

FINANCIAL MANAGEMENT PRACTICES AND THEIR INFLUENCE ON THE BUSINESS PERFORMANCE OF THE FOOD BUSINESS

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Abstract: Implementing proper financial management practices, such as working capital budgeting, capital structure, and internal controls, is crucial for optimizing profitability and ensuring the long-term viability of a business. The study was conducted to determine the financial management practices and their influence on the business performance of the food businesses in Gasan, Marinduque. Sustained business success cannot be achieved solely through financial resources. Effective management and consideration of multiple factors are essential for making sound financial decisions. To obtain the required data from the twenty-nine (29) respondents, the researchers employed a quantitative and correlational study methodology. The results showed that 2.8912, or a modest degree of practice, was computed as the overall weighted mean for financial management. With a score of 6.586, the business performance was rated as being at a reasonably good level. Additionally, the research showed that there was a substantial positive correlation of 0.886 between the variables in question. Additionally, financial management techniques were shown to be responsible for 75% of the variation in firm performance, indicating their significant influence. It was determined that the two variables under study in the area have a substantial link and that an increase of one unit in financial management techniques will result in a 2.887-unit improvement in company performance. Long-term business performance will be improved by the researcher's seminar and recording booklet, which will further improve the business managers' financial management techniques.

Keywords: financial management, capital budgeting, working capital management, capital structure, internal controls, business performance, significant relationship

INTRODUCTION

The COVID-19 pandemic, which first appeared in late 2019, has had a disastrous impact on both the world economy and human health. The supply and demand for goods and services have been altered by the measures put in place to restrict the virus's spread, such as social isolation and quarantines. The food business industry has been impacted by the epidemic, as have all other economic sectors. (Hasanat Et al., 2020). A time of closure for the business sector resulted in a halt to operations, a weakening of the financial situation, and a danger of financial loss or, worse yet, business dissolution. On the other hand, companies in the food sector can endure and adapt by using several procedures and tactics to deal with the aftermath of the crisis. New ventures in the food industry are springing up, leveraging digital technology for marketing and communication to help them thrive in the new normal. To survive throughout history, businesses have employed both financial and marketing techniques.

With a little period of adjustment, the hardy Filipinos are likewise able to handle the economic crisis. Business ideas began to sprout and eventually materialize after understanding how to leverage the cutting-edge technologies at hand. Food enterprises have become more flexible and adaptable as a result of the pandemic's limits, which have prompted Filipino entrepreneurs to use their innovation. Due to their high demand and ease of addressing a wider population, business owners turned to Internet marketing for their products. They focused on culinary trends that are in high demand. Managers have acquired the skill of implementing beneficial and healthful practices to enhance corporate performance. One such practice is financial management, which is an essential part of a corporation that requires proper handling to ensure its continued existence.

Marinduque, a province in Southern Tagalog, is well-known for its cuisine as well as the Moriones Festival. The residents of Marinduque followed the gastronomic trends, and those with a business sense seized the chance to

launch a company. But not every attempt at a food business succeeds. A company needs more than just money to survive in the long run. Maintaining strong financial performance and status requires knowledge, which is a valuable resource. Financial decisions should be taken after carefully weighing a variety of issues, and the funds should be managed appropriately. Effective financial resource management may be attained through financial management, which has a big impact on the profitability of the company.

Financial management techniques and firm performance have a strong and positive correlation, citing Turyahebwa et al.'s research. Erambo et al. reached the same hypothesis, demonstrating a regression association between financial management techniques and business performance that is statistically demonstrated to be significant. The researchers decided to ascertain how financial management techniques related to the success of the food enterprises in the Gasan, Marinduque, area.

According to Maguchia (2018), ineffective financial management techniques are a major factor in business failures when it comes to financial difficulties, poor money management, and a lack of long-term capital to cover operational and capital expenses. Furthermore, if financial choices are made poorly, the company's profitability may suffer, and as a result, ineffective financial management may hinder the operation of a business organization, regardless of whether the manager is employed or an owner-manager. Many firms have collapsed as a result of a lack of knowledge about good financial management. In addition, Mohammed and Suleiman (2022) state that the erratic state of the economy forces companies to hold large amounts of cash and rely heavily on equity, both of which affect profitability (Deresse and Rao, 2013).

