It might appear to be from the outset that the tax arrangements to reduce the tax burden are simply pertinent to few numbers of taxpayers who have the assets to utilize legitimate experts who will assist them with negotiating tax law (Onu, Oats, Kirchler and Hartmann 2019). Reforms that improve incentives, reduce existing subsidies, avoid windfall gains, and avoid deficit financing will have more auspicious effects on the long-term size of the economy, but may also create trade-offs between equity and efficiency (Gale and Samwick, 2014).

Changes in tax rates lead to the changes in prices of various goods and services. Increase in tax rates leads to higher production, distribution and selling costs which lead to higher prices and as a result consumers change their buying behavior (Tee, Boadi, & Opoku 2016). Tax incentives are germane to the growth, development and continued sustenance of small and medium enterprises. Tax incentives play a vital role in ensuring that small and medium enterprises thrive because the government has made available tax holidays for pioneer companies, and the government also grants a number of general and industry specific incentives (Twesige and Gasheja, 2019). A tax structure that is not effectively designed to the conditions of the environment within which the SMEs operate, it may cause a significant tax burden and will affect the end users, due to changing ability of taxes. Tax policy is crucial for the survival of SMEs provided that friendly tax policy is instrumental to the growth and survival of SMEs, as taxes increase running cost and slow

down the growth and most of the SMEs face the problem of high tax rates, multiple taxations, lack of proper information and complex regulatory policies (Xu, Li, Liang, and Rahman 2019). MSMEs' capability to innovate according to the literature, and which the survey results suggest there is need for improvement. MSMEs that apply for intellectual property instruments, mostly for a brand name or for a trademark; and are connected with their suppliers, clients, and public research universities as partners for innovation activities (Quimba and Rosellon 2019).

Research Problems

The study aimed to assess the influence of the level of awareness and level of implementation of TRAIN Law to Micro Businesses in Laoag City

Specifically, this study sought to answer the following problems:

1. What are the demographic profiles of the micro businesses in Laoag City in terms of;
 - i. Sex
 - ii. Age brackets
 - iii. Highest Educational Attainment
 - iv. Civil status
2. What is the organizational profile in terms of;
 - i. Number of years existence
 - ii. Number of employees
 - iii. Type of Business
 - iv. Sales/Income of the business
3. What is the level of awareness of Micro business owners to TRAIN Law in Laoag City?
4. What is the level of implementation of TRAIN Law in Laoag City for micro businesses?
5. What is the relationship between level of awareness and level of implementation of TRAIN law to micro business owners?

6. Is there moderating effects of demographic profile and organizational profile in the relationship of level of awareness and level of implementation of TRAIN Law to micro business owners?

Hypothesis

The following hypothesis served as guide in the study Influence of the level of awareness and level of implementation of TRAIN Law to Micro Businesses in Laoag City.

What is the significant relationship between level of awareness and level of implementation of TRAIN Law in Laoag City for micro businesses?

Propositions

H: There is a significant relationship between level of awareness and level of implementation of TRAIN Law in Laoag City for micro businesses.

H: There is no significant relationship between level of awareness and level of implementation of TRAIN Law in Laoag City for micro businesses.

Research Paradigm

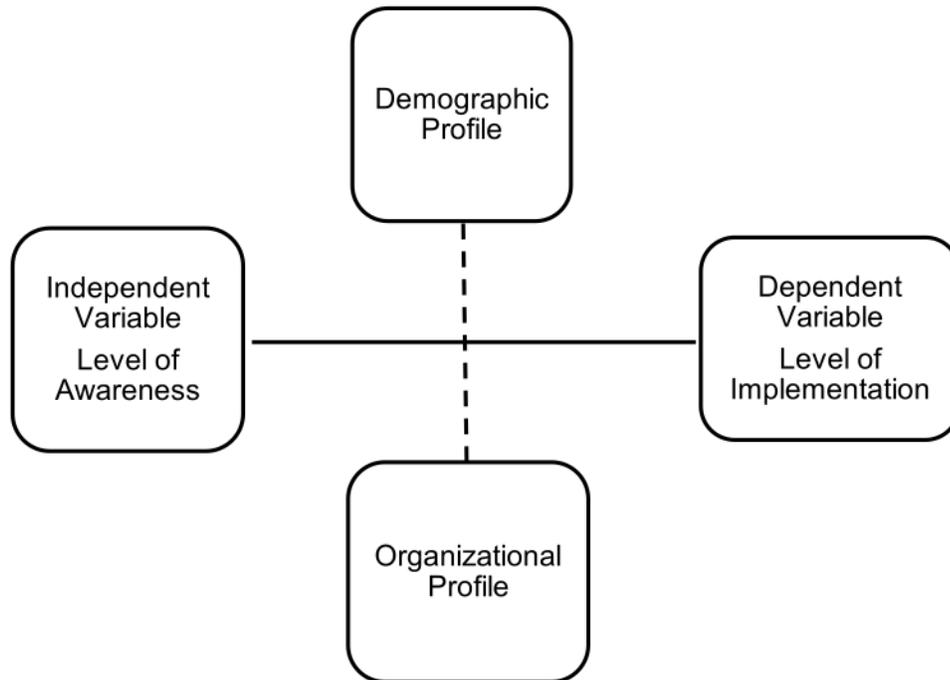


Figure 1. Research Paradigm

The research paradigm presents the relationship between the variables in the research study. The independent variable includes the level of awareness of TRAIN Law on micro businesses in Laoag City. On the other hand, the dependent variable is the level of implementation. The moderating variable is the demographic profile and organizational profile of the Micro Businesses in Laoag City.

Methodology

Participants

The participants of the study were the owners of the micro business in Laoag City. The participants were selected through convenience sampling technique. Using sample size calculator by Raosoft with 5% margin of error and the level of confidence at 95% and a total of 6,258, the total sample size is 362 respondents will be computed.

Research instrument

The research study used a survey questionnaire. The survey questionnaire has patterned in the study of Ondimu, O. (2010). In this study, questionnaires were the main instrument to use. The questionnaire consisted of three parts. The first part is the demographical profile consisted of sex, age brackets, highest educational attainment and civil status of the business owner. And the second part is the organizational profile consisted of number of years existing, number of employees, type of the business, income of the business and if the business is registered or unregistered. The last part were the influence of TRAIN Law to micro businesses in Laoag City which has two sections namely section one: the level of awareness and lastly, section two: level of implementation.

The reliability of the study was measured using Cronbach's Alpha as given by Gliem and Gliem (2003) in the equation, $a = \frac{n}{n-1} \left(1 - \frac{\sum Vi}{V_{test}} \right)$ where n is the number of questions; Vi is the variance of scores on each question; V_{test} is the total variance of overall scores (not %'s) on the entire test. According to David and Thomas (2006) Cronbach's Alpha is used with both dichotomous and continuous data.

Data analysis

The demographic profile and organizational profile (Gliem & Gliem, 2003) will use frequency and percentage wherein the weighted mean will be derived from the answers provided by the respondents to each item pertaining to the influence of the level of awareness and level of implementation to TRAIN Law. The Quantitative data will be analyzed using Pearson Correlation. In addition, a moderating analysis was performed to see the significant relationship of the demographic profile and organizational profile to both level of awareness and level of implementation of TRAIN Law to micro businesses in Laoag City.

The researchers presented the influence of TRAIN Law using a 4-point Likert scale, respondents will be asked to rate these practices' truthfulness regarding their experience. In this Likert scale, 1 stood for strongly disagree, 2 for disagree, 3 for agree,

and 4 for strongly agree for the level of awareness. The Likert scale for the level of implementation, 1 stood for very ineffective, 2 for ineffective, 3 for effective, and 4 for very effective.

Results and Discussions of Data

This chapter provided the gathered data and the researchers' analysis and interpretation of the results of the distributed survey questionnaires. The data were presented in a clear and concise form, most which used tables. The researchers used weighted mean to present the data.

Table A

Reliability Test

Variables	N	Vi	Vtest	Cronbach Alpha
Level of Awareness	11	5.16	19.26	0.81
Level of Implementation	19	8.56	67.97	0.92

The questionnaires were tested for reliability by the first fifteen (15) respondents. According to Ondimu (2010) reliability is the extent to which any measuring procedure gives the consistent results on repetition. Even though there are different forms of reliability, this study used internal consistency reliability whereby several items in the questionnaire ought to measure same general construct by producing similar results.

From the test in Table A, the reliability coefficient for Level of Awareness is 0.81 (81%); for the Level of Implementation is 0.92 (92%). According to Ondimu (2010), the reliability test with Cronbach's Alpha more than 0.75 (75%) is good but greater than 0.95 (95%) is not desirable because it indicates the items may be entirely redundant. While the alpha of less than 0.75 (75%) would imply that the scores are close together and unless the respondents truly are close inability hence the test may not be useful. Since the Cronbach's Alpha were over 0.75 (75%), it was appropriate to infer that the scales use in the study were consistent and reliable.

Table B*Level of Implementation (BIR Employees)*

Questions	Weighted Mean	Verbal Interpretation
Tax Laws on e.g. TRAIN Law, Income Tax		
Amended laws to close loopholes/reduce ambiguities and anomalies	2.60	Effective
Application of fines/penalties for non-compliant taxpayers	2.80	Effective
Tax amnesties	3.00	Effective
\bar{x}	2.80	Effective
Tax Compliance activities		
Reviews, investigations and audits	3.20	Effective
Unannounced field visits, walk-ins and mock purchases	3.20	Effective
Registration and enterprise reviews (i.e. checking registration details and ensuring registered entities are real)	3.40	Very Effective
\bar{x}	3.27	Very Effective
Tax Administrative Control		
Exemption of Micro Businesses from collecting VAT	2.80	Effective
Reducing compliance cost/burden on taxpayers (e.g. by simplifying procedures, providing more convenient payment options)	2.60	Effective
Enforcing ETR invoicing/receipting requirements	3.00	Effective
Introducing record keeping and accounting codes	3.00	Effective
Requiring tax clearance certificates (e.g. for tendering for government projects)	3.00	Effective
\bar{x}	2.88	Effective
Taxpayer support and education		
Providing information, tools and guidance to help taxpayers comply (e.g. brochures, booklets, seminars)	3.00	Effective
Publicizing prosecution cases and the consequences/penalties of non-compliance	3.20	Effective
Incentives for compliance (e.g. rewards/awards to the best taxpayers)	2.40	Effective
Opportunity to voluntarily disclose before the application of penalties	2.60	Effective

Use of informants and tax evasion referral hotlines or websites	3.00	Effective
\bar{x}	2.84	Effective
Information sharing		
Government departments (e.g. immigration, ministries etc)	2.80	Effective
Private sector organizations (e.g. banks).	2.80	Effective
Use of primary research (e.g. surveys of taxpayer groups) to understand behaviour and identify issues/risks	2.80	Effective
\bar{x}	2.80	Effective
Overall	2.84	Effective

n=70

Legend

Mean Range of Values	Descriptive Interpretation
4.00 – 3.26	Very Effective
3.25 – 2.51	Effective
2.50 – 1.76	Ineffective
1.75 – 1.00	Very Ineffective

Table B presents the item mean ratings showing the level of implementation of micro business owners to TRAIN Law. The table shows that the overall ratings on the level of implementation by the employees of Bureau of Internal Revenue is 2.84 with a descriptive rating “Effective.” This is an indication that the Bureau of Internal Revenue’s implementation of the TRAIN Law is effective as evidenced by the level of implementation in different criteria set. The table reveals that all items in the criteria have a descriptive rating of “Effective.” It can be observed in the table that the implementation that got the lowest mean is found in the criteria of Tax Laws on e.g. TRAIN Law, Income Tax and Information sharing. Incentives for compliance got the lowest mean of 2.40. This means that it is not duly implemented by the administration, yet the employees of BIR still think it is effective.

Table 1*Demographic Gender of the Respondents*

Gender	F	Percentage
Female	48	68.6%
Male	22	31.4%
Total	70	100%

n=70

Table 1 presents the demographic gender of the business owners in Laoag City. The table discloses that majority of the respondents, 48 (68.6%) are females while only 22 (31.4%) are males. This implies that there are more female business owners. The demographic gender of the taxpayer plays an important role in identifying which among them are aware in complying tax requirements and the Train Law.

Table 1A*Demographic Age of the Respondents*

Age Bracket	F	Percentage
Below 20 yrs	2	2.9%
20-29yrs	22	31.4%
30-39 yrs	10	14.3%
40-49yrs	16	22.9%
50-59 yrs	12	17.1%
Above 60yrs	9	12.9%
Total	70	100%

n=70

Table 1 presents the age brackets of the business owners. It can be seen from the table that business owners involved in the study belong to gen-z and millennial group with the mean age of 20-29 years old. Furthermore, the table shows that there are 22 (31.4%) business owners who belong to 20-29 years old; 16 (22.9%) business owners that belong to ages 40-49 years old; 12 (17.1%) are 50-59 years old; 10 (14.3%) are 30-39 years old; there are 9(12.9%) who are above 60 years old or known as Senior Citizens and 2 (2.9) that aged below 20 years old.

Table 1B*Demographic Civil Status of the Respondents*

Civil Status	F	Percentage
Single	29	41.4%
Married	41	58.6%
Total	70	100%

n=70

Table 1.B presents the tabular and percentage data of the micro business owners' respondents of this study in terms of civil status. Out of 70, 41 (58.6%) of the respondents are married while 29 (41.4%) of the respondents are single. It shows that majority of the micro business owners in Laoag City are married and mostly female. (Parilla E, 2013) It seems that the married respondents are house wives trying to seek opportunities and increase their family income.

Table 1C*Percentage of Respondents' Highest Level Attainment*

Highest Level Attained	f	Percentage
Certificate	4	5.71%
Diploma	20	28.57%
Bachelor's Degree	39	55.71%
Master's Degree	1	1.43%
Others	6	8.57%
Total	70	100%

n=70

Table 1C shows the highest level of attainment of the business owners. Individuals with the greatest levels of financial literacy had at least one of the following characteristics: higher education, professional occupation, company ownership, or being a part of a couple without children. Educated taxpayers may be aware of noncompliance options, but Chan (2012) suggest that their possible better comprehension of the tax system and higher moral development supports a more favorable taxpayer attitude and hence increased compliance. The study shows that most of the respondents are educated and were able to comply with it. Most respondents 39 (55.71%) attained bachelor's degree; 20 (28.57%) had diploma; 6 (4.29%) of the respondents falls other than certificates,

diploma, bachelor's degree and master's degree; 4 (5.71%) had basic education that is certificate; and 1 (1.43%) had master's degree.

Table 2

Percentage of Respondents' Business Year Existence

Business Year Existence	F	Percentage
Below 5 yrs	29	41.4%
5-10yrs	13	18.6%
11-15yrs	6	8.6%
Above 15yrs	25	35.7%
Total	70	100%

n=70

The table 2 above indicates the years of existence of the respondents towards their business. The researchers came up with 4 ranges of years that the respondents can choose in their business years of existence. In the 70 micro businesses, 29 (41.4%) of them have their business below 5 years. In the range of above 15 years, there are a total of 25 (35.7%) Micro Businesses that have been operating for so long. While in the range of business operating for 5-10 years, there are 13 (18.6%) micro businesses. And lastly, there are a total of 6 (8.6%) operating their business in the range of 11-15 years. Therefore, it shows that majority of the 70 micro businesses have been operating below seven years in their designated or chosen businesses.

Table 2A

Percentage of Respondents' Number of Employees

Number of Employees	F	Percentage
1-3	42	60%
4-6	22	31.4%
7-9	4	5.7%
10-12	2	2.9%
Total	70	100%

n=70

The table 2A above indicates the number of employees of the respondents towards their business. The researchers came up with 4 scales of employees that the respondents can choose on how many their employees are. In the 70 micro businesses, 42 (60%) of

them have 1-3 employees in their business. In the scale of 4-6 employees, there are a total of 22 (31.4%). While there are 4 (5.7%) micro businesses have a scale of 7-9 employees in their business. Lastly, in the scale of 10-12 employees, there are only 2 (2.9%) micro businesses that have that scale of employees. Therefore, it shows that majority of the 70 micro businesses have a scale of 1-3 employees because since they have small business they decided to have only 1-3 employees for lesser expenses.

Table 2B

Percentage of Respondents' Type of Business

Type of Business	f	Percentage
Service	24	34.30%
Merchandising	33	47.14%
Manufacturing	7	10.00%
Retailing	4	5.71%
Others	2	2.86%
Total	70	100%

n=70

Based on the findings, the majority 33 (47.14%) of the micro business owners respondents of this study are operating in a merchandising business; 24 (34.3%) are in service; 7 (10%) are in manufacturing; 4 (5.71%) are in retail businesses; and 2 (2.86%) operates business that falls other than service, merchandising, manufacturing and retail businesses. This implies that in Laoag City, most of the micro businesses established are into merchandising business because it only require minimal machineries and equipment since the main business is just selling the commodities that were produced by manufacturers (Parilla, E, 2013)

Table 2C*Percentage of Respondents' Sales/ Income of the Business*

Sales/Income of the Business	F	Percentage
Below P100 000	42	60%
P100 000 – P150 000	15	21.4%
P151 000 – P200 000	5	7.1%
P201 000 – P250 000	3	4.3%
Above P250 000	5	7.1%
Total	70	100%

n=70

Table 2C shows the sales/income of the micro business owners respondents of this study. Majority 42 (60%) of the respondents has annual income of not exceeding P100, 000; 15(21%) has annual income of P100, 000 but not exceeding P150, 000; businesses that has annual income above P150, 000 but not exceeding P200, 000 and above P250, 000 comprises 5 (7.1%) while 3 (4.3%) has an annual income above P200, 000 but not exceeding P250,000.

Table 3*Level of Awareness*

Questions	Weighted Mean	Verbal Interpretation
Cost in time		
1. I am aware of the TRAIN Law	3.09	Agree
2. Few hours are spent in complying with TRAIN Law	2.90	Agree
3. There is perceived reasonable changes in compliance cost (time)	2.90	Agree
\bar{x}	2.96	Agree
Cost in Money		
4. There is high cost to comply with the TRAIN Law	2.77	Agree
5. There is perceived reasonable changes in compliance cost (money)	2.89	Agree
\bar{x}	2.83	Agree
Complexity of compliance process		
6. Taxpayer error rates is high	2.77	Agree
7. There are several enquiries on the TRAIN Law	2.89	Agree
\bar{x}	2.72	Agree
Appropriateness of TRAIN Law		
8. TRAIN Law tax system is appropriate to our business	2.66	Agree
9. Business file returns on line i.e. e-filing	2.54	Agree
\bar{x}	2.60	Agree
User Satisfaction		
10. There is clarity on TRAIN Law tax system	2.71	Agree
11. We are satisfied with the TRAIN Law tax system	2.67	Agree
\bar{x}	2.69	Agree
Overall	2.76	Agree

n=70

Legend

Mean Range of Values	Descriptive Interpretation
4.00 – 3.26	Strongly Agree
3.25 – 2.51	Agree
2.50 – 1.76	Disagree
1.75 – 1.00	Strongly Disagree

Table 3 presents the item mean ratings showing the level of awareness of micro business owners to TRAIN Law. The table shows that the overall ratings on the level of awareness by the respondents is 2.76 with a descriptive rating “Agree.” This is an indication that the micro business owners agree that they are aware of the TRAIN Law as evidenced by the level of awareness in different criteria set. The table reveals that all

items in the criteria have a descriptive rating of “Agree.” It can be observed in the table that the awareness that got the highest means are found in the criteria of cost in time. Respondents agree that they are aware of the TRAIN Law with a weighted mean of 3.09. The respondents also agree that they only spend few hours in complying and that the changes in cost in time is perceived to be reasonable with a weighted mean of 2.90. This means that the micro business owners were aware of the changes in Tax Law or now known as the TRAIN Law that is implemented by the government.

Table 4

Level of Implementation

Questions		Weighted Mean	Verbal Interpretation
Tax Laws on e.g. TRAIN Law, Income Tax			
1.	Amended laws to close loopholes/reduce ambiguities and anomalies	2.83	Effective
2.	Application of fines/penalties for non-compliant taxpayers	2.89	Effective
3.	Tax amnesties	2.87	Effective
	\bar{x}	2.86	Effective
Tax Compliance activities			
4.	Reviews, investigations and audits	2.74	Effective
5.	Unannounced field visits, walk-ins and mock purchases	2.71	Effective
6.	Registration and enterprise reviews (i.e. checking registration details and ensuring registered entities are real)	3.00	Effective
	\bar{x}	2.82	Effective
Tax Administrative Control			
7.	Exemption of Micro Businesses from collecting VAT	2.91	Effective
8.	Reducing compliance cost/burden on taxpayers (e.g. by simplifying procedures, providing more convenient payment options)	2.96	Effective
9.	Enforcing ETR invoicing/receipting requirements	3.01	Effective
10.	Introducing record keeping and accounting codes	2.81	Effective
11.	Requiring tax clearance certificates (e.g. for tendering for government projects)	2.81	Effective
	\bar{x}	2.90	Effective
Taxpayer support and education			
12.	Providing information, tools and guidance to help taxpayers comply (e.g. brochures, booklets, seminars)	2.90	Effective
13.	Publicizing prosecution cases and the consequences/penalties of non-compliance	2.71	Effective
14.	Incentives for compliance (e.g. rewards/awards to the best taxpayers)	2.70	Effective
15.	Opportunity to voluntarily disclose before the application of penalties	2.80	Effective
16.	Use of informants and tax evasion referral hotlines or websites	2.79	Effective
	\bar{x}	2.78	Effective

Information sharing		
17. Government departments (e.g. immigration, ministries etc)	2.86	Effective
18. Private sector organizations (e.g. banks).	2.83	Effective
19. Use of primary research (e.g. surveys of taxpayer groups) to understand behavior and identify issues/risks	2.84	Effective
	\bar{x}	2.84
	Overall	2.84

n=70
Legend

Mean Range of Values	Descriptive Interpretation
4.00 – 3.26	Very Effective
3.25 – 2.51	Effective
2.50 – 1.76	Ineffective
1.75 – 1.00	Very Ineffective

Table 4 presents the item mean ratings showing the level of implementation of micro business owners to TRAIN Law. The table shows that the overall ratings on the level of implementation by the respondents is 2.84 with a descriptive rating “Effective.” This is an indication that the Bureau of Internal Revenue’s implementation of the TRAIN Law is effective as evidenced by the level of implementation in different criteria set. The table reveals that all items in the criteria have a descriptive rating of “Effective.” It can be observed in the table that the implementation that got the lowest mean is found in the criteria of Taxpayer support and Education. Incentives for compliance got the lowest mean of 2.70. This means that it is not duly

Implemented by the administration, yet the respondents still think it is effective. BIR strategies can help ensure that all micro business owners are complying to avoid tax penalties and termination of the business.

Table 5

Relationship between the Level of Awareness and the Level of Implementation

		Level of Awareness	Level of Implementation
Level of Awareness:	Pearson	1	0.41085
	Correlation		0.41
	Sig. (2 tailed)	70	70
Level of Implementation	Pearson	0.41085	1
	Correlation	0.41	
	Sig. (2 tailed)	70	70

Table 5 shows the correlation coefficient of level of awareness and level of implementation in the TRAIN law of micro business in Laoag City is 0.41 with an interpretation of moderate positive meaning there is a significant relationship between the level of awareness and the level of implementation. It can be deduced that the implementation of TRAIN Law has a real effect on tax compliance of the micro business owners in Laoag City.

Table 6

Demographic Profile as a Moderating Variable in the relationship of level of awareness and level of implementation

		Level of Awareness	Level of Implementation
Level of Awareness:	Pearson	1	0.94049
	Correlation		0.94
	Sig. (2 tailed)	70	70
	n		
Level of Implementation	Pearson	0.94049	1
	Correlation	0.94	
	Sig. (2 tailed)	70	70
	n		

The table shows the Pearson correlation coefficient of the level of awareness and level of implementation in terms of the demographic profile of the micro business owners in Laoag City which is 0.94 with an interpretation of strong positive meaning there is a significant relationship between the demographic profile as the moderating variable to the level of awareness and the level of implementation. This means that the level of awareness and the level of implementation moderated the demographic profile of the respondents. Therefore, their level of awareness and the level of implementation to TRAIN Law supported the demographic profile of the respondents. This implies that the respondents are aware of the TRAIN Law and agrees on the indicators stated in this section of the survey and that the Bureau of Internal Revenue's implementation of the TRAIN Law is effective.

Table 6.1

Organizational Profile as a Moderating Variable in the relationship of level of awareness and level of implementation

		Level of Awareness	Level of Implementation
Level of Awareness:	Pearson	1	0.97158
	Correlation		0.97
	Sig. (2 tailed)	70	70
	N		
Level of Implementation	Pearson	0.97158	1
	Correlation	0.97	
	Sig. (2 tailed)	70	70
	N		

Table 6.1 shows the Pearson Correlation coefficient of the level of awareness and level of implementation in terms of the organizational profile of the micro business owners in Laoag City which is 0.97 with an interpretation of strong positive meaning there is a significant relationship between the Organizational profile as the moderating variable to the level of awareness and the level of implementation. This means that the level of awareness and the level of implementation moderated the organizational profile of the respondents. Therefore, their level of awareness and the level of implementation to TRAIN Law supported the organizational profile of the respondents. This implies that the respondents are aware of the TRAIN Law and that the Bureau of Internal Revenue's implementation of the TRAIN Law is effective.

Discussions

This study analyzed the influence of the level of awareness and level of implementation of TRAIN Law to Micro Businesses in Laoag City.

A related study on the effects of the turnover tax on tax compliance in Kenya, turnover tax implementation significantly contributes to the tax compliance of the SMEs in Kisumu Town. In relation to KRA administration reforms, it can be concluded that KRA tax administration reforms influences tax compliance of the SMEs taxpayers in Kisumu town. The findings revealed that KRA was effective. KRA was effective in providing

taxpayers information and guidance. KRA was effective in use technology and in data warehousing. There is a fair rating of reducing compliance burden of the SMEs.

Based from the researchers' findings, the level of tax awareness and implementation was examined to determine how micro business owners in Laoag City understand the TRAIN Law. The study proposes that there is a significant relationship between level of awareness and level of implementation of TRAIN Law in Laoag City for micro businesses. From the findings, the study reveals that the micro business owners in Laoag City are aware of the TRAIN Law. It is shown that implementing compliances and controls is one of the best ways for business owners in Laoag City to know the limit and covers that the government governs into their business. As well as the other possible support they can have or request from the government. As a taxpayer business owner, they pose tax knowledge and understand the reform of the tax system, and the BIR strategies or the level of implementation which is revealed to be effective to the micro business owners in Laoag City.

From the findings, the study revealed that the micro business owners in Laoag City are aware of the tax reform. The findings are consistent with the findings of Ondimu, O. (2010) who established that the SMEs taxpayers are aware of tax implementation by virtue of their operations. Therefore, it is clear that the Micro business owners in Laoag City are aware of the time allotted in processing and paying their tax in the government, on how operative and functional TRAIN Law into their business.

This study would be important and helpful to the enterprises or the micro business owners in Laoag City to help them understand how tax reforms affect their businesses as well as to the general public who are widely interested in understanding how the tax reform affects the micro business owners in Laoag City. It is also of value for researchers as the findings in this study can serve as a reference material for further research for future. Additionally, it contributes to the literature due to the scarcity of publications about TRAIN Law and the micro business owners in Laoag City. Furthermore, it contributes towards recommendations for government or policy makers to more effectively target their regulatory measures to the micro business owners in Laoag City.

Conclusions

From the findings of the study, conclusions were drawn to answer questions raised in the chapter above.

The level of awareness of the micro business owners to TRAIN Law, showed an overall rating of 2.76 with a descriptive interpretation "Agree." This indicates that the micro business owners agree that they are aware of TRAIN Law as evidenced by the results on the different criteria set shown on the level of awareness section.

At the same time, the level of implementation of TRAIN Law to micro business owners had an overall rating of 2.84 with a descriptive interpretation "Effective." This indicates that the Bureau of Internal Revenue's implementation of the TRAIN Law is effective as evidenced by the results on the different criteria set on the level of implementation section.

Consequently, the correlation coefficient of the two variables, the Level of Awareness and the Level of Implementation, is 0.41 with an interpretation of "Moderate Positive", which means that there is a significant relationship between the level of awareness and the level of implementation of TRAIN law to micro business owners in Laoag City.

Finally, the correlation of the level of awareness and level of implementation in terms of the demographic profile and the organizational profile of the micro business owners in Laoag City is 0.94 and 0.97 respectively, both having an interpretation of "Strong Positive", this indicates that there is a significant relationship between the demographic and organizational profile as the moderating variable to the level of awareness and the level of implementation. This means that the demographic and organizational profile of the respondents influenced the level of awareness and the level of implementation of TRAIN Law to business owners in Laoag City.

Recommendations

The following are suggestions to Micro Business owners:

1. Micro business owners should be aware about Train Law and enhance their tax literacy to guarantee that they satisfy their obligations, decreasing the danger of tax penalties, as well as claim all of their allowed deductions and offsets. If this can be done, it will be beneficial to all parties concerned.
2. Micro business entrepreneurs must have the expertise necessary to understand tax complexity.
3. Micro business owners should be updated with the new tax schemes and to consult a Certified Public Accountant who can help them keep on top of inconsistent and constantly changing state income tax and withholding rules.
4. Micro business owners should read and be aware of the benefits that they qualify under the Train Law to utilize them to pay less taxes legally.
5. To avoid unnecessary penalties, micro business owners should plan their estimated tax payments. Estimate on the high side to avoid coming up short when these taxes are due.
6. Micro businesses should research employees and vendors affect their taxes.
7. Micro business owners should educate their employees some basic information about TRAIN Law just a basis and also knowledge for them to know the flow of the business itself.
8. For better or clearer flow of the business, they need to provide a brochure or pamphlet in the office.

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THE EFFECTS OF THE WORK-FROM-HOME SCHEME ON THE JOB PERFORMANCE OF EMPLOYEES IN ILOCOS NORTE

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ABSTRACT

This study aimed to determine the relationship of work-from-home scheme to the job performance of employees in Ilocos Norte. It further aimed to determine the effect of demographic profile of these employees to the said relationship as the moderating variable. The respondents of the study are employees in Ilocos Norte, Philippines who were selected using the convenience sampling technique. The study employed a quantitative research design and causal research approach to measure the moderating effect of demographic profile of the respondents to the relationship between work-from-home and job performance. The partial least square – structural equation modeling (PLS-SEM) using WarpPLS 7.0 software was employed to estimate the parameters of the moderation model. This study found that working from home has a positive and significant effect on the job performance of employees in Ilocos Norte. Secondly, the moderating variable demographic profile does not show significant effect to the relationship of work-from-home and job performance. The study found that allowing employees to work-from-home can increase their job performance in Ilocos Norte. It also indicated that respondents' demographic profiles have no bearing on the link between work-from-home and job performances. Conclusions, recommendations, and limitation were also provided in the study.

Keywords: work-from-home, job performance, demographic profile, PLS-SEM, Ilocos Norte

Introduction

Faizul Haque (n.d.) enumerated five importance of strategic human resource management. First is the communication of goals and objectives. Goals and objectives are very essential in an organization. If goals are not communicated, employees may not be able to perform well in the business operation. As a result, the goals may not be achieved in the given time. Another importance is that firms tend to set efficient people to achieve specific goals. The human resource department is responsible for the recruitment of employees for an organization. They always hire people for different departments of the organization. As a result, they become very knowledgeable about the people they are hiring. So, they also know the capabilities of the people. Specific goals are given to capable employees with the help of strategic human resources. Thirdly, forecasting future human needs. The strategic human resource forecasts the future human needs for the organization. By this, strategic human resource management reduces the chance of shortage of future human supply. It helps the organization to be consistent in the way of their operation. The fourth importance of strategic human resource management is selecting and utilizing motivational tools. Different types of persons required different types of motivational tools. Some people may be motivated by a permanent salary increment and some are motivated by a small incentive periodically. For some people, money may not be a motivational tool. Strategic human resource finds out what people needs to remain motivated and help the organization achieve its goals. Lastly, human resource management is responsible for measuring the performance of employees. Strategic human resource selects the right methods of performance measurement. The performance is compared with the expected performance. Without efficient strategic human resources, the selection of training or measurement cannot be determined. Also, the organization will not be able to cope up with competitors. For these reasons, Human Resource Strategies are very much important in an organization. (Haque, n.d.)

In a journal published by Savić (2020), work-from-home, a phrase commonly used since the onset of COVID-19, can be defined generically as employees working outside company offices. It includes four basic characteristics: (1) a person who is an employee of a company or a staff member of an organization; (2) actual work engagement with a

company or an organization on specific tasks; (3) work being performed outside the company's physical premises; and (4) telecommunication with the employer. On the other hand, the Civil Service Commission Memorandum Circular No. 10, s. 2020, Revised Interim Guidelines for Alternative Work Arrangements and Support Mechanisms for Workers in the Government During the Period of State of National Emergency Due to COVID-19 Pandemic, defined work-from-home as an output-oriented work arrangement that authorizes the worker to produce outputs/results and accomplishments outside of the office. In these guidelines, work-from-home is defined as an employee working outside the company's office that produces outputs and accomplishments (Civil Service Commission, 2020).

Before the COVID-19 pandemic, the Philippine government passed a bill known as the RA 11165 or the Telecommuting Act, signed in March 2019 which authorizes employers to offer a Work-from-Home Program to their employees (Senate of the Philippines, 2020). Due to the pandemic, 26,487 establishments with 1,160,677 workers were forced to adopt workfrom-home arrangements according to the latest data received by the Department of Labor and Employment-Bureau of Working Conditions (DOLE-BWC) (Senate of the Philippines, 2020). In Ilocos Norte, government offices, and even private establishments, were strongly encouraged to adopt the work-from-home especially those coming from areas with COVID-19 positive cases. Even after the community quarantine, some companies considered work-from-home schemes. According to Gottipati et al. (2021), adjusting to work-from-home and overwork are the problems encountered by the employees. Hence, a study concluded that there is a need to update the established labor standards and national legislation for work-from-home arrangements in the Philippines (Gaduena et al., 2020). In contrast, Ramos and Prasetyo (2020) investigated the impact of work-from-home arrangements on the productivity of the employees in the Philippines. The results showed and concluded that organizations should consider work-from-home as one of their work arrangements.

Ružojčić, et al. (2020) explored the determinants of job performance and well-being of Croatians while working from home in the context of the mandatory scheme during the COVID-19 lockdown in that country. By testing if work-life balance aspects

would predict job performance, they found that autonomy, conscientiousness, and emotional stability were important for job performance. According to Dwidienawati, et al. (2020), work-from-home provides more job satisfaction which will lead to better retention, commitment, and higher job performance as it is one of the important and relevant consequences of job satisfaction. This was the case for Indonesian workers according to the mixed-method study conducted with the survey in Bogor, Jakarta, and Tangerang in March 2020. They preferred work-from-home because of its flexibility which makes employees feel like they can work at the time of their convenience. The employees also have spare time brought about by less travel time enabling them to have more time for their families. On the other hand, Indian workers show a completely different result when it was found that COVID-19 induced stressors such as family distraction, occupational discomfort, and distress significantly impact job performance, with distress showing the highest impact. As distress levels significantly increase, job performance and life satisfaction lower. This was the case for Indian working professionals during India's 3rd and 4th phase of lockdown (Kumar, Kumar, & Aggarwal, 2021).

This study aimed to determine the relationship of work-from-home scheme to the job performance of employees in Ilocos Norte. It further aimed to determine the effect of demographic profile of these employees to the said relationship as the moderating variable. The results of this study can serve as input for business practitioners in the province in measuring their work from home policies or in drafting more appropriate policies for their employees if they do not have these in place yet. It can also serve as fundamental input for both the provincial government of Ilocos Norte and the national government as it can contribute to the meager research literature we have on the work from home scheme in the time of COVID-19 in the country.

Research Framework and Problems

Work-from-Home Scheme

The pandemic sweeping the world, COVID-19, has rendered a large proportion of the workforce unable to commute to work as a means to mitigate the spread of the virus. This has resulted in both employers and employees seeking alternative work

arrangements. One is teleworking, or what is commonly referred to as “work-from-home.” It is a work arrangement in which employees perform their regular work at a site other than the ordinary workplace, supported by technological connections” (Fonner & Roloff, 2010). These technological connections could mean the internet, email, telephones, and cellular phones. Due to the pandemic, most, if not all, workers experienced some kind of work-from-home. Hence, work-from-home has become a policy priority for most governments. In doing so, the policies must be made keeping in mind the practicality for both employers and employees.