METHODOLOGY

To achieve the study's goals, the researchers employed a hybrid research design that combined correlational and quantitative research methods. The process of gathering and evaluating numerical data is known as quantitative research, according to Bhandari (2020). This kind of study strategy is employed to identify averages and trends, create predictions based on identified patterns, examine coincidental links, and extrapolate findings from a population. A correlational research design, on the other hand, aims to ascertain the relationship between variables without the use of research intervention, such as controlling or manipulating, according to Bhandari (2021). The direction and/or degree of the relationship between two or more variables are reflected in a correlation. The study will employ operational definitions to convert theoretical ideas into measurable metrics to collect quantitative data.

To achieve the study's goals, the researchers were able to collect all the information they needed thanks to the research design. By utilizing a quantitative and correlational study strategy, the investigator was able to obtain the necessary numerical data and ascertain the current relationship between the variables under investigation. The variables under investigation were divided into independent and dependent categories. Internal controls, working capital management, capital budgeting, and capital structure all pointed to independent financial management techniques. The business performance of the food industry in the Gasan, Marinduque, area was the dependent variable. Key performance indicators supplied by the researcher were used to quantify this variable. Moreover, the study's variables were neither manipulated nor controlled. The association between the two sets of variables was ascertained by the researcher in the natural environments, guaranteeing the precision and dependability of the results.

The complete population of interest was studied using the total enumeration sampling approach, which was used in this study. A type of purposive sampling approach called total population sampling allows you to choose the appropriate time to sample when the population is manageable (Glen, 2018). Information gathered from the entire population yielded far more accurate insights than a subset or partial samples. As a result, it reduced the possibility of biased sample selection when purposive or random sampling was used. In Gasan, Marinduque, the Department of Trade and Industry (DTI) registered twenty-nine (29) food companies, including cafés, restaurants, bakeries, and food stalls, with a valid mayor's authorization to operate were used in the study. The following criteria were applied to the respondents: they had to have knowledge of how the food industry operated in terms of working capital management, including cash inventory and credit management; they also had to have participated in capital budgeting and business structuring. Furthermore, the respondents had to have been aware of the internal controls the company was putting in place to make sure the right steps were taken to safeguard its resources and assets. The eligibility, competence, and appropriateness of the respondents all crucial for the study were taken into

consideration while selecting them. Interviews with the owners and managerial staff were the researchers' main goal. The aforementioned responses were in charge of personally overseeing and managing the company, making choices, and putting procedures like financial management into action that were crucial to the company's survival and prosperity. As a result, the respondents from each company were essential in obtaining the precise data needed to formulate the conclusions and results. More specifically, the barangays Antipolo, Bachao Ibaba, Bacong-Bacong, Bahi, Bangbang, Banot, Banuyo, Bognuyan, Dili, Libtangin, Mahunig, Masiga, Pangi, Pinggan, Tiguion, Barangay I (Poblacion), Barangay II (Poblacion), and Barangay III (Poblacion) were the study's specific location in Gasan, Marinduque. Because there are many well-established food businesses in the neighborhood, the researcher decided to conduct the study there because it would be simpler to gather all the necessary data. In light of this, the researcher set out to determine how relevant financial management techniques were to the long-term viability of the company.

The research-made questionnaire survey was one of the research instruments used by the investigator. A survey is a research approach that facilitates the gathering and analysis of data from a group of respondents, according to Pritha Bhandari (2019). The more precise tool for gathering the data is a questionnaire. A systematic collection of questions is used in questionnaire surveys to collect statistical data about a population.

The researchers created a survey questionnaire with a problem statement that sought to learn about the company's internal controls, working capital management, capital budgeting, and capital structure. Key performance indicator-based questions on the food venues' business success were also included in the questionnaire. To ascertain the extent to which the financial management procedures of the food industry impacted business performance, the respondents completed the questionnaire utilizing qualifying and scale. The survey was subjected to a sequence of validations and approvals, during which a specialist scrutinized and evaluated the completed forms.