“The COVID-19 pandemic forced a dramatic rush to work-from-home in early 2020 for a large fraction of the workforce in countries across the world. Even if only a fraction of this shift became permanent, it would have implications for urban design, infrastructure development, and reallocation of investment from inner cities to residential areas. Of course, it would also have significant implications for how businesses organize and manage their workforces” (Gibbs, Mengel & Siemroth, 2021). The pandemic has made it mandatory to work-from-home and this has proved challenging in several ways for the working industry. For the academe, the coronavirus has shut down institutional facilities, including laboratories, libraries, and archives, and stopped fieldwork activities. Libraries are trying their best to offer digital resources, but many of these have not been digitized or purchased.

For the first time in modern history, knowledge workers around the world are forced to work-from-home every day through government-enforced lockdowns and dealing with many new technological challenges they may not have been prepared for. Enforced working from home impacts people who never had any desire to or were not permitted to due to organizational policies. Bick et al. (2021) found that work-from-home is expected to be adopted by companies even after the pandemic because of the lasting benefits to some workers and employers. They also presented in their paper that more permanent changes to the work arrangements for a certain group of workers.

Job Performance

Job performance, according to Sonnentag, Volmer, and Spychala (2008), is a multi-dimensional concept which on the most basic level can be distinguished between a process or behavioral aspect and an outcome aspect. As a concept, performance encompasses what people can do while at work which implies the actions that can be scaled or counted while the outcome aspect refers to the result of the individual's behavior.

This is further supported by Motowidlo and Kell (2012) when they defined job performance in a psychological perspective "as the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time." As a concept, performance refers to the individual contribution of each employee to the workplace as in work output and the behavior that was expressed while doing so.

"The organizational efforts to reach targets are carried out through workplace success" according to I-Shuo Chen (Chen, 2020, as cited in Sultana, et al., 2021). Job performance may be described concerning the completion of expected tasks from the employee who was given a specific job (Sultana, et al., 2021). By performing what is expected of him, the employee contributes to workplace success.

Employees can perform their jobs with declarative knowledge, procedural knowledge and skills, and motivation (Campbell, et al., 1993, as cited in Davidescu, et al., 2020). When predicting job performance, it was found to have been strongly associated with the conscientiousness of employees "to be on time, to keep their workplace tidy, to perform their tasks in a structured manner, to deliver orders within the prescribed time limit, to maintain a high standard of quality, to engage in the task, and to reassure the quality of their work" (Hewig, et al., 2015).

Demographic Profile

According to SAGE research methods (2010), demographic information provides data regarding research participants and is necessary for the determination of whether

the individuals in a particular study are a representative sample of the target population for generalization purposes.

Sokoya (2000, as cited in Met et al., 2014) investigated the relationship between personal characteristics (age, tenure, education level, country of education, and income) and job satisfaction in 350 Nigerian public sector managers, and discovered that age correlated significantly with job satisfaction, with older managers being more satisfied than their younger counterparts. Similarly, Okpara (2006, as cited in Met et al., 2014) in the Nigerian oil business, elder managers were found to be substantially more satisfied with their jobs than their younger counterparts. Bashir et al. (2011) found that age groups below 30 years were the least satisfied, while age groups 46-50 years were the most satisfied, in a study to investigate the role of demographic factors in the relationship between high performance work systems and job satisfaction of 674 academic faculty members across 23 public universities in Pakistan.

In a study titled *Demographic Variables and Job Performance: Any Link?, A Case of Insurance Salesmen*, the socioeconomic features of marketing/sales force people, such as age, educational qualification, sex, marital status, and years of service, collectively known as demographic factors, are capable of altering their diverse work performance aspects (Hassan, B., & Olufemi, O., 2014).

Research Problems

Generally, this study determined the effects of the work-from-home scheme on the job performance of employees in Ilocos Norte. Specifically, it tried to answer the following questions:

1. What is the demographic profile of employees in Ilocos Norte in terms of:
 - i. age,
 - ii. sex,
 - iii. educational attainment,
 - iv. civil status,
 - v. kind of organization,
 - vi. employment status,

- vii. average monthly income, and
 - viii. position in the company?
2. What is the level of work-from-home scheme of employees in Ilocos Norte?
 3. What is the level of the perceived job performance of Ilocos Norte employees?
 4. Is there a relationship between work-from-home scheme and job performance?
 5. What is the moderating effect of demographic profile to the relationship of work-from-home scheme and job performance of employees in Ilocos Norte?

Hypothesis Development

Working from home enables workers to modify and customize their own working environments which can increase their job performance because it creates the feeling of freedom that satisfies workers (Susilo, 2020). Employees prefer the alternative working scheme because of its flexibility and that it allows them to have more time for their own families (Dwidienawati, et al., 2020). Being able to achieve work and life balance motivates employees to perform well (Hutajulu, 2021). If the work environment set up by the employees in their own homes is optimal, this can help them to perform better because it can make them feel comfortable in working to achieve high performance (Mughtar, 2017). Also, because teleworkers, or those who work-from-home, are working away from stressors of the collocated workplace, which is the office, they experience less stress due to meetings and interruptions making them more satisfied with their jobs than office-based employees (Fonner & Roloff, 2010). In summary, the advantages of working from home include the flexibility of completing work, no set office hours, less cost to spend on transportation, less stress from traffic, and more free time (Purwanto, et al., 2020). In line with the results of the previous studies, this research posits the following hypothesis:

H₁. Working from home has a positive and significant effect on job performance

Another significant variable that needs to be considered is the demographic profile of Ilocos Norte employees. Across different occupations, the ability to perform one's job depends on the type of the job. For occupations that require employees to regularly work in the office or in a workstation, it will be harder to do the job as it will require them more time due to technical issues. Also, for on-site or on-field occupations, work load will definitely be lower as employees will not be able to go on-site (Wu & Chen, 2020). According to Saltiel (2020), only 13% of workers in developing countries could work-from-home because the feasibility of working from home is highly correlated with high-paying occupations. Factors like educational attainment, formal employment status, age, and gender also highly predict the ability of employees to work from home. In line with the results of the previous studies, this research posits the following hypothesis:

H₂. Demographic profile has a moderating effect to the relationship of work from home scheme and job performance

Figure 1. Research Framework

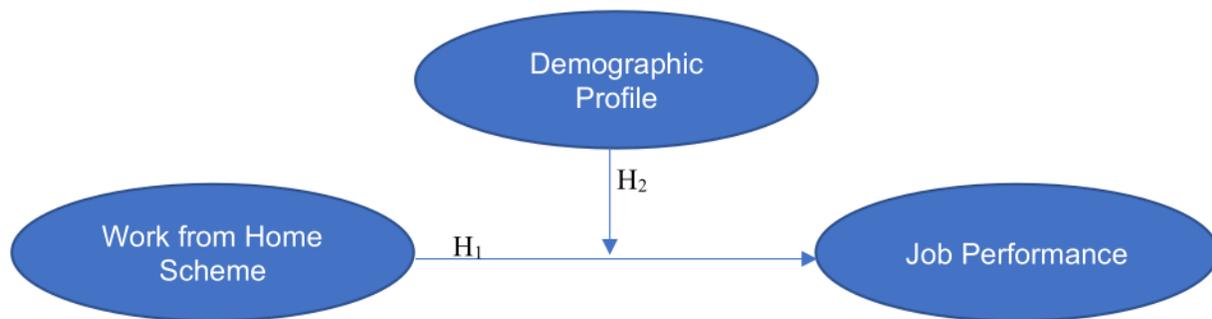


Figure 1 shows the research framework of this study. The framework presents the possible cause and effect relationship of the exogenous variable, which is the work-from-home scheme, and the endogenous variable which is the job performance of Ilocos Norte employees. In addition, the moderating variable which the demographic profile of these employees will be used to determine its effect on the relationship of work-from-home scheme and job performance.

Methodology

Participants

In this study, respondents are employees in Ilocos Norte, Philippines who were selected using the convenience sampling technique and determining the total sample size by using the sample size calculator by Raosoft, with a 5% margin error and 95% level of confidence with a total population of 17,342. Of the total population, 5,904 are government employees and 11,438 are private employees. The computed total sample size is 376 respondents. Out of 417 responses received, 96.643% or 403 respondents experienced the work-from-home scheme. The questionnaires were floated in June 13, 2021 and the responses were retrieved on June 25, 2021.

The Google Form questionnaire link was distributed by utilizing social media to help gather respondents because there is still a prohibition of face-to-face interviews to mitigate the spread of COVID-19.

Research Instrument

The research instrument that was used in this study was a survey questionnaire that was administered through Google Forms. There are three parts of the questionnaire. The first part was about the demographic profile of the respondents which asked for their age, gender, educational attainment, civil status, kind of organization, employment status, average monthly income, and position in the company. The second part was about the work-from-home scheme experiences of the respondents and the last part was about their perceived individual job performances. The questions in this study were adapted from Susilo (2020) and Hutajulu (n.d.).

Table 1 revealed the demographic profile of the respondents and their percentages. On the other hand, Table 2 shows the Questionnaire Items. All items in the two constructs were measured using a 4-point Likert scale where 4 means strongly agree, 3 means agree, 2 means disagree, and 1 means strongly disagree. The reliability of the questionnaire was tested using the reliability analysis of Jamovi by floating it to 13 pilot respondent employees outside Ilocos Norte.

Table 1*Demographic Profile of Respondents*

Research sample
(n=403)

Variable	Category	Number of Respondents	Percentage	
Age	18 to 27 years old	100	24.814	
	28 to 37 years old	141	34.988	
	38 to 49 years old	115	28.536	
	50 years old and above	47	11.663	
Gender	Female	276	68.486	
	Male	127	31.514	
Educational Attainment	High School Graduate	5	1.241	
	Vocational Graduate	4	0.993	
	College Graduate	300	74.442	
	Master's Degree Holder	82	20.347	
	Doctoral Degree Holder	12	2.978	
Civil Status	Single	194	48.139	
	Married	209	51.861	
Kind of Organization	Private	96	23.821	
	Government	307	76.179	
Employment Status	Regular	365	90.571	
	Non-regular	38	9.429	
Average Monthly Income	Below ₱ 11,690	20	4.963	
	₱ 11,691 – ₱ 23,381	146	36.228	
	₱ 23,382 – ₱ 46,761	199	49.380	
	₱ 46,762 – ₱ 81,832	33	8.189	
	₱ 81,833 – ₱ 140,284	4	0.993	
	₱ 140,285 – ₱ 233,806	-	0.000	
	More than ₱ 233,807	1	0.248	
	Position in the Company	Rank and file	347	86.104
		Supervisor	20	4.963
Chief		1	0.248	
Manager		23	5.707	
Executive		12	2.978	

Table 2*Questionnaire Items*

Variable	Item	Statement
Work-from-Home	WFH 1	I feel satisfied with how I communicate with my colleagues when I work-from-home
	WFH 2	I believe that my working hours during work-from-home suit my personal circumstances
	WFH 3	I am comfortable with working at home during my work-from-home schedule
	WFH 4	I feel satisfied in my present job even though it requires working from home
Job Performance	JP 1	I finish my job responsibilities well without any significant problems even if I work-from-home
	JP 2	I am more effective in completing work tasks while working from home as I was when I reported physically
	JP 3	I believe in my ability to handle most upsetting problems even when working from home
	JP 4	I find improved ways to do things during work-from-home like scheduling my work
	JP 5	I can concentrate well while working from home

Data Analysis

A quantitative research design was used in the study. Further, causal-comparative research was utilized to measure the relationship between work-from-home and job performance of employees in Ilocos Norte, Philippines. The partial least square–structural equation modeling (PLS-SEM) using WarpPLS 7.0 software was employed to estimate the parameters of the moderation model. The structural equation modeling (SEM) is commonly used “to refer to a class of multivariate statistical method where complex relationships among latent variable and indicators are estimate at once. Key measures of relationships among latent variables are path coefficients and corresponding P values” (Kock, 2020).

Results

The study utilized PLS-SEM to investigate the relationships of the variables work-from-home scheme, job performance, and demographic profile. In PLS-SEM, the evaluation of the path model involves two phases wherein phase one assesses the

measurement model by gauging the reliability and validity of the variables. On the other hand, phase two assesses the structural model (Hulland, 1999).

Model Fit and Quality Indices

Table 3 shows the coefficients of the model fit and quality indices of the structural equation model. The general results indicate that the SEM estimates are within the acceptable range.

Table 3

Model Fit and Quality Indices

Indices	Coefficients
Average Path Coefficient (APC)	0.365, $p < 0.001$
Average R-squared (ARS)	0.496, $p < 0.001$
Average Adjusted R-square (AARS)	0.494, $p < 0.001$
Average Block VIF (AVIF)	1.016
Average Full Collinearity VIF (AFVIF)	1.493
Tenenhaus GoF (GoF)	0.621

For the model to be acceptable, the P values for the average path coefficient (APC), average R-squared (ARS), and average adjusted R-squared (AARS) are recommended to all be equal to or lower than 0.05; that is, significant at the 0.05 level (Kock, 2011c in Kock, 2020). On the other hand, both the average block VIF (AVIF) and average full collinearity VIF (AFVIF) are recommended to be equal to or lower than 3.3 (Kock, 2020). For the Tenenhaus goodness of fit (GoF), Wetzels et al. (2009) proposed the following thresholds for the GoF: small if equal to or greater than 0.1, medium if equal to or greater than 0.25, and large if equal to or greater than 0.36 (Kock, 2020).

Reliability and Validity Measurements

To assess the measurement model, reliability and validity (convergent and discriminant) results were analyzed. Composite reliability (CR) and Cronbach’s alpha (CA) coefficients are measures of reliability which should be coefficients equal to or greater than 0.7.

Convergent validity, on the other hand, gauges the quality of the set of items or question statements in a research instrument. A measurement instrument has good convergent validity if the question-statements (or other measures) associated with each latent variable are understood by the respondents in the same way as they were intended by the designers of the question-statements. In this respect, two criteria are recommended as the basis for concluding that a measurement model has acceptable convergent validity: that the P values associated with the loadings be equal to or lower than 0.05; and that the loadings be equal to or greater than 0.5 (Hair, et al., 1987; 2009; Kock, 2014a in Kock, 2020).

Table 4 shows the Item Loadings, average variances extracted (AVEs), CR and CA. The results indicate that the measures have acceptable convergent validity.

Table 4

Item Loadings, AVE, and Reliability of the Variables

WFH	Item Loading	AVE	CR	CA
I feel satisfied with how I communicate with my colleagues when I work-from-home	0.786			
I believe that my working hours during work-from-home suit my personal circumstances	0.849	0.670	0.890	0.834
I am comfortable with working at home during my work-from-home schedule	0.865			
I feel satisfied in my present job even though it requires working from home	0.769			
JP				
I finish my job responsibilities well without any significant problems even if I work-from-home	0.770			
I am more effective in completing work tasks while working from home as I was when I reported physically	0.835	0.666	0.909	0.874
I believe in my ability to handle most upsetting problems even when working from home	0.816			
I find improved ways to do things during work-from-home like scheduling my work	0.817			
I can concentrate well while working from home	0.839			
DP				
Age	0.877	0.769	0.870	0.700
Civil Status	0.877			

WarpPLAS 7.0 also provides average variances extracted (AVEs) for all latent variables which are used in the assessment of discriminant validity. The AVE threshold frequently recommended for acceptable validity is 0.5 (Kock, 2020). Table 5 shows that the measures used have discriminant validity.

Table 5

Discriminant Validity (Fornell-Larcker Criterion)

	WFH	JP	DP	DP*WFH
WFH	0.818			
JP	0.700	0.816		
DP	0.024	-0.015	0.877	
DP*WFH	0.080	0.025	0.070	1.000

Diagonal elements are the square root of AVE of constructs while the off-diagonal elements are the correlation between constructs

Assessment of the Structural Model

Figure 2 presents the model for a moderating effect significant test. The path between work-from-home scheme and job performance is significant ($\beta=0.70$, $P<0.01$). However, the path between demographic profile and the relationship between work-from-home scheme and job performance as the moderating variable is not significant ($\beta=0.03$, $P=0.30$).

Figure 2. The Moderation Model with Parameter Estimates

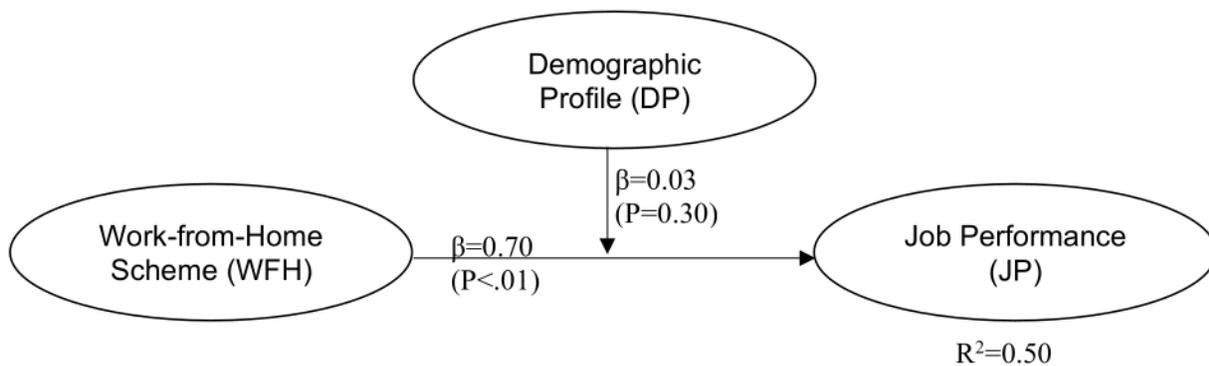


Table 6 shows that results of the structural analysis wherein H₁ is supported while H₂ is not supported. The findings show that work-from-home scheme has a positive and

significant effect on job performance with an effect size of large ($f^2=0.495$). The positive path coefficient signifies that the presence of work-from-home scheme in the organization increases the level of job performance.

On the other hand, the table also shows that moderating variable which is demographic profile has no significant effect on the relationship of work-from-home and job performance ($f^2=0.002$).

Table 6

Result of Structural Analysis

Hypothesis	β	SE	f^2	p	Evaluation
H ₁ . WFH→JP	0.705	0.045	0.495	<0.001	Supported (H ₁)
H ₂ . DPxWFH→JP	0.026	0.050	0.002	0.303	Not Supported (H ₂)

f^2 is the effect sizes (Cohen, 1988) where 0.02 = small, 0.15 = medium, 0.35 = large. SE= standard error; β = standardized path coefficient.