The researcher personally oversaw the data collection. Before collecting data, the researchers obtained a list of the food-related firms in Gasan, Marinduque, by contacting the Department of Trade and Industry (DTI) and requesting access to their records on the businesses in question. It also aided in making sure the respondents' requirements were satisfied. The researchers sent a letter confirming that the survey was conducted by the course criteria and that the educational institution had recognized it before formally beginning the correct data collection. To undertake the study and collect data on the owners' operations and company success, the researchers also asked for consent from the business owners.

The researchers started off by providing a quick overview of the study's history and objectives when permission was granted. The researcher then used a questionnaire to facilitate the interview. The latter provided definitions for a few terms that the respondents found unclear. Data supporting the responses concerning the degree of financial management practice and company performance observation were also sought through further questioning. After obtaining all the information required from the respondents, the researchers tallied survey questionnaire responses, used statistical testing to test the hypothesis, transcribed the interview, conducted content analysis on it, and came to conclusions based on the data.

RESULTS AND DISCUSSION

1. The level of financial Management practices exercised by the food businesses in Gasan, Marinduque

Table 1. Level of Financial Management Practices exercised by the Food Business

Indicators	Statistical Limit	Interpretation
a. Working Capital Management	2.5211	Moderately Practiced Moderately
b. Capital Budgeting	3.2483	Practiced Moderately Practiced
c. Capital Structure	3.0276	Moderately Practiced
d. Internal Controls	3.0148	
Weighted Mean	2.8912	Moderately Practiced

Capital budgeting is the indicator that obtained the highest mean of 3.2483 with moderately practiced. It indicates that business owners and managers have been practicing financial management practices under capital structure, among other indicators. On the other hand, the indicator Working Capital Management got the lowest score with a mean of 2.5211, as moderately practiced. Despite being spotted in the lowest ranking, the level of practice employed in working capital management is still satisfactory since the weighted mean still falls on a moderate level of practice.

A. Working Capital Management

Maintaining a daily record of sales has the highest mean. This indicates that most business owners and managers always record their sales transactions and track their sales daily. In contrast, it was rarely practiced for them to record their receivables, making it the item that got the lowest score of 1.586. Most of the respondents do not allow credit sales and the others who do barely record the sales transactions made on account.

B. Capital Budgeting

Planning before acquiring fixed assets and creating projects got the highest mean of 3.609, which has been categorized as moderately practiced. It shows that before making any fixed asset buying decisions, the respondents always take time to thoroughly make plans. Meanwhile, the item allocating budget to investment has the lowest mean of 2.862, which is also classified as moderately practiced. This indicates that only a few of them think about putting money aside for investments.

C. Capital Structure

The table shows that setting aside a portion of profits for contingency funds to address unexpected events or emergencies obtained the highest mean of 3.517, described as moderately practiced. This denotes that respondents set aside a portion of profits for contingency funds to address expected events or emergencies. In contrast, reducing interest expenses from debt to keep capital costs low was recorded with the lowest mean of 2.655, described as moderately practiced. It clearly shows that reducing interest expense from debt to keep capital costs low was least considered by the food business owners, highlighting a potential area of improvement and cost management within the organization.

D. Internal Controls

It can be noted that valuable assets such as cash are always ensured that they are stored in a place where access is limited to authorized persons. The highest mean of 3.483 was described as moderately practiced. It signifies that the respondents always ensure valuable assets, such as cash, are stored where access is limited to authorized persons, showing a good focus on safeguarding businesses' resources. Meanwhile, the transactions of the businesses are recorded on the same date they are registered, with the lowest mean of 2.690, which is described as moderately practiced. It imparts that transactions of the business are recorded on the same date they are made but needs further enhancements for real-time recording.