Discussions

COVID-19 forced the need for alternative working arrangements to most if not all employees in the Philippines especially when the government ordered total lockdown. Respondents from the government organizations composed 76.179% of the total respondents while 23.821% are from private organizations. From the results, it appears that both government and private organizations have implemented alternative working arrangements for their employees.

Based from our 417 respondents, 403 or 96.643% of them experienced the work-from-home scheme while only 14 or 3.357% of them have not experienced working from home. Of the perceived job performance, a combined total of 365 respondents (agree: 212, 52.605%; strongly agree: 153, 37.965%) agreed that they were able to finish their job responsibilities well without any significant problems even if they work-from-home. On the other hand, only a combined total of 38 disagreed (disagree: 36, 8.933%; strongly disagree: 2, 0.496%).

The study shows that 247 respondents (agree: 179, 44.417%; strongly agree: 68, 16.873%) claimed that they are more effective in completing work tasks while working from home as they were when they reported physically while 156 respondents (disagree:

146, 36.228%; strongly disagree: 10, 2.481%) claimed that they are not necessarily more effective. Majority of the respondents or 342 (agree: 246, 61.042%; strongly agree: 96, 23.821%) believed in their ability to handle most upsetting problems even when working from home while only 61 (disagree: 57, 14.144%; strongly disagree: 4, 0.993%) did not.

As to the study, even without specific instructions from their organizations, 364 (agree: 235, 58.313%; strongly agree: 129, 32.010%) respondents claimed that they even find improved ways to do things during work-from-home like scheduling their work while 39 (disagree: 38, 9.429%; strongly disagree: 1, 0.248%) respondents need supervision from their organizations as to improving the way they do their work at home. Furthermore, 295 (agree: 209, 51.861%; strongly agree: 86, 21.340%) of the respondents can concentrate well while working from home while 108 (disagree: 99, 24.566%; strongly disagree: 9, 2.233%) of the respondents can't due to interruptions from personal circumstances like their families.

This study found that working from home has a positive and significant effect on job performance of the employees in Ilocos Norte. Secondly, the moderating variable demographic profile does not show significant effect to the relationship of work-from-home and job performance. It also appears in the study that among the factors of demographic profile, age and civil status have larger impact than that of gender, educational attainment, employment status, average monthly income and position in the company. In relation to their effectiveness when working from home, many respondents claimed that they are more effective in completing work tasks while working from home compared to reporting physically. The study has same result as that of Susilo (2020), Dwidienawati, et al. (2020), Hutajulu (2021), Muchtar (2017), Fonner & Roloff (2010), and Purwanto, et al. (2020). Most importantly, it can be inferred from the results that job performance increases when they work-from-home.

Conclusion and Recommendations

The pandemic of Coronavirus in 2019 altered the typical workplace. The pandemic has affected the operations of both government and private organizations, as well as employee attendance at work. The Philippine COVID-19 Inter-Agency Task Force for the

Management of Emerging Infectious Diseases (IATF) adopted regulations that create a new workplace in response to the major threat and spread of the Coronavirus 2019 pandemic. One of the alternatives for ensuring that agencies and businesses could continue to operate was to allow employees to work-from-home.

The current study found that allowing employees to work-from-home can increase their job performance in Ilocos Norte. It also indicated that respondents' demographic profiles have no effect on the relationship between work-from-home and job performances. Employers and organizations who want to maintain the work-from-home program in place can use the findings of this study to create human resource policies that will boost employee job performance.

Because of the favorable effect of the work-from-home scheme on employee job performance, the researchers of this study recommend that organizations review and establish strategic guidelines for implementing work-from-home. Organizations could evaluate an employee's success based on their accomplishments at home against their accomplishments at work. Organizations may also create tools or matrixes to track employee performance.

While the research's applicability is limited to how the benefits of a work-from-home plan manifested in Ilocos Norte, the findings may have ramifications for other locations affected by COVID-19.

Limitations of the Research

There are a few limitations to the study that could be useful research topics in the future. One is that this study was unable to collect employers' and organizations' perspectives. Another limitation of the study is that it did not focus on a single work industry but rather on the entire sector. The study was limited to Ilocos Norte, thus, the result might be different when used for employees outside Ilocos Norte. A similar study may be conducted in the future that could widen the scope of research by collecting data on employees outside Ilocos Norte. Finally, a different moderating variable could be used in future studies that could have an effect to the relationship of work-from-home and job performance.

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STATUS OF EVENTS MANAGEMENT BUSINESSES OPERATING IN ILOCOS NORTE DURING THE PANDEMIC

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ABSTRACT

The COVID-19 pandemic has had a significant impact on the event industry. The operation was halted, forcing some event organizers to sell some of their assets in order to stay afloat. As a result, the purpose of this study was to investigate the true state of the event industry in Ilocos Norte in the midst of the pandemic. Based on the information gathered from the interview, the TOWS (Threats, Opportunities, Weaknesses, and Strengths) Matrix was used to combine the identified internal and external factors affecting business operations. According to the study's findings, event industry owners are optimistic about the future of their businesses, especially now that vaccinations are being rolled out across the country. The pandemic's impact has given birth to a new platform for event organizers: the virtual event. The economic crisis and price increases will have an impact on the supply of event prices, but recovery is possible with the identified strengths of event businesses, particularly in the province, such as a strong industry reputation for quality and craftsmanship, good customer relations, and effective marketing strategies. Furthermore, recovery will be gradual.

Introduction

Due to the COVID-19 outbreak, the World Health Organization (WHO) proclaimed a state of global health emergency in January 2020, and because of the virus's rapid spread in the following months, infection rates have risen to epidemic levels, prompting the declaration of a pandemic. To contain and combat the virus, national governments ordered the closing of borders, the prohibition of travel, social and business activities, and the imposition of social distancing and community lockdowns. By taking these actions immediately, governments around the world attempted to strike a balance between preserving their economies and avoiding disastrous levels of unemployment and deprivation (Higgins-Desbiolles, 2020). As a result of the mandated measures, there was a significant drop in economic and tourism activity across countries, resulting in a severe economic downturn with unquantifiable implications.

Impacts of Pandemic to Events Industry

The World Tourism Organization (UNWTO, 2020) claimed that the tourism industry has been hit the hardest because of the global health crisis alongside other sectors related to it such as hospitality and the meetings, incentives, conferences and events or MICE. Tourism helps to draw visitors to events, resulting in a strong interdependency between the two industries. The events management business has suffered because many domestic and international airlines were required to cancel their flights due to severe quarantine measures and a lack of passengers, as people were frightened to go out (Hoque et al., 2020).

According to Indika (2021), gathering of people to one place or community is one of the characteristics of a live event. Corporate, personal or community events that are annually conducted were put on hold pursuant to the mandates of WHO to avoid physical interaction. Moreover, Baum and Hai (2020) emphasized that events and event management are widely seen as non-essential products and services, which may lead to the industry's concerns being addressed and it being reopened last. Because of these occurrences, the industry, and some stakeholders, such as event suppliers and sponsors, were just put in a more vulnerable and difficult situation.

Events Industry in Ilocos Norte, Philippines

Prior to the pandemic, event management or event planning businesses had been one of the fastest-growing trends in the Philippines in recent years. Clients are so preoccupied with their work and personal lives that they need assistance in planning major events such as birthdays, weddings, and baptisms, among others. These organizers offer package deals that include services like budgeting, promotions, rentals, catering, floral and décor concepts, theme support, and dresses.

These event planners and coordinators are the minds behind the themed events that pop up on social media, as well as other unique and imaginative approaches to modern-day events. Stakeholders, vendors, and regulators are all involved in event management in Ilocos Norte. These individuals are either in-house or outsourced, and they work on a contract basis. Some of them are outsourced freelancers. A single event has a multiplier effect on other people or industries, such as food vendors, tricycle or jeepney drivers, souvenir stores, hotels, and restaurants.

Due to the development and preservation of the richness of Ilocano culture, the province has seen an increase in tourism in recent years, prompting the provincial administration to host more community activities such as food fairs, parades, and the famous *Tan-Ok ni Ilocano* Festival to attract more visitors. This shows that events are a major driving force behind tourism.

With the current situation, the provincial government remains strict in enforcing the implementation of laws and ensuring that the public follows minimum health protocols pursuant to the guidelines of the Inter-Agency Task Force (IATF). As time goes by, the agency is also easing these guidelines and becoming more lenient in transitioning towards the re-opening of businesses again. Since the province is now on its way to recovery because of the vaccination programs of the government, Executive Order 170-21 was issued to allow limited gatherings of people who are fully vaccinated. It was also stated that the capacity of event venues should remain at 70% for outdoor venues and 50% for indoor venues.

The researchers majored in meetings, incentives, conferences, exhibitions, and events management during their 3rd year under the Hospitality Management program,

and they found great interest in learning more about it through the lens of industry professionals. The study aims to provide in-depth knowledge regarding the status of this kind of management business within Ilocos Norte and recommend strategies that can be adopted by others.

Research Framework

COVID-19 puts the lives of the different industries on a roller-coaster ride, especially the hospitality industry. Thus, the event industry is not exempted from the catastrophe brought by the pandemic because of the strict protocols imposed by the IATF to protect the lives of people. Now that vaccines for COVID-19 have been rolled-out, it is nothing but right for the event industry's owners to start reviving from their losses.

Theoretical Framework

This research study is anchored with two theories:

Stakeholders Theory by Edward Freeman - According to the stakeholder theory, a company's stakeholders comprise anyone who is affected by the company's operations. Customers, employees, suppliers, political action groups, environmental groups, local communities, the media, financial institutions, governmental groups, and others are examples of these groups. This viewpoint depicts the corporate environment as an ecosystem of interconnected groups that must all be considered and satisfied for the organization to remain healthy and successful in the long run.

All the company's stakeholders are intertwined. An organization must consider not only those who own shares in it, but also those who work in its businesses, those who work and live near its facilities, those who do business with it, and even competitors, because the business has the potential to create the landscape in its industry.

According to Rwigema and Celestin (2020), stakeholder recommendations can drive the development of appropriate strategies that contribute to the sector's recovery and development. Several studies on the use of information and communications technologies (Buhalis, 2019); relationships with event managers, and crisis recovery

strategies (Rwigema & Celestin, 2020) have highlighted the importance of stakeholders in the success of the events industry.

Resiliency-Based Framework- The framework developed by Sharma et al. (2020) identifies four key elements for enhancing industry resilience: government response, technological innovation, local participation, and customer and employee confidence. Using such inclusive resilience, the tourism sector might evolve into a new global economic order characterized by sustainable tourism, societal well-being, climate action, and local community participation.

The tourism business may wind up evolving in a far more sustainable way post-pandemic with the support of a resilient strategy. Because international travel restrictions may last longer than expected, the participation of local communities will be crucial in this process. Such developments would broaden not only the tourism industry's base but also provide opportunities for less-developed tourism destinations to expand. To thrive in the post-pandemic era, large-scale tourism players would require a reboot. Small-scale players, on the other hand, can emerge victoriously and secure the well-being of society while also supporting sustainable tourism if they behave with a resilience-based approach.

Research Problems

This study aims to analyze the status of Events Management Businesses operating in Ilocos Norte during the COVID-19 pandemic. Specifically, it aims to answer the following questions:

1. What is the organizational profile of events management enterprises in terms of:
 - 1.1 Years of Existence
 - 1.2 Type of Business
 - 1.3 Form of Ownership
 - 1.4 Number of Workers
 - 1.5 Start-up capital

- 1.6 Source of capital
- 1.7 Sales growth, and
- 1.8 Profitability growth
2. What are the strengths, weaknesses, opportunities, and threats of events management enterprises during the COVID-19 Pandemic?
3. What are the proposed revival strategies for the events industry of Ilocos Norte?

Conceptual Framework

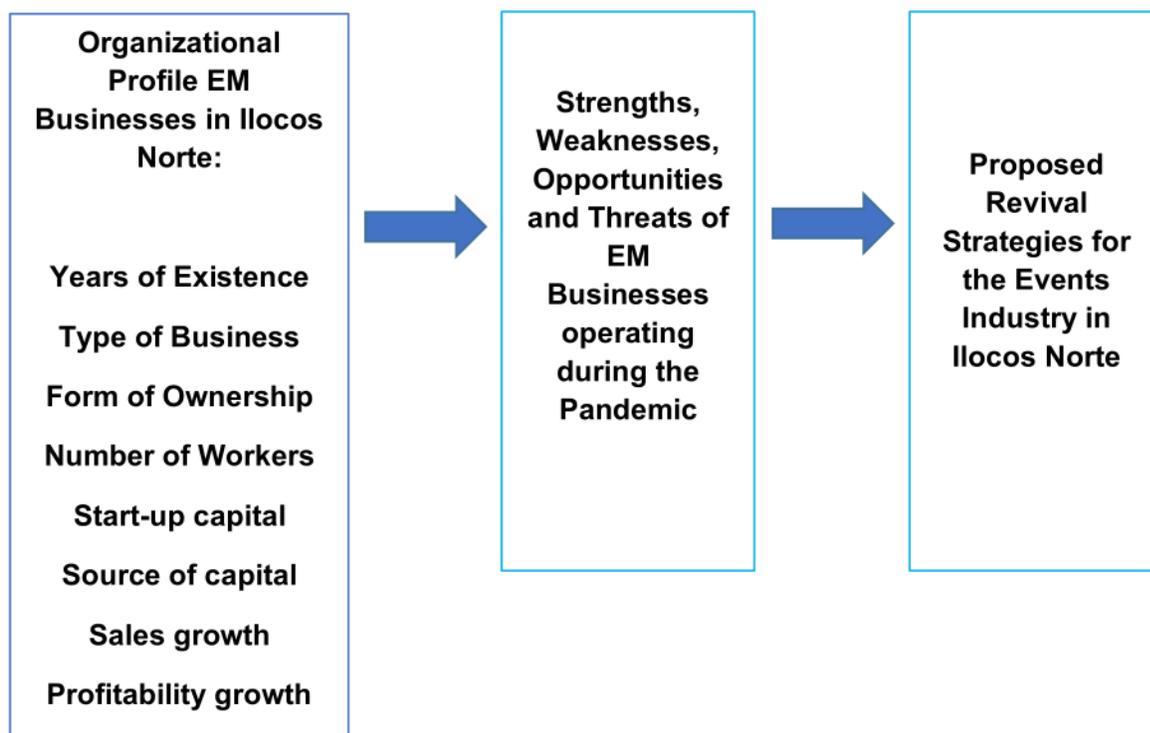


Figure 1. Research Paradigm

Figure 1 presents the research paradigm of the qualitative research study. It shows the organizational profile of businesses in Ilocos Norte, including their years of existence, type of business, form of ownership, number of workers, capital, sales, and profitability growth. Here, the researchers, through the deductive thematic analysis, will determine the businesses' strengths, weaknesses, opportunities, and threats while operating during the pandemic.

Using the TOWS Matrix, the analysis and results of the consolidated data will be used to design revival strategies to improve the event industry in Ilocos Norte.

Methodology

Participants of the Study

The respondents of the study are the employers or managers of events management businesses operating in Ilocos Norte. They are purposefully selected to elicit the necessary information that will drive researchers to solve the research problem. The research interview was conducted with ten employers or managers of registered event planning businesses.

Purposive sampling, also known as judgment sampling, is the deliberate selection of an informant based on the informant's characteristics. It is a nonrandom technique that does not require underlying theories or a specific number of informants. Simply put, the researcher determines what needs to be known and then sets out to find people who can and are willing to provide the information because of their knowledge or experience (Bernard 2002, Lewis & Sheppard 2006). Purposive sampling is best illustrated by the key informant technique (Bernard 2002, Garcia 2006) in which one or a few people are asked to act as cultural guides. Key informants are observant, reflective members of the community of interest who know a lot about the culture and are willing and able to share their knowledge (Bernard 2002).

Research Instrument

The data gathering procedure was done via Google Meet, a video conferencing software application, conducted right after the approval of the research proposal. Interview sessions were done separately at the convenience of each participant. There were also some who got interviewed in the face-to-face setup according to their request.

To enhance the reliability and improve the quality of data that will be obtained from the interview, the research study used the Interview Protocol Refinement (IPR) framework of Castillo-Montoya (2016). It consists of four phases: (a.) ensuring interview questions

align with research questions; (b) constructing an inquiry-based conversation; (c) receiving feedback on interview protocols; and (d) piloting the interview protocol.

There were structured questionnaires that were asked by the researchers to align them with the topics presented in the research problem, and they will be divided into two parts. The first part focused on the organizational profile of events management enterprises, including their type of ownership, years of existence, number of employees, capital, and profit. The second part focused on the questions that can be aligned with the research problem, particularly on their experiences during the pandemic. Based on the analysis of the consolidated data, revival strategies were designed to enhance the industry's resilience amidst the pandemic.

Moreover, extensive research notes were taken during the interview to substantiate the data analysis process and to elicit more information related to the study's questions. Although it is conversational in nature, it was still ensured that interview questions are clear, simple, and answerable (Castillo-Montoya, 2016).

Data Analysis

Adopting the same methodology as Dillette and Ponting (2020), a qualitative approach was used in this research study because it is more suitable for the understanding of the effect of COVID-19 on events management businesses and their strengths, weaknesses, opportunities, and threats, which would be the baseline in creating their revival strategies in preparation for the post-pandemic situation. This, according to Creswell & Cresswell (2017), will enable an exploration of innovation directly with the industry practitioners through the interpretative nature of the qualitative research approach. By conducting structured interviews, the research will be able to take a descriptive account of the events managers' experiences encountered during the pandemic.

From the information gathered from the interview, the researchers used the TOWS (Threats, Opportunities, Weaknesses, and Strengths) Matrix to combine the identified internal and external factors affecting the business operations. Specifically, it will determine which specific strategy will be used when strengths and opportunities are

combined (SO strategy); to use strengths to mitigate threats (ST strategy); opportunities to overcome weaknesses (WO strategy); and strategies that can minimize the company's weaknesses to avoid threats (WT strategy). Here, researchers were able to come up with proposed revival strategies for the events industry in Ilocos Norte.