2. The business performance of the food businesses in Gasan, Marinduque

Table 2. The Business Performance of the Food Businesses in Gasan, Marinduque

Indicators	Areas of Financial Management	Frequency of Yes answer	Mode	Percent
1. Profit increases due to effective and proper management of expenses, receivables and payables to permit action whenever there arises a need such as to collect payments and pay expected cash outflow.	Working Capital Management Capital Structure Internal Controls	20	1	69%
2. Sales increases by investing in facilities and appliances that attract customers.	Capital budgeting	19	1	66%
3. Increased customer satisfaction due to the business having all the inventories needed for the products they are offering.	Working Capital Management	24	1	83%
4. Attract customers due to a more enhanced environment of the business.	Working Capital Management Capital Budgeting	21	1	72%
5. Employees work efficiently due to well defined job roles.	Internal Controls	16	1	55%
6. Equipment and appliances make operation faster and efficient.	Capital Budgeting	26	1	90%
7. Good business liquidity because funds are available when needed.	Working Capital Management Capital Structure Capital Structure	20	1	69%
8. Business operation is continuously improved to suffice the difference between the expected and actual financial performance.	Capital Budgeting	22	1	76%
9. Unethical practices are prevented because of proper management.	Internal Controls	23	1	79%
Total Business Performance				6.586

Legend:

- 0-3.36 Constant Business Performance without Financial Management Practices
- 3.37-4.77 Low level Business Performance
- 4.78-6.18 Moderately low level Business Performance
- 6.19-7.5 Moderately high level Business Performance
- 7.6-9.0 High level Business Performance

After tallying the responses of the business owners and managers of the food businesses in Gasan, Marinduque, it shows that among all the indicators of business performance items for the ‘Equipment and appliances make operation faster and more efficient’ most of the yes responses, 26 respondents answered yes, as well as the highest mean with 0.897. The respondents are very local and the equipment and appliances they invest in the business are very useful and make their work easier and more smoothly flowing. In that way, they can respond to the demands of their customers, increasing customer satisfaction. Inversely, item e, or ‘Employees work efficiently due to well-defined job roles, can be seen as the least observed indicator, garnering 16 yes responses and a 0.552 mean. They reasoned that there are times when employees are being flexible in the job that they do, which makes the operation lighter and more efficient.

Business Performance

Indicator 1 of business performance, which is the profit increases due to effective and proper management of expenses, receivables, and payables, was observed in 69% of the respondents, who have a frequency of 20, and answered ‘Yes’. The percentage of business owners and managers who observed such indicators in their

operations execute practices under the areas of working capital management, capital structure, and internal control. In working capital management, the practice of maintaining a daily record of sales, listing expenses, recording, and collecting receivables, and recording and paying payables are indicators of business performance. However, it has been demonstrated that recording the daily sales was given priority by the owners and managers since, for them, it contributes a lot to achieving better business performance. It was seconded by listing the expenses since it entails an outflow of cash to pay for their short-term debts. Next was the recording of the payables since they want to maintain their creditworthiness, especially to their creditors. The respondents can be seen as unaware of the importance of the remaining practices, including the management of receivables since it was the practice that was least implemented.

Business performance 1 is indicated by three items within the capital structure: a proper balance in funding the business through direct investment and debt; a reduction of interest expenses; and taking extra caution when making significant capital structure decisions. Among these indicators, being cautious in making capital decisions effectively represents business performance since the respondents acknowledge the significance of exercising caution when deciding whether to reinvest or explain their capital, considering various factors related to the profitability of their business. The other indicators are not that practiced compared to the latter because the respondents avoid borrowing money to finance their businesses.

In the Internal Control area, five practices reflect the first business performance: authorizing transactions before they take place, ensuring the completeness of the transaction records, on-time recording, rechecking the recorded transactions to verify their legitimacy, and correcting the mistakes found in the records. Among the five practices, the most practiced is the rechecking of recorded transactions to ensure that no transactions are manipulated by any employee for their gain. It was followed by correcting the mistakes to ensure the accuracy of the business's records. Although all the remaining practices are moderately practiced, the on-time recording of transactions as they are incurred was the least practiced because they have the tendency not to prioritize daily recording due to their extensive experience in managing the business. Seasoned business owners often rely on their accumulated knowledge and intuition, feeling confident in their ability to manage financial aspects without immediate daily recording. This confidence could be a result of successfully navigating various business cycles and challenges over time.