Results

Timeline of the Pandemic in Ilocos Norte

In order to identify the status of events management enterprises in Ilocos Norte during the pandemic, participants were able to provide a timeline of how they operated during the crisis first. According to Fred, the events industry in Ilocos Norte "froze" during the start of the lockdown in March 2020. The fear of people going outside during the first quarter has led to the cancellation of scheduled events even years before. Clients need to cancel their flights for their destination weddings in the province. Events coordinators have to put the suppliers on hold for an indefinite time, revise clauses, and renegotiate contracts. Since they had no events planned for that time, they were just able to change their focus to exploring new types of businesses, such as cooking traditional Ilocano foods such as *igado* for *Lester* and designing digital invitations for *Nica*.

During the month of May 2021, they were already able to accept clients for limited and intimate occasions only. Depending on the mandates of the Inter-agency Task Force (IATF) and the proclamation of Gov. Matthew Manotoc, they still need to follow safety protocols by only accepting 50 to 150 expected guests. "*Ti pinaka-importante nga date ti bulan ket uno ken kinse*" (The most important dates for the month are the 1st and 15th.) Acierto emphasized that during these dates, event coordinators anticipate what alert level the province will be categorized at in order for them to know whether to push through with the plans they have for a certain event. When it is unfavorable, there are only two options that they can give to the clients: to reduce the number of guests or to postpone the event. For the former, they need to compromise on who to invite but also change the venue.

However, Ilocos Norte was placed under a serious condition because of the rapid spread of the virus in the months of July to September 2021. During this period, all events are not allowed, police become stricter with social gatherings, and barangay tanods roam

around to ensure that locals are at home. Only the front-liners were allowed to go out, and the city imposed a schedule for people to go to the market. They need to secure a permit, and only a limited number of people are allowed to go out within the barangay. With this situation, the industry was again paralyzed.

The respondents said that only in the month of October 2021, events began going back to normal. Having a glimpse of how the business worked before, event coordinators have seen how the industry is going to be. The fast rollout of vaccines in the province has helped to restore tourist confidence and therefore boosted the tourism activity in the place.

Name	Position	Business	Years	Location
Alfredo Gonzales	Owner	FGC Events Management Services	5	Brgy. 3 Laoag City
Richard Bangcud	Owner	GNP Events Management Services	2	Brgy. Parang, Badoc Ilocos Norte
Veronica Mae Santos	Owner	Weekend Event Project Planning, Styling and Design	5	Brgy. 16 Laoag City
Lester Evanz Raquiza	Owner	EAD Events Organizing Services	10	Brgy. 21 Laoag City
Frederick Sagun	Owner	FS Events Management Services	2	Laoa, Paoay, Ilocos Norte
Carlo B. Acierto	Owner	CB Acierto's Event Styling & Coordination	6	Bacarra, Ilocos Norte
Naser Jhon Rivalal	Owner	Nasyfied Events and Weddings	1	Laoag City

Table 1*List of Respondents and their Respective Businesses*

Organization / Name of Business	Years of Existence	Type of Business	Form of Ownership	Number of Workers
FGC Events Management Services	5	Event s Management & Services	Sole Proprietorship	1
GNP Events Management Services	2	All-in Event Business	Sole Proprietorship	3
Weekend Event Project Planning, Styling and Design	5	Invitations, Event Planning & Design	Sole Proprietorship	1
EAD Events Organizing Services	10	Events & Ambiance	Sole Proprietorship	1
FS Events Management Services	2	All-in Event Management except catering	Sole Proprietorship	4
CB Acierto's Event Styling & Coordination	6	Planning & Coordination	Sole Proprietorship	20

Table 2*Organizational Profile of Events Management Businesses in Ilocos Norte***SWOT Analysis of the Events Industry in Ilocos Norte**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Years of Industry Experience ● Strong Industry Reputation for Quality and Craftsmanship ● Committed and Passionate Employees ● Improved Information Dissemination through Provincial Organization ● Effective Digital Marketing Strategy ● Good Customer Relationship Management 	<ul style="list-style-type: none"> ● Insufficient Cash Flow ● Inadequate Training and Programs for Supplier Development ● Lack of Organizational Initiatives and Projects
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● Demands for Virtual Events ● Reopening of Ilocos Norte to Tourists ● Collaboration with other events enterprise ● Employment for graduates ● Promotion of Ilocano Culture 	<ul style="list-style-type: none"> ● Cancellation of Scheduled Event ● Undecided Clients ● Government Health Protocols ● Increase in Prices of the Suppliers ● Economic Slowdown

STRENGTHS

Years of Industry Experience

According to the respondents, the events industry in Ilocos Norte began during the period when the province opened itself as a destination for weddings in 2012. The programs conducted by the provincial government boosted the province's tourism industry in the succeeding years. Heritage sites were popularized because of the strengthened and improved marketing strategies adopted by the government and the continuous innovation that took place within the industry. Event management businesses, such as coordination, planning, and design, have begun to emerge in the province. Lester of EAD shared:

“Tuy EAD ket isut kababayagan nga Events Management ditoy provinsya,ni manong ko ket isu iti nagbalin president iti kaunaan nga wedding expo ditoy province... isut nagrugyan ti events management idi.”

(EAD Events Management Services is one of the longest existing businesses of its kind here in our province. My older brothers [who was the former owner] actually became the President of the Ilocos Wedding Expo-- which led to the rise of events management businesses here.)

Moreover, most of the respondents emphasized that prior to putting up an events management business, they worked first as suppliers; the coordination and planning aspects came after. These managers started small businesses by providing some party needs such as invitations, balloons, decorations, dresses, make-up, and even catering business. They worked in a certain field of the industry first before coming up with a management and service enterprise that they believed would become one of the sources of their capital. Nica already has her graphic design business for invitations and for Fred and Frederick, working as make-up artists became their stepping stone into the industry:

“Adu met naururnong ko kadagijay raket ko idi ah isu nga nakapatakder nak ti shop ko ita.” (I also earned a lot from my side-hustles before, the reason why I was able to build my own shop.)

Naser, who just started his events management business in January 2021, decided to include coordination and planning in it to increase his sales as a make-up artist. He has been known as one of the prominent artists in the province. For him, having a connection to many event suppliers is one of the motivating factors for pursuing and starting another form of business.

When it comes to their background in stage design, Richard shared:

“Share ko lang etoy .natrain nak gamin jy church kasla rimwar latta nfa gift kwnyakon ken di highschool ak siyak ti ag decdecorate idi no adda program . tas napank church ket siyak latta ti incharge ti decorations. idi adda opportunity nga kastoy ket inpadas dak kasi ni apo ket adda met bassit talent tayo nga naited.” (We were trained in our church and I considered it as a gift since high school. I was assigned to decorate for our stage when there is a program. And then I went to the church and I also became in-charge for the decorations. When opportunities like these come, I am thankful that I can showcase my talent.)

Strong Industry Reputation for Quality and Craftsmanship

In today's competitive market, event businesses do not only improve service by means of innovation but also by maintaining the quality they have been giving to clients. The image of their business, brand, and reputation are competitive factors that set them apart from their competitors. The interviewees have their own unique ways of staging an event, be it in terms of the coordination among suppliers, the designs, or the single details that make up the event.

In order to maintain quality, they make sure that they pick the right supplier suited to the demand of the client. There are some who have a limited budget and what they do is stretch the amount and recommend the suppliers that offer products within their budget range. Most of the time, if the clients have a preferred supplier, they present the disadvantages and benefits of it; however, the clients are always the ones who follow. Despite the limited budget, ensuring that an output fulfills the wishes of the guests is one of the things event managers do.

When it comes to the on-premise set up, the event managers are meticulous about details. For those who have enough resources, they include their equipment as part of the package in exchange for those that a catering service can provide. It is their brand that guests recall and they do not want to receive negative feedback from them. Because they are entrusted by the clients, whether it is the supplier's fault or not, it will still reflect on their name. For them, it is already rewarding when guests appreciate their work. Because being a passionate and creative individual gives them a sense of respect that allows them to feel valued in the industry.

Committed and Passionate Employees

One of the major strengths that is common among the event businesses is the passion and commitment of the workers. During the pandemic, most of the workers were outsourced to freelancers who specialized in different fields, such as conceptualization, hosting, floral arrangements, dress design, and visual designs. They were the ones who even sought work during the times when the situation was not favorable, especially during the first quarter of the lockdown. According to the respondents, most of those who work for them are also individuals who are employed and can work for their own respective businesses. When they are on-call, as long as the schedule is favorable, they are willing to work for an event.

Ho et al. (2011) highlight that having this passion can be captured both in its affective and cognitive nature, in which the latter makes the individual internalize that the job defines his identity. When these employees find the job challenging, varied, autonomous and creative, they can find more meaning in what they do. According to the

respondents, the people they are working with bring out their passion for work and, once they see that it challenges them, they can have a sense of growth, learning, and competence. (Shokunbi et al., 2019). The respondents share the same insights and experience with their workers during the pandemic.

According to Fred, "*Sometimes, since bassit talaga ti kita, isuda nukwa ti umasasideg kenyakon.*" (*Sometimes, since there has been no event that we have received for a long time, they [friends] are the ones who approach me.*) Furthermore, Carlo mentioned that there were also times when he needed to explain to his workers that he would only be needing a few of them; he would just do it interchangeably.

It was found that passion and commitment are two of the major strengths of their businesses. Manpower is the backbone of any business, especially in service-related enterprises, especially when they are committed and passionate about their craft.

Improved Dissemination of Information through *Pasken*

Ilocos Norte has a group of event suppliers, organizers, and coordinators called *Pasken*. It has its own governing body and is supported by the provincial government, where it aims to keep its members posted on the latest mandates of the Inter Agency Task Force (IATF) and Gov. Matthew Manotoc regarding the guidelines for holding events. The dissemination of information becomes faster so that each member will be aware of the alert level. Carlo shared

"Iti pinaka importante nga dates ti bulan ket uno ken kinse, kasi idtoy da iparwar tay memo nga pakakitan nu mayat met lang ba nga ituloy mi tay event nga naka-schedule for that month." (The most important dates of the month are the 1st and 15th because here the province will release a memo [or order] for us to see whether to push through for a scheduled event for that month.)³⁶

Effective Digital Marketing Strategy

The pandemic has led businesses to resort to internet marketing, such as on social media like Facebook and Instagram. Through posting pictures of the events that they

have organized, they can even get clients outside the province. They do this as frequently as possible to also show the public their own way of designing or staging an event. For Carlo, he spends Php500 a month on the Facebook advertisement, while others just use their FB page and the number of shares and reactions will just be an indication that people like the output. Sometimes, with the frequency of people sharing a certain post, they can already get actual customers.

Good Customer Relationship Management

Aside from the digital marketing that has emerged within the events industry, word of mouth has also helped popularize events enterprises. With the responses from the interviewees, a path towards a successful event can be highlighted by establishing the following:

Communication

Having good communication with your client is the most essential part of the planning process. As an events coordinator, they need to keep in touch with them to ensure that everything will be noted. From here, they can draft a proposal and make the necessary adjustments depending on the request and approval of the client. Even though the event is targeted to happen in a year, coordinators already present good ideas that can help the clients come up with a decision. The presence of social media apps such as Messenger and conference software such as Google Meet, allows them to do the brainstorming at their most convenient time. For Carlo, creating a messenger group chat with the bride and groom gives him the freedom to interact and share his thoughts with them without any interruptions coming from others. Naser, who receives bookings outside the Ilocos Norte, emphasized that this helps him save money for travel.

Loyalty and Trust

It is imperative that, as an events manager, one must ensure that the trust of the customer is there. Since the planning process usually takes months or even years, it

is not just important to secure the deal, but also make sure that the clients are confident that the expectations they have will be met. Take, for instance, the experience of Acierto in a year-long planned beach wedding at Pagudpud, Ilocos Norte, which seems to be unfavorable because of the date and the weather. The clients are worried about time since pursuing a beach wedding would be impossible. For a wedding coordinator like Carlo, during the last minute, he ensured that it would still push through despite the hesitations and no response coming from the clients:

“In-entrust da kanyak dijay nga event so I need to make sure nga agtuloy dijay. Uray maawawanan dat namanama idin, intry kot best ko tapnu agbalin. They were grateful that their dream wedding happened.” (They entrusted us with the event, and it is my duty to make sure that it will push through [regardless of the circumstance]. Even if they were losing hopes that time, I still tried my best to make their dream wedding happen.)

Compassion

Understanding that most of the clients have limited budgets, event managers believe that as part of establishing a good relationship, being compassionate is a must. Clients have a preferred theme, foods, number of guests, and location for their special occasions; however, due to a limited budget, they are unable to hire their preferred suppliers. What event managers do is to first know the amount and be the one to stretch it out. Either they recommend a supplier that offers the same style or they are able to give better ideas that can also work. As Richard shared, *“Hindi na importante yung kita as long as nasatisfy mo isuda ken naparagsak mo.”* *Make sure mo metla nga haan lugi ti both parties.* *“(The sales are no longer important as long as the clients are already satisfied and happy. We need to make sure that there is no loss for both parties.* For Carlo and Lester, they treat an event as if they are a part of it--the sense of being a part of the “family” is there. This also became one of the reasons why referrals are frequent and help the business gain more customers.

WEAKNESSES

Insufficient Cash Flow

Since the pandemic, the events industry in Ilocos Norte has "frozen," especially with the pronouncement of quarantines or lockdowns within the province. The expected events for the years 2020 and 2021 were canceled and even placed on an indefinite schedule. The postponements have had a negative impact on event enterprises, especially those who have purchased materials, made reservations, and even booked an event space already. With this situation, the money in the business flows out faster than it gets in. It was difficult for them to keep their employees and the entire business running.

According to Lester, they still had existing accounts payable during the pandemic. All his gains for a number of events he held will go there immediately. As for Nica, she had already sold some equipment and machinery just to pay for the operation of the enterprise.

Inadequate Training and Programs in Supplier Development

Based on the number of workers or employees that they have, it is important to note that most of these businesses are categorized as micro enterprises. Approximately, there are only a few workers who are actually employed by the establishment, and the manpower is mostly outsourced freelancers. With the consideration of the pandemic and their actual sales during this time, it was said that they earned hardly enough to regain the losses.

The inadequacy of training and programs that are essential and needed to meet the demands of the pandemic should also be prioritized. It can be seen that the event businesses are composed of the most creative individuals, and the competition revolves around the most innovative and modern ideas. While event coordinators believe that "*we are slowly getting back to normal,*" it cannot be denied how the size of the business is reflected in the limited resources they have. An improved supplier development program should focus on complementary solutions in order for these micro-enterprises to be

capable of partnering with bigger ones and eventually secure a big event. It is still a "working on your own" narrative, as some demonstrate.

Lack of Organizational Initiatives and Projects

Despite the presence of a provincial organization for event suppliers in Ilocos Norte, the event industry is still lacking when it comes to the initiatives and long-term projects that can help event suppliers. According to Nica, who is a member of Pasken, there was support or incentives coming from the government to suffice and fill up the losses of event suppliers, particularly since they did not have sales during the pandemic. However, this support is just short-term. Some used it for their alternative businesses and not actually for the revival of the events enterprise as a whole. Although information dissemination has been improved and strengthened through social networks, the provincial organization is still lacking in supporting the enterprises within the industry.

OPPORTUNITIES

Demand for Virtual Events

Virtual events are already a part of the industry, and event managers in Ilocos Norte anticipate that more clients, businesses, and institutions will use the virtual platform in the future. There were events during the pandemic that necessitated them resorting to this setup, particularly those who have relatives abroad. According to them, making these people feel as if they are physically here is the goal. There are providers of video live streaming services which make this objective of a gathering of people somewhat possible.

Employment for Graduates

The events management business provides employment for people. This may be their part-time job or full-time job. There would be many career opportunities when entering an events management business, such as **wedding planner, staff coordinator, make-up artist, etc.** In these times of pandemic, many people have relied on their event businesses as their primary source of income. Their profit or revenue was a huge help to the people when it came to paying their bills and other daily necessities.

Reopening of Ilocos Norte to Tourists

Tourism helps to draw visitors to events, resulting in a strong inter-dependency between the two industries. This is because tourism targets many other sectors, such as hotels, food, and transportation. This is a great opportunity for the events industry in the coming years because it will allow them to reopen not just one single sector but also promote and patronize more of the heritage sites that the province has been preserving and restoring for years. There are also new event venues that haven't been used before that can be suited to any theme a client wants.

Fully Vaccinated Locals

Ilocos Norte has reached more than 90% of its population being fully vaccinated. This means that, while being on the way to recovery, the government still ensures the public's safety. According to Indika (2021), the gathering of people in one place or community is one of the characteristics of a live event. While keeping a balance between its health and economy, the reopening of the province means that the events industry is slowly rebounding.

Collaboration with other Events Management Business

There are many events management enterprises that evolved in Ilocos Norte before or during the pandemic. They are located in different municipalities and cater to customers of different socio-economic backgrounds. The collaboration is an opportunity for the industry to build a stronger block with collective ideas coming from others. In this, it is a way of helping one another to rebound from the losses brought by the pandemic.

Utilization and Promotion of Local Ilocos Products

According to one of our respondents, Frederrick, his event management business uses local products from the province of Ilocos Norte like *abel*, *hats*, and *baskets* that are made from bamboo or the ones that are called *laga* when decorating. This is his unique way of making his own decorations. Most importantly, this is a way for him to promote the local or native products of the province. This is also one of his trademarks.

“haan nga mapukaw etoy native nga ubraek , kombaga nakitak lang amin haanak nagkitkita Facebook tas nagset up nak jy sango balay nga poro native mayat gayam. mostly gamin ti events kortan ket modern rustic. Incorporate ko kasi iso trademark ko eta ..” (People always see the native decorations as my trademark...I just saw it once in a Facebook post and decided to decorate the facade of our house and I realized that it is beautiful. Most events are modern rustic. I incorporate it because it’s my trademark.)

Furthermore, he added that there is no need for designers to import materials if there are alternatives around. For him, it is more about showing the Ilocano culture despite the LED screen trends.

THREATS

Cancellation of Scheduled Events

This is a major threat to the event managers because they have already made initial plans for the event together with the clients. This is beyond anyone’s control, such as personal reasons, weather, accidents, and other things that might cause delay or lead to the cancellation of events.

Undecided Clients

This is a threat to the industry because it wastes the time, energy, and effort of the coordinator or planner who invests in presenting a plan or recommendation to his client. Giving false hopes and declining it eventually is economically unhealthy and causes some loss to the business.

Government Health Protocols

The pandemic has had a negative impact on the events industry. Since the start of the lockdown, the government has implemented strict protocols. Included here was the

cancellation or prohibition of gatherings. But as time goes by, little by little, the provincial government has implemented rules with regard to the new normal.