Business Performance 2

Business Performance number 2, which deals with increasing sales by investing in facilities and appliances that attract customers, obtained a frequency of 19, with the mode of 1 labeled as 'Yes'. This indicates that 66% of the respondents were able to observe this business's success because of the capital budgeting practices being implemented. Business performance number 2 is reflected in capital budgeting practices number 1 and 3. Of these, practice number 3, states that 'purchases of equipment and appliances only if it is beneficial' has the biggest impact on business performance number 2. This suggests that smart investment in appliances and equipment is helping to boost sales since the anticipated result is considered rather than the expense.

Business Performance 3

Furthermore, 83% of respondents with a frequency of 24 and a mode of 1 claim that their ability to increase customer satisfaction was a result of their firm having all the inventory required for the products they sell. This is because of some of the working capital management practices that allow them to maintain and update their inventory records and to create and spend within their budget schedule. The working capital management practices numbers 2, 8, and 9 correspond with this business performance. These practices suggest that recording and updating an inventory, creating a budget schedule, and spending within the budget go a long way toward boosting customer satisfaction since they guarantee that all of the food, they provide is available. Moreover, it helps businesses track available resources, preventing overstock or shortages that maximize profit opportunities because of efficient resource management.

Business Performance 4

The attraction of customers resulting from an improved business environment aligns with business performance

item 4, in which 72% of the respondents answered that they were able to observe the said indicator in their operations. With a mode of 1, 21 respondents affirmed this indicator, saying that they were able to notice this improvement as a result of certain practices in working capital management. Specifically, practice number eight (8) in working capital management, which involves creating a budget schedule, is linked to business performance number 4. Simultaneously, practices number 2, or allocating budget to investment, and number 3, or the beneficial purchase of equipment and appliances in capital budgeting, assist owners in recognizing this business performance within their operations. This underscores that the collaborative effort of budget creation and allocation for investment enables them to concentrate on enhancing their business.

Business Performance 5

Business performance number 6 of the efficiency of the employees affected by their well-defined roles is the least observed, garnering 16 yes responses and 55% 'Yes' responses from the business owners and managers. They reasoned that there are times when employees are flexible in the job that they do, which makes the operation lighter and more efficient. Practices under internal control directly affect this business performance, as it also points out that the employees have their job roles and assignments in the business operation. But unlike the conventional theory about well-defined roles, the employees can function efficiently despite multitasking and doing several roles. Indicator 7 of internal controls was the factor that can be directly attributable to business performance. The same indicator was marked as moderately practiced, but only in the average spot among the other practices in internal controls. There are numerous reasons why having undefined roles or specific job assignments is more effective in the food industry. Firstly, the fast-paced nature of food businesses, particularly during peak hours, demands immediate order-taking and serving. Multitasking enables employees to promptly address customer needs. Additionally, given the often-limited staff in local food establishments, employees find themselves performing various tasks beyond their designated roles. This includes taking orders, serving food, and managing payments. Such flexibility allows for simultaneous customer assistance and helps minimize labor costs, ultimately leading to increased profits.

Business Performance 6

Regarding business performance number 6, the use of equipment and appliances to enhance operational speed and efficiency received a positive response from 26 respondents, constituting 90% of the total. This positive outcome can be attributed to the practices implemented under capital budgeting, where careful allocation of funds to such investments is undertaken and purchases are made only if they are deemed beneficial. Business performance is mirrored in practices 2 and 3 within capital budgeting, as they involve budget allocation to investments and the acquisition of equipment and appliances if deemed advantageous. Analysis of the two practices reveals a higher prevalence of the latter among respondents, indicating a tendency to make rational decisions and assess needs before purchasing. The survey participants express a strong opinion on the value of the equipment and appliances they acquire for their businesses, emphasizing the significant role these tools play in enhancing efficiency and facilitating smoother operations. This, in turn, enables quicker responses to customer demands, ultimately elevating customer satisfaction. Owners are encouraged to invest in such equipment and appliances to enhance the overall customer experience. Modern equipment is designed to boost user efficiency and productivity, directly contributing to increased production volumes and, consequently, improved sales performance. Respondents weigh the cost considerations when making such investments, recognizing that modern equipment not only enhances efficiency but can also be energy-efficient, leading to lower maintenance costs. This judicious investment results in substantial cost savings, positively impacting overall profitability. Notably, Practice 2, focusing on reinvestments for the future, is less prominent, suggesting that food businesses prioritize short-term goals and immediate needs over-allocating funds for future reinvestment.

Business Performance 7

Business performance number 7 suggests favorable business liquidity, signifying the availability of funds when required. This performance garnered a frequency of 20, with a mode of 1, representing 69% of the respondents. The manifestation of this performance is attributed to the implementation of certain practices under working capital management, capital budgeting, and capital structure. Business performance is facilitated by the execution of practice number 8, which involves crafting budget schedules under the scope of working capital management.

Making budget schedules is a strategic practice that promotes effective financial management by forecasting income, expenses, and cash flows over a specific period and by controlling the expenses that the company may incur beyond the budget, efficient resource planning, and minimizing the financial risk through creating contingency plans included in the budget. Moreover, some practices in capital budgeting, such as planning before acquiring fixed assets and creating projects, allocating budgets to investments, and assessing the significant impact and considering economic conditions on capital budgeting decisions, impact business performance. Planning before acquiring fixed assets stands out with the highest mean and strong execution among the various capital budgeting practices, as reported by respondents. This preference is rooted in the prioritization of thorough planning before making decisions related to fixed asset acquisitions. The rationale behind this approach is to maximize resource utilization and minimize risks associated with significant purchases. Aligning such acquisitions with long-term business goals is a key consideration, reflecting a proactive and strategic approach to fixed asset decision-making and ultimately enhancing operational efficiency. In the decision-making process of which assets to acquire, weighing the costs against the benefits plays a crucial role in mitigating potential risks, especially considering the substantial capital involved in acquiring fixed assets. The emphasis on meticulous planning extends to assessing the financial implications and seamlessly integrating the acquisition into the overall business budget. Additionally, there is a moderate level of practice in assessing significant impacts and considering economic conditions, which is closely tied to the planning process before acquisition. This involves a comprehensive evaluation of various factors, contributing to an advanced decision-making approach. Conversely, budget allocation to investment emerges as the least practiced aspect of capital budgeting among the surveyed respondents. Their reasoning revolves around prioritizing immediate operational needs over longer-term investment opportunities. This finding aligns with the observation by Fullerton (2022) that budget allocation poses both an optimization and constraint challenge. It shapes overall efficiency by determining where, when, and how to allocate the budget, necessitating choices on prioritizing business goals within budget constraints. They acknowledge the complexity of this decision-making process, especially given the competing priorities such as operational expenses, long-term investments, and maintenance, all within a limited budget. Moreover, the short-term pressures faced by business managers, driven by the need to meet immediate financial goals or urgent needs, often result in budget allocation favoring immediate needs rather than longer-term investments. Increasing awareness about the positive impact of strategic budget allocation on overall financial health and growth could potentially address this aspect.

Business Performance 8

On the other hand, Business Performance number 8 focuses on ensuring that 'business operations are consistently enhanced to bridge the gap between anticipated and actual financial performance.' This metric received a frequency of 22, representing 76% of the respondents, with a mode of 1. Capital budgeting is the area within financial management where this improvement is particularly evident. Through the process of comparing the expected or budgeted outcomes with the actual financial performance, business owners can pinpoint areas requiring enhancement. This iterative approach minimizes the disparity between anticipated and actual results over time. Item 5 in Capital Budgeting focuses on achieving business performance by comparing the actual result of businesses' financial performance to the budgeted or expected results. This practice serves as an evaluation tool for the success of financial strategies and operational plans. By identifying variances between actual and budgeted figures, management gains insights into the effectiveness of their decisions, prompting informed decision-making and necessary adjustments. The process of comparing actual results to budgeted expectations enables owners and managers to optimize resource allocation, directing funds toward areas that contribute most effectively to financial success. It establishes continuous improvement, allowing them to learn from past performance and refine forecasting methods. This practice ensures that they remain on course toward their financial objectives, promoting long-term sustainability and success. In essence, the comparison of actual and budgeted results is a dynamic tool that not only evaluates past performance but also guides future decision-making and fosters a proactive, adaptable approach to financial management.