Increase in Prices of the Suppliers

The increase in prices from the suppliers due to travel restrictions forced them to increase prices, much like the cost that they'll be spending just to supply the events industry, including courier or delivery. According to the respondents, suppliers need to increase their price range a bit because of the increased prices in delivery as well.

Economic Slowdown

All the industries were affected by the lockdown that could stop the community from generating profit and not just the owner of a particular business, but it more impacted the employees of each industry, which is why the events industry has no clients due to income issues or profit issues.

Discussions of Major Findings

The study was primarily conducted to assess the status of event management businesses operating in Ilocos Norte during the pandemic. It was highlighted by the respondents, who are the owners of the event businesses, that the timeline of the pandemic has two waves: the March 2020 and the July 2021 lockdown. During these times of lockdown, businesses were financially paralyzed, which also made them decide to cut down on their employees, and some of them decided to liquidate some of their assets to pay their debts.

Despite the impact brought by the pandemic to event businesses, the owners have a positive outlook for the future of their businesses after the pandemic, especially with the roll-out of vaccination in all parts of the country, an indication that the tourism industry will soon be back to normal.

On the other hand, the pandemic's impact has given rise to a new platform for event organizers: the virtual event. Because of digitization, even if the pandemic has ended, this may not be erased.

Furthermore, recovery will not be instant due to the economic crisis and price increases that will affect the supply of event prices, but with the identified strengths of the event businesses, particularly in the province, such as a strong industry reputation for quality and craftsmanship, having committed and dedicated employees, good customer relations, effective marketing strategies, and having Pasken to help them out, recovery will be possible.

TOWS Matrix of the Proposed Revival Strategy for Events Businesses in Ilocos Norte

TOWS MATRIX	STRENGTHS: (S1) Years of Industry Experience (S2) Strong Industry Reputation for Quality and Craftsmanship (S3) Committed and Passionate Employees (S4) Improved Information Dissemination through a Provincial Organization (S5) Effective Digital Marketing Strategy (S6) Good Customer Relationship Management	WEAKNESSES: (W1) Insufficient Cash Flow (W2) Inadequate Training and Programs for Supplier Development (W3) Lack of Organizational Initiatives and Projects
OPPORTUNITIES: (O1) Demands for Virtual Events (O2) Reopening of Ilocos Norte to Tourists (O3) Fully Vaccinated Locals (O4) Collaboration with other events enterprise (O5) Employment for graduates (O6) Utilization of Ilocano Product	SO Strategy (S2) (O2) Training Employees for Hybrid Events (S3) (O4) Improve Immersive Experience of Virtual Attendees	WO Strategy (W1) (O4) Creating a Sub-Contract Agreement among other Event Coordinators (W3) (O5) Establishing a Municipal Events Supplier Organization
THREATS: (T1) Cancellation of Scheduled Event (T2) Undecided clients (T3) Government Health Protocols (T4) Increase in Prices of the Suppliers (T5) Economic Slowdown	ST Strategy (S2) (T2) At least 20% Initial Payment, Non-Refundable Policy	WT Strategy (W2) (T4) Building Long-Term Relationship with Event Suppliers

PROPOSED STRATEGIES

Training Employees for Hybrid Events

The introduction of Zoom and Google Meet opened the way for more conferencing applications to be used in business. Events managers should try to allocate an amount to invest in live stream experts who will be responsible for virtual audiences. The training for live hosts, designers, digital and content creators must also be prioritized as this is the emerging trend in the industry and they need to recalibrate and enhance their skills as well.

Virtual and hybrid events are an innovative way to pursue a sub-sector of business for business events with the greatest number of participants (Bartis et al., 2021). These new forms have opened up opportunities for a significant number of people who would otherwise be unable to attend live events.

Improve Immersive Experience of Virtual Attendees

This is similar to the recommendation of Indika (2021), in which there should be an added value to the visual and graphic impact on the audience's screen by adding more interesting snippets or video loops. I incorporated some interesting videos popular on social media such as TikoTok and YouTube. Moreover, organizers can also use other media platforms to disseminate information such as schedules and changes in plans by using Facebook groups. They can post invitations, posters, and videos there to make the experience exclusive. They can also create engaging activities such as virtual raffle draws, games, or quizzes where viewers or attendees can see their scores in real time.

Building Long-Term Relationship with Event Suppliers

To minimize the time and resources being wasted, the events management business should sustain supplier relationships that can withstand the changes in the market, particularly in price, quality, and supply chain. By doing this, event managers can ensure that the best quality products are given and it saves more time. Maintaining this

relationship should also come with a merit or exchange by including them in the list of preferred suppliers and recommending them to clients and other coordinators.

Establishing a Municipal Events Supplier Organization

In this way, event suppliers in the province will not rely most on the centralized committee but can also establish their own organization within the municipality. This recommendation was presented by Frederrick, who believes that each person has a different taste in style, food, and clothing considering the geographical location. The culture of one municipality may not be the same as that of another city that has a more advanced approach to holding events. This will prevent or at least avoid intimidation or the idea of superiority against smaller businesses. From here, it will create more synergy and cooperation, knowing that it is localized. The information or ideas gathered from the place will be relayed to the provincial organization.

Creating a Sub-Contract Agreement among other Event Coordinators

Since it is expected that there will be community events that the provincial government will be conducting in the years to come, the creation of sub-contract agreements among other event coordinators will give them an opportunity to showcase their talents in the field they will be assigned. This will help to strengthen the relationships of event coordinators across the province while also assisting smaller businesses. Collaboration and partnerships like this will not only give them experience, but will also create a stronger event industry. This will train them on how to seal a big event.

At least 20% Initial Payment, Non-Refundable Policy

By adding this clause to the contract agreement that will be signed by the client, it will be ensured that, regardless of what happens, the deal is already made. This means that the initial expenses of the coordinator, including his time, energy, and effort to plan and present a concept to the client, will be covered. This is also to ensure that when the contract is already signed, regardless of the changes in schedule, mandates, and government policies, clients should still stick to the same event enterprise.

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THE PANDEMIC EFFECT ON THE PERCEPTION OF ILOCANO TOURISTS IN ILOCOS NORTE ABOUT TRAVEL RISK AND MANAGEMENT

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ABSTRACT

This study investigates the Covid-19 pandemic effect on Ilocano tourists' travel risk and management perceptions. The study participants were Ilocanos residing at Ilocos Norte, and they were chosen using a sample size of 384 respondents. This study explores Ilocano tourists' travel risk and management perceptions and their influence on society in the context of the pandemic's effects. The data was obtained through an online survey utilizing google forms and shared through Messenger, using a proportional stratified sampling technique, and analyzed using the WarpPLS-SEM version 7.0 tool. The study employed a descriptive-causal research approach and quantitative research design to measure the Covid-19 pandemic effect on Ilocano tourists' travel risk and management perceptions. The data indicated that it significantly impacts Ilocano tourists' travel risk and management perceptions. Travel risk and management perception are significantly associated with risk management, service delivery, transportation patterns, distribution channels, avoidance of overpopulated locations, and hygiene and safety. The findings also revealed the effect of travel risk and management perceptions. The study's findings contribute to the province of Ilocos Norte's tourism dilemma. It gives future study insights into the travel and tourism industry and responses to changing tourists' travel risk and management perceptions in the gradually accepted new normal period.

Keywords: Ilocano tourists, travel risk, management perceptions, pandemic effect, tourism industry.

Introduction

The Covid-19 pandemic is causing an effect on the world tourism industry, with the Philippines being one of the severely afflicted countries. The pandemic's influence (Rahman M.K., et al., 2021) on the ability to accept tourists for tourism and leisure was experienced by every regional tourism industry in the country— specifically in Ilocos Norte, located in the northwestern part of the Philippines and is heavily reliant on tourism. The province has been quite aggressive in promoting and marketing Ilocos Norte as a significant tourism destination during the last half-decade. The historical, man-made, and natural attractions that give significance and huge budgetary investments have been made to improve nearby tourist spots and infrastructure, implying changes in how the natives live inside their communities and contribute to the province's economy. Ilocano – refers to residents and local tourists in Ilocos Norte who enjoyed traveling within the province because of tourism development and has been able to sustain the tourism industry in the province. However, the pandemic effect needs to be addressed on the perceptions of travel risk and management of Ilocano when the pandemic first arrived in the Philippines in the year 2020. The perceptions of travel risk and management have a considerable effect on local tourists' decision to travel destinations (Neuburger L., et al., 2020). Tourists' perceptions of travel risk and management can influence their psychological behavior when traveling to destinations (Rahman M.K., et al., 2021). Because of the spread of the existing pandemic, tourists may have a different perspective on travel risk and management challenges. Tourism destinations are associated with tourists' travel risk and management, which are complex and have unpredictable consequences due to the effect of Covid-19. As a result, determining the common risk and management aspects for building a theoretical basis based on tourists' risk and management perceptions is challenging. Because travel risk was a critical topic in the Covid-19 pandemic, this study focused on exploring and evaluating perceptions of Ilocano tourists in Ilocos Norte travel risk and management associated with tourism attractions.

The outbreak of a worldwide pandemic caused by the Coronavirus (COVID-19) has changed many aspects of life; since the first confirmed cases of SARS-CoV-2 infection in Wuhan, China, in December 2019 (Mayo, F., et al., 2021). The World Health Organization has designated the widespread prevalence of the virus as a worldwide pandemic (World Health Organization, 2020). The Covid-19 pandemic has destroyed all preceding development narratives. Governments throughout the world have implemented the largest-scale lockdowns to control the pandemic's spread. The consequences of this pandemic affect many aspects of human life and trade, including tourism management, because almost half of the world's population placed extraordinary restrictions on transportation. Covid-19 is a new coronavirus strain that causes an infectious illness. The letter Co stands for corona, Vi stands for virus, and D stands for disease (Rahman M.K., et.al 2021). This illness is known as 2019 novel coronavirus (2019-nCoV). Health practices suggested by the World Health Organization (2020), such as social distance, wearing of face masks, and continuous cleaning of facilities, have been undertaken to minimize the virus's potential to spread. Businesses and institutions have also been required to implement work-from-home policies. On a communal level, strict curfews and quarantine classifications at various levels have been imposed. The transportation system has been carefully restricted to keep the disease from spreading. Only private automobiles and approved business vehicles for workers were initially permitted when the lockdown began in the first quarter of 2020 (Mayo, F., et al., 2021). Pandemics are often unmanageable because of their abrupt presence everywhere (McKibbin W., & Fernando R., 2021). The changes in external variables, the concept of political and financial institutions, stimulate the travel and tourism sector. The travel business involves a wide range of industries and contributes to the progress of these areas and the worldwide value of tourism management. Regardless of area or country, the effect of the Covid-19 epidemic on tourism destinations, travelers' behavior, and their preferences are the same. The pandemic fosters the continuation of social quarantine and unfavorable economic effects.

Economic forecasts predict decreased economic development (Bloom Consulting, 2020) and unfavorable attitudes toward residents from countries most severely affected

by the Covid-19 pandemic. It has a wide range of effects, and nations worldwide seek a sustainable development plan to minimize its adverse effects. The pandemic is disastrous for every country's economy, the tourism industry, business, transportation, and social angles, along with long-term health concerns in those infected and the loss of friends and family. Through lockdowns, infections can be controlled through societal well-being or safety precautions (Mertens G., et al., 2020). However, when these safety precautions are overly stringent, they can have a detrimental influence on the growth of the tourism sector, halt economic development, and raise the unemployment rate. According to reports, today's business world is influenced directly or indirectly by various of external variables such as financial, sociocultural, global, political, and technological factors (Wen J., et al., 2020). Changes in these factors result in changes in business performance in the industry regionally or globally (Rahman M.K., et.al 2021).

In the Philippines, the Inter-Agency Task Force (IATF) for the Management of Emerging Infectious Diseases created community quarantine guidelines with various categories. The number of confirmed COVID-19 cases and the level of healthcare utilization in the Philippines has increased (Inter-Agency Task Force for the Management of Emerging Infectious Diseases, 2020). Different LGUs (Local Government Unit) in the country was assigned a specific community quarantine procedure. It was updated and based on the healthcare utilization rate, which refers to the percentage of specialized beds and equipment used (Inter-Agency Task Force for the Management of Emerging Infectious Diseases, 2020). The various levels of quarantine pertain to the same purpose, which is to impose a condition of isolation or limited access as a security and safety precaution. The primary objective of a community lockdown is to restrict the spread of the virus, reduce the number of individuals afflicted and give the health system more time to treat those who are sick. The government declared that all regional communities must be strictly followed, and the province of Ilocos Norte implemented the rules and regulations, accepting and compromising the adverse effects of its provincial tourism state. Nevertheless, lockdowns affect local tourists' perceptions of travel risk and management, as the pandemic prohibits individuals from engaging in regular travel, leisure activities, and mobility.

Approximately 38.7 million people have been fully vaccinated as of December 6, 2021 in the Philippines (Department of Health, 2021), which is about 35.7% of the population. The vaccines' slow distribution and administration have been linked to procurement delays, logistical issues, and people's reluctance to be immunized, further delaying the country's planned herd immunity in the first months of vaccination rollouts. Since many individuals have already been fully vaccinated, some are hesitant to go outdoors. In contrast, others are unconcerned about going outside because their businesses and workplaces are carefully continuing to work in the pandemic. The province of Ilocos Norte delivered vaccines first to frontliners and senior citizens and next to the rest of the Ilocanos. Whether vaccinated or not, the residents who planned to travel to a place were required to follow the instructions. The updated travel requirements starting December 1, 2021 stated that vaccinated Ilocanos must have a valid ID, booking confirmation from a tourism-accredited facility or travel agency, an individual QR Code Safepass from Tourist Registration System. There's no testing for fully vaccinated individuals coming from Alert 1, 2, and 3 will only need to present a valid vaccination card. For tourists that are unvaccinated and partially vaccinated (for those who only received their first dose) and coming from Alert 4 are required to take any of the following COVID-19 Test: RT-PCR (Real-time polymerase chain reaction test) taken within 72 hours and Antigen taken within 24 hours and upon arrival (Ilocos Norte Tourism, 2021). Furthermore, communities that have been subjected to strict community quarantine are not permitted to travel to provincial destinations.

Travel and tourism have increased as the number of confirmed cases has decreased and stabilized as a result of the safety protocol and vaccination rollout. The limits on movement were also eased. After more than a year after the first shutdown in Ilocos Norte and being placed under the strictest community quarantine classification more than twice, it was interesting to investigate how Ilocano tourist travel risk and management perceptions have altered. The study purpose was to examine the pandemic effect on Ilocano tourists' travel risk and management perceptions within the province of Ilocos Norte in the pandemic period. This investigation also examined the effect of the pandemic in the provincial tourism industry in Ilocos Norte, including travel movement and

the economy. Finally, it attempted to identify the alternatives and solutions that Ilocano tourists in the province were adopting to travel in this pandemic and thus, accepted as the new normal.

Research Framework

According to the study (Rahman M.K., et al., 2021), it employs the idea of pathogen-stress theory to examine travel risk and management perception due to Covid-19 unpredictability and ascertaining human actions in social concerns. Some researchers (Meleady R., et al., 2021) investigated the impact of pathogens in the context of Covid-19 outbreaks. The parasite-stress theory predicted human sociality's personality traits that emphasize the infection risks associated with contact with humans (Fincher C.L., & Thornhill R., 2017). The risk of human-to-human transmission is concerned with travel risk and management perception. Exposure to human contact is linked to infection risks. The increased interaction with numerous group members, the higher the risk of human-to-human transmission. This theory holds that when people are in a parasite-infested environment, they become less receptive to visitors, less curious, less active, and have a lower risk of infection. The study generalized the idea of pathogen-stress theory investigated the influence of the Covid-19 outbreak and its effect on travel risk and management perceptions (Rahman M.K., et al., 2021).

According to (Li Zhan, et al., 2020), the theory of the affect heuristic on risk perceptions explains that human emotions contribute to individuals' perceptions of risk. Negative emotions, such as rage and fear, are connected with greater risk perception levels, whereas positive emotions (e.g., interest and pleasure) are associated with lower risk perception levels. In line with this, Ilocano tourists who lived in the province for a long time were more likely to have positive emotions that displayed lower levels of risk perceptions about the province, however when the health risk virus that is originated from foreign country Wuhan, China, came in the province created negative emotion that displayed greater levels of risk perception.

According to (Da Silva Lopes, H., et al., 2021), COVID-19 appeared to amplify the significance of Protection Motivation Theory (PMT) and the perception of tourist risk. PMT

explains how individuals are driven to respond in a self-protective manner towards a perceived health threat (Prasetyo Yogi Tri, et al., 2021). Thus, individuals dealing with risks caused by a drive to protect themselves from perceived health threats is the foundation of PMT (Kowalski, R.M, et al., 2021). This approach is commonly utilized in tourism literature and consists essentially of threat/risk assessment—its nature, importance, and potential repercussions (Zheng, D., et al., 2021).

The Pandemic Effect of Covid-19

Covid-19 is a newly emerged virus that appeared from China in December 2019 and is quickly spreading throughout the globe via human-to-human transmission. Most nations across the world have imposed short-term travel restrictions to prevent the spread of illness, raising concerns about the effect of the Covid-19 epidemic on the global tourism industry (Mertens G., et al., 2020). As the world slowly approaches a state of recovery, the tourism sector lags in the recovery process, primarily because of people's perception of safety. The primary findings show the COVID-19 pandemic effect on travel patterns and habits in terms of philological and economic aspects. Travelers' propensity to travel and the circumstances and preferences for holiday places are influenced by psychological variables, most notably the fear of infection. People will avoid traveling in big groups and being in congested areas, at least in the medium term (Orîndaru, A., et al., 2021). This issue has spread throughout the world; the effect of the Covid-19 pandemic has a significant effect on tourists' travel risk and management perception (Rahman M.K., et al., 2021). The review-related literature reveals that there is no empirical study focusing on the effect of the pandemic on tourists' perceptions of travel risk and management – specifically local Ilocano tourists. As a result, we propose the hypothesis:

H1. The tourists' perception of travel risk and management is influenced by their concern of the Covid-19 pandemic.

Perception of tourists about travel and risk management

The assessment of a situation regarding the risk to make travel decisions in destinations is referred to as travel risk and management perception (Neuburger L., et

al., 2020). Travelers' perceptions of risk and management are important factors for tourism destinations. Risk management is the activity of identifying possible risks in the travel and tourism sector caused by the current pandemic in evaluating, improving, and implementing preventative measures to mitigate the risk (Rahman M.K., et al., 2021). Many nations worldwide have begun to recover from the tourism event dilemma. Tourist travel arrangements should be planned in order to reduce tourists' danger and stress. Tourists, for example, should acquire insurance when they schedule vacations to places. According to researchers, the travel and tourism sector is subject to risks such as crisis, diseases, pandemics, and other risks that endanger tourists' safety (Bassil C., et al., 2019). Previous research has shown that risk-averse travel reduces tourist demand. Other research revealed that tourists' perceptions of a destination were negatively impacted by perceived risk (Rahman M.K., et.al 2021). Therefore, we propose the hypothesis:

H2. Tourists' perceptions of travel and risk management have a significant effect on risk management.

Travel risk denotes flight cancellations as a result of tourists' travel limitations, travel danger, and management perceptions (Rahman M.K., et.al 2021). Tourists' negative emotions, anxiety, and disappointment have resulted from travel cancellations (Ray A., & Bala P. K., 2021). In line with this, the effectiveness of service delivery is critical to the success of a tourism effort. Failure to provide service could have a detrimental influence on vacation destinations. Previous research has found that tourists' perceptions of travel risk and management might have a negative effect on their decision-making (Lanza G., et al., 2021). The service delivery professional and timely response could reduce tourists' travel risk and management perceptions. According to a study, public health situations can influence travelers' dining habits (Wen J., et al., 2020). Tourists should avoid eating in restaurants and instead order takeout to prevent unwanted social interaction and contact with individuals during the pandemic. Another factor is that (Rahman M.K., et.al 2021), due to the pandemic, a lesser number of labor workforce is being implemented on establishments that can result in a slower level of service, which

might affect the decision making of tourists to a destination. Therefore, this study postulated that:

H3. Tourists' perceptions of travel risk and management have a considerable effect on service delivery.

People's travel perception shifts individually due to the global Covid-19 outbreak (Parady G., et al., 2020). It is hard to challenge the country's crowded public systems and transportation patterns (Rahman M.K., et.al 2021). In the aftermath of the Covid-19 outbreak, bike or ride-sharing services may offer an alternative to more crowded travel choices (Wen J., et al., 2020). Because social distance is vital for avoiding crowded areas, the availability of various transportation choices within the country might assist tourists in deciding which tourism destinations to visit. According to another study, the transportation network is vulnerable to adverse effects owing to mobility limitations (Hobbs J. E., 2020). Based on research, taking public transportation increases the chance of Covid-19 infection (Bucsky P., 2020). Therefore, this study postulated that:

H4. Tourists' perceptions of travel risk and management are positively related to transportation patterns.

The distribution channel relates the standard travel agencies to online agents when purchasing vacation packages, reserving hotels, and purchasing airline tickets (Wen J., et al., 2020). The intermediaries are the distribution channels that allow a product and services pass to the end customers. As stated by authors (Gretzel U., et al., 2019), client behavior is linked to buying behavior, destination preference, experience sharing, and information searches. Distribution channels can unquestionably reduce a person's moving risk and the executives' face-to-face communication (Pourfakhimi S., et al., 2020). Individuals can, for example, work from home, participate in distance learning, request things and services over the internet, and conduct basic banking transactions (Rahman M.K., et.al 2021). Individuals utilize technology for travel-related activities such as booking vacations, providing immediate vendor feedback, and comparing travel destinations, which reduces travel risk and management perceptions. In line with this, a business's

marketing strategies directed at new market segments, such as offering more discounted rates and special offers on services and products, by utilizing electronic marketing and distribution channels can lead to increased customer satisfaction (Dewnarain S., et al., 2019). Therefore, this study postulated that:

H5. Tourists' perceptions of travel risk and management have a significant effect on distribution channels.

Because Covid-19 spreads through human-to-human transmission, it's critical to stay away from densely populated areas. The neologism "overpopulated destination" refers to a holiday location that is overwhelmed with people (Rahman M.K., et.al 2021). Pathogen threats make individuals cautious and avoid overcrowded destinations (Wang I. M., & Ackerman J. M., 2019). This trend will cause a shift in people's travel behavior, affecting visitors' travel risk and management perception of visiting overcrowded destinations (Zenker S., & Kock F., 2020). It has been suggested that social distancing can help to avoid Covid-19 infection (Rahman M.K., et al., 2021). According to various studies, tourism destinations are afflicted by overloaded tourists; as a result, tourism operators can determine the best strategy to control tourist flows in order to ensure visitor safety, well-being, and risk perception (Oklevik O., et al., 2019). This study proposes that:

H6. Tourists' perceptions of travel risk and management have a significant effect on their avoidance of overcrowded destinations because of the COVID-19 pandemic.

Because of the Covid-19 outbreak, people have grown more aware and concerned about hygiene and safety. For example, in public transportations such as jeepneys, tricycles, hotels or any sorts of accommodation, restaurants, and tourist destination sites, people have concerns and worries about their safety and hygienic needs (Wen J., et al., 2020). They don't want to be in a situation where there is unsure cleanliness or proper sanitation, especially during these days of crisis. Face masks are still mandatory in the province of Ilocos Norte to limit the possibility of Covid-19 virus exposure. According to one study, Covid-19 pandemic has greatly affected tourists' travel decisions and their health, safety and hygiene. It indicates that tourists' perceptions of travel risk and

management are influenced by safety and hygiene because most of the risk is related to safety and hygienic considerations, such as those health-related worries. During the Covid-19 pandemic, potential tourists prefer areas with safety and hygiene, sanitation, established infrastructure, and high-quality medical services (Wen J., et al., 2020). Thus, this study presumed that:

H7. Tourists' perceptions of travel risk and management have a significant effect on the hygiene and safety of destinations

Research Problems

Generally, this study determined the pandemic effect on the perception of Ilocano tourists in Ilocos Norte about travel risk and management.

Specifically, it answered the following questions:

1. What are the pandemic effects of Ilocano tourists' perception of travel risk and management?
2. What are the travel risk and management perceptions on Ilocano tourists' in terms of:
 - a. Risk management
 - b. Service delivery
 - c. Transportation patterns
 - d. Distribution channels
 - e. Avoidance of overpopulated destinations
 - f. Hygiene and safety
3. Is there a significant relationship between the perception of the effects of the COVID-19 pandemic and Ilocano tourists' risk travel management?
4. What are the recommended strategies to support local tourism in Ilocos Norte?

Conceptual Framework

Figure 1 discusses the research framework of the study. The independent variable is the pandemic effect of Covid-19. It is about the after the outcome of the pandemic situation, all the matters that changed, and the new normal set-up.

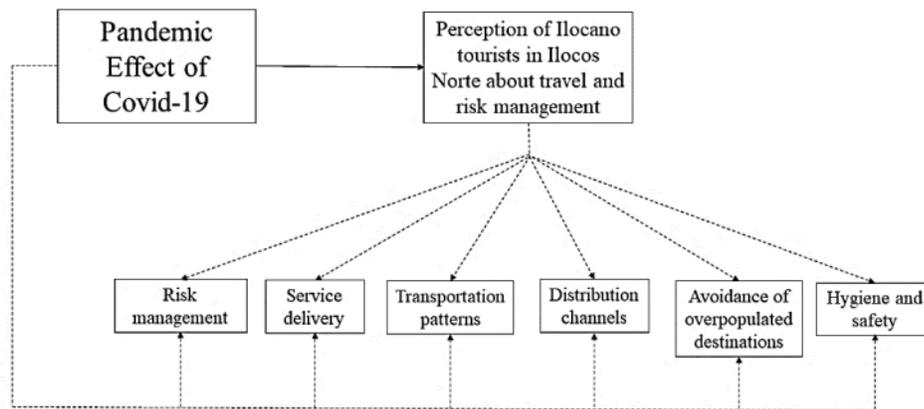


Figure 1. Research Paradigm

The pandemic effect of travel risk and management perceptions expanded includes, risk management, delivery of service, the pattern of transportation, distribution channels, avoidance of overpopulated destinations, and hygiene and safety. Lastly, the dependent variable is the perception of Ilocano tourists in Ilocos Norte about travel risk and management.

Methodology

This section represents the participants in the research study, the research instrument, data analysis, and ethical considerations.

Participants

The study participants were local tourists residing from Ilocos Norte who were chosen using a proportional stratified sampling technique. These local tourists were ages from 18-65 years old who are fully vaccinated.

The province has a total population of 609,588 (PSA, 2020) composed of 21 municipalities; this research divided the province into the three most visited destinations: Laoag, Paoay, and Pagudpud. Used with Raosoft's sample size calculator, with a 5% margin of error and a level of confidence of 95%, and a total population of three provinces of 161,750 (PhilAtlas, 2021), the total sample size was 384.

Table 1*Population and Sample Size*

City/Municipality	Population	Sample Size
Laoag	111,651	265
Pagudpud	25,098	60
Paoay	25,001	59
Total	161,750	384

This study is a descriptive-causal research design described (Lolita, M. & Edric P.H., 2021) as a research approach that describes two closely related variables: the Covid-19 pandemic effect and tourist perceptions of travel and risk management.

Table 1.1*Demographic Profile of the Respondents*

	frequency (<i>f</i>)	Percentage (%)
Age		
Young adults (15 – 30)	264	68.75
Middle-aged Adults (31 – 45)	74	19.27
Old-aged Adults (above 45)	46	11.98
Gender		
Female	228	59.38
Male	156	40.63
Civil Status		
Single	274	71.35
Married	100	26.04
Separated	5	1.30
Widowed	5	1.30
Educational Attainment		
Elementary Graduate	4	1.04
High School level	9	2.34
High School graduate	11	2.86
College level	146	38.02
College Graduate	197	51.30
Post Graduate	17	4.43
Monthly Income		
7,000 – 10,000	160	41.67
10,001 – 20,000	56	14.58
20,001 – 30,000	85	22.14
30,001 – 40,000	52	13.54
40,001 – 50,000	13	3.39
>50,000	18	4.69

The demographic profile of the responders is shown in Table 2. There are 384 respondents, comprising 68.75% of young adults, 19.27% of middle-aged adults and 11.98% old-aged adults. The majority of respondents are 51.30% college graduates and 38.02% college level, while there are 4.43% post-graduates' respondents, 2.86% finish high-school respondents, 2.34% finished high-school level respondents and 1.04% finish elementary level respondents. Lastly, most of the responders 41.67% earned 7,000-10,000 pesos a month, while the remaining responders 22.14% earned 20,001 – 30,000 a month, 14.58% responders earned 10,001 – 20,000 pesos a month, 13.54 % responders earned 30,001 – 40,000 pesos a month, 4.69% responders earned 50, 000 pesos above a month, and 3.39 % responders earned 40,001 – 50,000 pesos a month.

Research Instrument

In this study, an elaborate statement was used to examine respondents' responses to the given Covid-19 pandemic characteristics, tourists' travel risk and management perceptions, and their social qualities. This study's measurement was pretested to ensure the survey instrument's validity. Several studies (Mamun A. A., et al., 2020) have found that this approach is appropriate for the responders to better understand the survey measurement items. Data from a self-administered assessment adopted from (Rahman M.K., et al., 2021) was collected to analyze the conceptual model of this study. The questionnaire was divided into three parts. For the first part, the demographic profile. The second part included five items evaluating the effect of the Covid-19 pandemic, and a total of four items assessing travel risk and management perception were adapted from earlier studies (Chen N., et al., 2019). The third part included five measurements used to evaluate risk management in light of tourists' travel risk management perception to visit the destinations, which were amended from (Wen J. & Huang S. 2019), while four items to evaluate service delivery that is adapted from (Wen J. & Huang S. 2019). A total of five items was designed to evaluate transportation patterns that are based on (Pourfakhimi S., et al., 2020). A total of four items for distribution channels that was adapted from (Wen J. & Huang S. 2019), while five items to evaluate avoidance of overpopulated destinations were modified from (Wen J., et al., 2020), and five items were modified from (Esposito S.,

& Principi N. 2020)) to evaluate hygiene and safety. An online survey was used to distribute the questionnaire utilizing Google platform tools— Google Forms, and it underlined the primary goal of this study. For data collection, the survey questionnaire of the Google form link was shared on Messenger. The survey was completed with the use of respondents' smartphone, laptops/computers. All measuring questions were assessed on a five-point Likert scale ranging from (1) for strongly disagree, (2) for disagree, (3) for neither agree nor disagree, (4) for agree, and (5) for highly agree.

Data Analysis

Data were analyzed and interpreted using the following statistical treatments.

Frequency counts and percentage were to know and present the demographic profile of the respondents.

Mean was to determine the pandemic effects of Ilocano tourists' perception of travel risk and management. Furthermore, results were analyzed and interpreted using the following five-likert scale:

Range of means	Descriptive Interpretation
4.21-5.00	Strongly Agree (SA)
3.41-4.20	Agree (A)
2.61-3.40	Neither Agree nor Disagree (N)
1.81-2.60	Disagree (D)
1.00-1.80	Strongly Disagree (SD)

The relationship between perception of the effects of the COVID-19 pandemic and Ilocano tourists' travel risk and management will be determined using structural equation modeling in WarpPLS version 7.0.

Ethical Considerations

The research on the pandemic effect on the perception of Ilocano tourists in Ilocos Norte about travel risk and management will incorporate a variety of ethical factors. The participants were provided thorough information about the research's goal and their

significant contributions. Informed consent is obtained after presenting and discussing the research inquiry's goal. Additionally, the researchers invite people to participate in the study, and they are allowed to withdraw at any time during the process. All questions from respondents were comprehensively and truthfully answered.

Additionally, the researchers conform to everything mentioned throughout the research project. The researcher goes to great lengths to ensure that the respondents receive only the best, benefit from the study's findings, contribute to the advancement of the teaching and learning process, and never physically, psychologically, or emotionally harmed. Additionally, informed consent included a number of things: (a) a contract between the researchers and the respondents, in which the latter agrees to participate in the study. Adequate information is presented and clarified to participants at their level of understanding, (b) information from which respondents can cancel at any time, inquire questions, and deny to answer questions if they are disagreeable and uncomfortable with the questions, (c) elaboration of the study's potential dangers so that participants can make well-informed decisions about whether or not to participate, and (d) a description of the participants' prior to the commencement of data collection, a signed consent form is collected. Correspondingly, the researchers protect participants' confidentiality and anonymity by filing a code based on the relation to each participant and adding it to the survey questionnaire. When filing the data collected from respondents, the researcher didn't include the participants' identities. The researcher assigns each participant a unique numerical code to ensure anonymity. The source of the statement is unknown to everyone except the researcher. The data is stored in a cabinet to ensure its security. By withholding details about the participants' experiences, the researcher protects their privacy. Participants are informed that they have the entitlement to withdraw from the study at any time if they so choose or if their participation makes them uncomfortable. Participants are informed of this right before the data collection process begins.

Moreover, the report asserts that no financial, family, or proprietary considerations exist between the researchers and the sponsor or study location. This is done to ensure that the study does not unveil bias or inequity at any point during the research and that only the necessary steps or procedures are carried out. The research participants are

safe from physical, psychological, and mental abuse because they are locals and not members of any vulnerable groups. The elderly, pregnant women, indigenous people (IP), homeless people, patients with terminal or incurable diseases, and even powerless individuals as a result of poverty, as well as minors who are dependent on their parents, are all vulnerable members of the population, none of whom are the respondents.

When respondents are figured, official communication processes are sent to the appropriate authorities, requesting their approval to participate in the study as respondents. Additionally, after obtaining all necessary permissions from the provincial tourism office, the researcher encounters respondents and provides detailed information about the research's objectives. The respondents can ask questions, which the researchers are expected to address sufficiently. Furthermore, after providing all necessary information, the researchers will obtain signed informed consent from the prospective subject. Respondents will face no danger because only a survey questionnaire is used in collecting the data. Similarly, the respondent would be asked to provide the most convenient time to fill out the questionnaire during the study.

All personal data gathered were securely stored throughout the activity. Individual subjects' information must never be disclosed without their explicit permission. Furthermore, if another researcher seeks to use data for a purpose other than that for which it was originally gathered and the data are still recognizable (e.g., a code list for the data remains), the researcher may need to get approval from the subjects for the new use of the data.

Results

This section presents the results of the data gathered by the researchers. This includes the pandemic effect of Ilocano tourists' perception of travel risk and management associated with risk management, service delivery, transportation pattern, distribution channels, avoidance of over populated destination, and hygiene and safety.

Table 1.r*The pandemic effects of Ilocano tourists' perception of travel risk and management*

	Mean	Interpretation
Covid-19 pandemic	3.45	A
1. I am experiencing symptoms of Covid-19 pandemic infection.	1.90	D
2. The Covid-19 pandemic influences my travel and shopping habits.	4.09	A
3. I feel anxious about the Covid-19 pandemic.	3.98	A
4. I feel financial pressure because of the Covid-19 pandemic.	3.84	A
5. I'm stress at my daily chores because of the Covid-19 pandemic	3.11	N
Travel risk and management perception	4.38	SA
1. The Covid-19 pandemic has caused concern for travelling destinations.	4.70	SA
2. I prefer to spend my leisure time alone because of the COVID-19 pandemic.	3.60	A
3. I prefer to avoid going overcrowded destinations, after Covid-19.	4.58	SA
4. Covid-19 lowers the chance of traveling in groups.	4.28	SA
5. I prefer to travel destinations that follow safety protocols regarding COVID-19 pandemic.	4.73	SA
Overall Mean	3.92	A

Note: 5-Strongly agree, 4-Agree, 3-Neither agree nor disagree, 2-Disagree, and 1-Strongly disagree

Table 1 explains the COVID-19 pandemic effect on the perception of Ilocano tourists about travel risk and management. Ilocano tourists deduced that they do not experience symptoms ($x=1.90$) of Covid-19 infection with an interpretation of Disagree. On the other hand, the pandemic influences their shopping habits ($x=4.09$) with an interpretation of Agree. Although they neither ($x=3.11$) are stressed at their daily chores; they feel anxious ($x=3.98$) and financial pressure ($x=3.84$) because of the Covid-19 pandemic with an interpretation of Agree.

It also demonstrates that Ilocano tourists Strongly Agree that the Covid-19 pandemic has caused them to be concerned about traveling destinations ($x=4.70$). Ilocano tourists prefer to spend their leisure time alone ($x=3.60$) with Agree interpretation. Moreover, they tend to avoid overcrowded destinations ($x=4.58$), they prefer to travel destinations that adhere to safety protocols ($x=4.28$) regarding the Covid-19 pandemic,

and they believe that the pandemic reduces the chance of traveling in groups ($x=4.73$) with an interpretation of Strongly Agree.

Table 2.r

The travel risk and management perceptions on Ilocano tourists

	Mean	Interpretation
A. Risk Management	4.40	SA
1. I want to feel safe especially when I'm going out.	4.79	SA
2. Many individuals underestimate the effect of the virus on certain people.	4.32	SA
3. I am wondering if the government is providing us with all of the information, we need about the Covid-19 pandemic.	3.80	A
4. I am looking for places with well-established infrastructure regarding the Covid-19 pandemic.	4.49	SA
5. I am looking for places with well-established and high-quality medical facilities regarding the Covid-19 pandemic.	4.61	SA
B. Service Delivery	4.25	SA
1. I prefer to order takeout rather than dining or drinking at restaurants to avoid unnecessary contact with people.	4.17	A
2. I order delivery of my necessities in order to reduce my interpersonal interaction during this pandemic.	4.05	A
3. I prefer the availability of packed and cleaned meals.	4.53	SA
4. I prefer services with personal hygiene staffs that handle my delivery.	4.69	SA
C. Transportation Patterns	4.01	A
1. I avoid overcrowded transportation.	4.74	SA
2. I prefer to take public transportation with certain safety health protocol.	3.67	A
3. I feel that tricycles that limits the accommodation of people is a good option to avoid overcrowded transportation.	4.27	SA
4. I prefer to use my own vehicle when travelling.	4.61	SA
5. I prefer to use jeepneys.	2.77	N
D. Distribution Channels	4.44	SA
1. I prefer to use online services when it comes to buying tickets, booking hotels, and buying tour packages.	4.49	SA
2. I believe that internet platforms are appropriate for information searches, destination choice, purchasing behavior, and experience sharing.	4.48	SA
3. People can work from home and participate in social distance learning by using the distribution channels.	4.47	SA
4. I feel confident using online services as it is more updated and useful during this pandemic.	4.33	SA

E. Avoidance of Overpopulated Destinations	4.61	SA
1. I avoid unwanted interaction with crowds in public places.	4.66	SA
2. I believe social distancing has been proposed to help prevent the infection of Covid-19 pandemic	4.49	SA
3. In my opinion, tourism destinations are affected by the overpopulation of visitors.	4.57	SA
4. I'd like to avoid overcrowded destinations due to COVID-19 pandemic.	4.66	SA
5. I prefer to visit destinations that follows proper safety health protocols and is tourism accredited and authorize to operate this pandemic.	4.67	SA
F. Hygiene and safety	4.68	SA
1. After Covid-19, my need for hygiene while travelling is changed.	4.58	SA
2. I prefer destinations' hygiene and cleanliness.	4.76	SA
3. I prefer destinations with medical/health facilities.	4.70	SA
4. After Covid-19, I am more concerned about the sanitation and safety of public transportation.	4.63	SA
5. My concern in my health safety when I'm going out is changed.	4.72	SA
Overall Mean	4.40	SA

Note: 5-Strongly agree, 4-Agree, 3-Neither agree nor disagree, 2-Disagree, and 1-Strongly disagree

Table 2 shows the Covid-19 pandemic effect on travel risk and management perception of Ilocano tourists regarding risk management, service delivery, transportation patterns, distribution channels, avoidance of overpopulated destinations, and hygiene and safety. In this pandemic, Ilocano tourists assert risk management, and they want to feel safe ($x=4.79$) when they go out with an interpretation of Strongly Agree. They seek places with well-established infrastructure ($x=4.49$) and high-quality medical facilities ($x=4.61$) in response to the Covid-19 pandemic with a Strongly Agree interpretation.

In terms of service delivery in this pandemic, Ilocano tourists prefer to order takeout rather than dining or drinking at restaurants ($x=4.17$) and order their necessities to reduce and avoid unnecessary contact with people ($x=4.05$) with an Agree interpretation. They also prefer the availability of packed and cleaned meals ($x=4.53$) and services managed by staff with personal hygiene ($x=4.69$) with a Strongly Agree interpretation.

Transportation patterns create a significant concern, in connection to the Covid-19 pandemic effect, Ilocano tourists avoid overcrowded transportation ($x=4.74$), which they interpret as Strongly Agree. As they avoid such circumstances, they prefer to take public

transportation with a particular safety health protocol ($x=3.67$) with an interpretation of Agree. They are also in favor of tricycles, which limit the accommodation of people ($x=4.27$). In contrast, others prefer to use their vehicle ($x=4.61$), which reduces their interaction with other people with a Strongly Agree interpretation. Moreover, Ilocano tourists ($x=2.77$) neither agree nor disagree with utilizing jeepneys for public transportation.

When it comes to distribution channels, Ilocano tourists prefer to use online services to buy tickets, book hotels and buy tour packages ($x=4.49$). They believe that internet platforms are appropriate for information searches, destination choice, purchasing behavior, and experience sharing ($x=4.48$). Moreover, individuals can work from home and ($x=4.47$) feel confident in using online services as it is more updated and valuable during this Covid-19 pandemic ($x=4.33$) with an overall interpretation of Strongly Agree.

In this Covid-19 pandemic, Ilocano tourists believe with an overall interpretation of Strongly Agree that tourism destinations are affected by the overpopulation of visitors ($x=4.57$). As a result, they avoid unwanted interaction with crowds in public places ($x=4.66$) and avoid overcrowded destinations ($x=4.66$). They believe that social distancing help to prevent the infection of the Covid-19 pandemic ($x=4.49$). Lastly, they prefer to visit places that adhere to adequate safety and health protocols and those that are tourism accredited and authorized to operate in this pandemic ($x=4.67$).

Finally, Ilocano tourists' perceptions of their hygiene needs while traveling have changed ($x=4.58$). They prefer destinations' hygiene and cleanliness ($x=4.76$) and medical/health facilities ($x=4.70$). They are more concerned about the sanitation and safety of public transportation ($x=4.63$). Their concern about their health safety when they go out has changed ($x=4.72$), with an overall interpretation of Strongly Agree.

Table 3.r

Square root of (AVE) average variance extracted, Composite reliability (CR), Cronbach's alpha (CA) and correlations between constructs (off-diagonal)

Latent Constructs	AVE	CR	CA	Latent Constructs	
				C19P	TRMP
C19P	0.046	0.832	0.743	0.714	
TRMP	0.046	0.823	0.725	0.933	0.708

Table 4.r

Square root of (AVE) average variance extracted, Composite reliability (CR), Cronbach's alpha (CA) and correlations between constructs (off-diagonal)

Latent Constructs	AVE	CR	CA	Latent Constructs						
				TRMP	RM	SD	TP	DC	AOD	HS
TRMP	0.046	0.823	0.725	0.708						
RM	0.046	0.868	0.808	0.641	0.756					
SD	0.046	0.881	0.819	0.590		0.806				
TP	0.046	0.911	0.877	0.633			0.821			
DC	0.045	0.918	0.881	0.586				0.859		
AOD	0.045	0.924	0.895	0.646					0.842	
HS	0.045	0.921	0.891	0.571						0.836

The indicators are adopted from the study of Rahman M. K., et al, (2021). The researchers want to test the reliability of the questionnaire to their target settings. It was observed from Table 3 that the obtained Cronbach Alpha values for each variable are acceptable; this implies that the composite reliability (CR) and Cronbach alpha (CA) values were consequently concluded that the reliability was met.

Table 3 and Table 4 shows the strength of the association of variables. The table shows the travel risk and management perceptions towards risk management, service delivery, transportation patterns, distribution channels, avoidance of overpopulated destinations, and hygiene and safety are statistically significant with 0.641, 0.590, 0.633, 0.586, 0.646, 0.571 obtained correlation values. This shows that all measurements/constructs have an effect in travel risk and management perceptions. If the Covid-19 pandemic increases the travel risk and management perception of Ilocano tourists, there is the possibility of modification towards the measurements.

The recommended criteria of acceptance of AVE are 0.5; which is calculated the square root by comparing each AVE in the diagonal with the correlation coefficients (off-diagonal) for each construct/item in the relevant rows and columns. Overall, discriminant validity is acceptable for this measuring approach and supports discriminant validity between the components.

Table 5.r

Diagonal Elements are the square root of AVE of Constructs while the off-diagonal elements are the correlation between Constructs

Variable	β	P-value	R^2
H1: C19P → TRMP	0.93	0.001	0.87
H2: TRMP → RM	0.66	0.001	0.43
H3: TRMP → SD	0.60	0.001	0.37
H4: TRMP → TP	0.66	0.001	0.43
H5: TRMP → DC	0.59	0.001	0.35
H6: TRMP → AOD	0.67	0.001	0.45
H7: TRMP → HS	0.59	0.001	0.35

Note: Covid-19 Pandemic (C19P), Travel risk and management perception (TRMP), Risk, Management (RM), Service Delivery (SD), Transportation Patterns (TP), Distribution channels (DIC), Avoidance Overpopulated Destinations (AOD), Hygiene and safety (HS).

Research Model

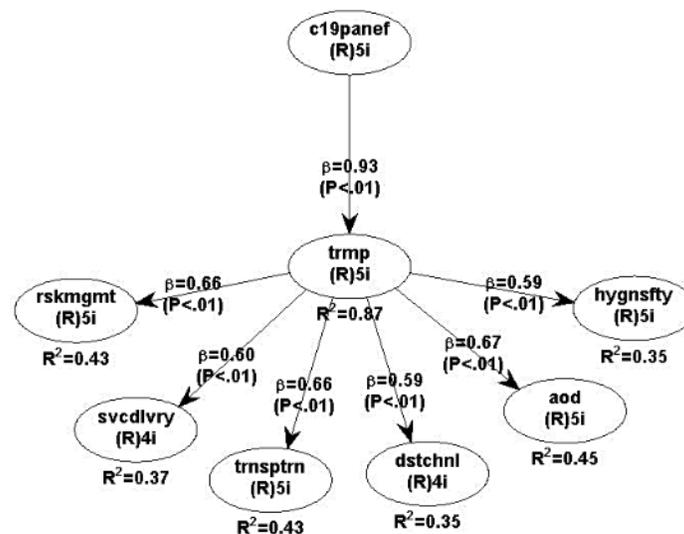


Figure 2. Results of structural modeling analysis

Figure 2 explains the variables in reflective form, which reflects a variety of indicators. The variables revealed that Covid-19 pandemic effect the Ilocano tourists travel risk and management perception resulted ($\beta = 0.93$, $r^2 = 0.87$, $p < 0.001$). In terms of the variable: travel risk and management perception influences on risk management ($\beta = 0.66$, $r^2 = 0.43$, $p < 0.001$), service delivery ($\beta = 0.60$, $r^2 = 0.37$, $p < 0.001$), transportation patterns ($\beta = 0.66$, $r^2 = 0.43$, $p < 0.001$), distribution channels ($\beta = 0.59$, $r^2 = 0.35$, $p < 0.001$), avoidance in overpopulated destinations ($\beta = 0.67$, $r^2 = 0.45$, $p < 0.001$), hygiene and safety ($\beta = 0.59$, $r^2 = 0.35$, $p < 0.001$) as an indicator. Therefore, the relationship between variables: Covid-19 pandemic effect on Ilocano tourists travel risk and management perception was proven to have significant influence to risk management, service delivery, transportation patterns, distribution channels, avoidance of overpopulated destinations, and hygiene and safety.

Discussions

This study aimed was to assess the Covid-19 pandemic effect on the aspect of Ilocano tourists' travel risk and management perceptions. The findings showed hypothesis relationships, indicating that the Covid-19 pandemic is related to travel risk and management perceptions. As a result, it suggests that the spread of the Covid-19 outbreak across the Philippines, causes most regions to impose short-term travel restrictions and safety health protocols to suppress the widespread fear. By reviewing the previously mentioned studies, there is a relationship between perceived disease-related risk factors and the Covid-19 pandemic (Chang C. L., et al., 2020). The present study results revealed that the Covid-19 pandemic significantly affected risk management, service delivery, travel patterns, distribution channels, avoidance of overpopulated destinations, and hygiene and safety perceptions among Ilocano tourists travel risk and management. Ilocano tourists believe that the Covid-19 outbreak has increased travel risk and management perception, causing them to restrict their plans to travel to destinations. The data analysis in this study shows that Ilocano tourists' perceptions of travel risk and management are strongly related to risk management. Risk management has been identified as a vital component influencing an individual's opinion about

controlling pandemic risks in-service study in the Covid-19 pandemic context (Rahman M.K., et al., 2021). The earlier researchers found that tourists' attitudes can result to risk management for destination infrastructure and medical facilities, an image of a destination, and travel planning (Wen J., et al., 2020).

On the other hand, the travelers' risk perception is related to service delivery. This finding is comparable to (Shakibaei S., et al., 2021), which discovered a substantial relation between the Covid-19 pandemic and service delivery. Tourists can limit themselves in eating and drinking at a restaurant by ordering food through service delivery or takeout food to minimize social interaction. This study contributes to the existing base of information by exploring the effects of travel risk and management perception on travel patterns. This finding is consistent with (Wen J., et al., 2020), who observed that travel patterns could lead to autonomous travel or small group tours, less group dining, promoting places facing under tourism, and diversity such as unique outdoor activities, smart tourism, and nature-based travel. According to the findings, there is a positive relationship between travel risk and management perception and distribution channels. It implies that the distribution channel can encourage individuals to engage in nature-based travel and smart tourism to lower travel risk and risk management perception during the Covid-19 pandemic. According to studies, few researchers have reported that people can utilize technology to lower travel risk and risk management perception (Wen J., et al., 2020).

Moreover, this research revealed that Ilocano tourists' perceptions of travel risk and management are strongly connected to their avoidance of overcrowded destinations. Because the Covid-19 pandemic spreads through human-to-human transmission, avoiding crowded areas may be an alternative method of reducing infection (Lee, B. 2020). Overcrowded destinations can be reduced by using a short-term strategy of enforcing travel restrictions particular tourist destinations.

Finally, following results, the travel risk and management perception has a beneficial influence on hygiene and safety, which is aligned with previous research (Wen J., et al., 2020a) which found that the expansion of the Covid- 19 pandemic had a significant impact on tourists' travel decisions as well as their perceptions of hygiene and

safety. In the scope of service research, hygiene and safety evaluations have been identified as an essential component influencing people's safety and security toward service businesses or consumers' buy intentions of goods and services given by firms or service organizations (Rahman M.K., et al., 2021). When arranging a vacation, Ilocanos can acquire travel insurance to provide coverage in the event of illness, including Covid-19. Potential Ilocano tourists are usually interested in hygiene, safety, security, cleanliness, medical facilities, and population density when individuals decide to visit a destination. The COVID-19 pandemic influences the ability to accept tourists for tourism. Travel risk and management perceptions considerably affect local tourists' decision to travel destinations. To sum it up, there is a significant relationship between the Covid-19 pandemic effect on the perception of Ilocano tourists about travel risk and management and its hypothesis.

Limitations of the Study

Despite the benefits, this research has limitations, including a large sample size of Ilocano tourists who visited tourist destinations for leisure or shopping, education/conference, healthcare, business, and other objectives. This study used self-administered questionnaires to collect data that entail potential bias that assumes that participants are affected by social desirability. As a result, future research should strive to utilize new initiatives, such as focus group opinions, to conduct more in-depth investigations. This study used a quantitative research approach inflexible to individuals' subjective perspectives on the influence of the Covid-19 outbreak; hence, future research is suggested to use in-depth interviews to obtain qualitative assessments. The data was gathered through an internet platform, which is considerably easier to use. Because just a small number of items were utilized to evaluate the conceptual model constructs, future research should use large measuring items. As a result, more study should be conducted to determine the factors that influence tourists' travel risk attitudes and risk management views after the Covid-19 pandemic. It will be beneficial for tourist managers and practitioners to focus on controlling the Covid-19 dilemma and a systematic management approach to encourage the growth of the tourism industry.

Implications and Recommendations

According to the study's findings, Covid-19 affected Ilocano tourists' travel risk and management perceptions, including its impact on risk management, service delivery, transportation patterns, distribution channels, avoidance of overpopulated destinations, hygiene and safety. Ilocano tourists believe the Covid-19 outbreak has caused health concerns, causing them to cancel their travel plans to various destinations. These findings may benefit policymakers and healthcare practitioners in managing the Covid-19 pandemic's maladaptive anxiety levels and understanding who is most likely to respond negatively to the pandemic. Ilocano tourists can take fewer journeys but spend more time in their chosen places based on their needs and preferences when traveling; these patterns will mitigate the adverse effects of the travel industry and lower tourists' perceptions of travel risk and management. The tragedy of the Covid-19 pandemic reminds us not to visit overpopulated areas, and those who do visit overcrowded destinations must examine and adjust their travel plans to guarantee sustainability. Because of the Covid-19 outbreak, Ilocano tourists choose calm areas for their tourism activities, and the Ilocos Norte travel and tourism business might gain by catering to their desires. Therefore, practitioners and the local government in the Ilocos Norte travel and tourism sector should reexamine tourist behavior, travel industry policies and regulations, tourism operators' markets, and tourism product development to achieve long-term sustainability. The spread of the Covid-19 outbreak had an unprecedented impact on the travel and tourism industry worldwide health crisis.

Tourists' perceptions of travel risk and management, as well as the impacts on the tourism society: the risk management perception; the service delivery; the transportation patterns; the distribution channels; the avoidance of overpopulated destinations; and the hygiene and safety, require a comprehensive investigation to enable tourism experts in the field and Ilocos Norte local government to build a more adjusted industry. Tourists' perceptions of travel risk and management in the tourism industry will also drive the creation of new tourism markets that researchers and tourism operators may research collaboratively. The travel and tourism authorities and researchers should take this pandemic catastrophe into account and advise tourism industry practices. Ilocos Norte

tourism should emphasize safety and health measures and any tourism activities that help tourists feel safer on vacation and lower their travel risk and management perception.

The travel and tourism sector plays an essential part in Ilocos Norte's local economy, generating numerous jobs and profits. The growth rate in the tourism industry implies massive environmental pressures on the earth (Romagosa, F., 2020). Therefore, it is essential to identify action priorities based on balanced development or economic growth in the medium to long run, especially as the society gradually accepts the pandemic as the new normal.

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