Business Performance 9

Finally, business performance indicator number 9, highlights the prevention of unethical practices through effective management, recorded the lowest frequency at 23, with a mode of 1, representing 79% of the respondents. Despite contrasting views suggesting the inevitability of unethical practices, most respondents

employ certain internal control practices to mitigate such occurrences. All the practices under internal control reflect the minimization, if not prevention, of unethical practices. Among the seven practices, item 5, or the limitation of access to valuable assets such as cash, is the most practiced. This signifies that the respondents always ensure valuable assets, such as cash, are stored where access is limited to authorized persons, showing a good focus on safeguarding resources. Business owners openly acknowledge the risks linked to valuable assets, with a particular emphasis on cash, which garners the highest level of attention. They recognize potential dangers such as unauthorized access, the risk of theft, or misuse of these assets. The majority of surveyed owners asserted that they alone have access to these valuable assets, highlighting a reluctance to place complete trust in any employee.

This approach underscores practical concerns regarding the security and reliability of financial resources, revealing the challenges they encounter in safeguarding their valuables from potential threats. On the other hand, the on-time recording of transactions seems to be the least prioritized. The inclination of the respondents to not give priority to daily recording stems from their extensive business management experience. Seasoned business owners often depend on their accumulated knowledge and intuition, feeling assured in their capacity to handle financial matters without the need for immediate daily recording. This confidence may be a result of successfully navigating through diverse business cycles and overcoming challenges over time. However, it is crucial to underscore that even experienced business owners can derive benefits from timely recording, as it enhances transparency, facilitates quick decision-making, and ensures compliance with financial standards. Encouraging a harmonious blend of valuable experience and contemporary financial practices has the potential to foster robust financial management and sustain long-term business success. The inability to directly control but only influence employees' behavior, which may show unethical practices, highlights the critical responsibility of business owners or managers. They must safeguard assets, particularly cash, against theft resulting from unethical behaviors. Despite explicit prohibitions against unethical practices, prevention remains the primary strategy, as the ultimate decision to engage in such actions, like theft, rests on the individual employee's moral judgment. The remaining practices encompass recording, checking, authorizing, and verifying, which are routine tasks that are typically more manageable to monitor due to the existence of physical evidence of the occurrence.

However, the legitimacy of these tasks can still be compromised if business managers grant employees unrestricted authority to independently generate transaction documents without supervision.

To back up the findings, as stated by FasterCapital (2023), having the right equipment can give businesses a competitive advantage. With the right tools, businesses can complete jobs faster and more efficiently than their competitors, giving them an edge in the market. Proper equipment is an essential asset for any business. It can help increase efficiency, productivity, and safety while reducing labor costs and providing a competitive advantage. Investing in the right equipment is a wise decision that can benefit businesses in the long run. To support the findings of the lowest business performance, role, responsibilities, and expectations confusion on a team is like a computer virus: it can pop up when you least expect it, and you may not even notice it's there until it's already wreaked chaos on your team's performance. This unclarity follows the chaos bifurcation, and when it reaches a certain (and a low) ratio between people and unclarity, it explodes in everyone's face. The impact on stress, motivation, conflicts, communication, and even customers eventually cause a big impact on performance (Nattygur, n.d.).

3. The relationship of the financial management practices and the business performance of the food businesses

Table 3. The Relationship between the Financial Management Practices and Business Performance of the Food Business in Gasan, Marinduque

Model	R	R-square	Adjusted R Square	Std. Error of the Estimate		
1	0.866a	0.750	0.741	1.4374		
Analysis of Variance						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	167.248	1	167.248	80.947	.000
	Residual	55.786	27	2.066		
	Total	223.034	28			
Regression Analysis						
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.		
	B	Std. Erro	Beta			
1	(Constant)	-1.762	0.965	-1.825	0.79	
	Mean	2.887	0.321	0.866	8.997	0.00

The two variables of the study, which are financial management practices and business performance, are highly related, with a 0.886 degree of relationship. Through the table, it can also be said that 75% of the variability in business performance can be explained by financial management practices. The remaining 25% variability in business performance is due to other factors besides financial management practices that were not studied by the researchers. The business performances of the food businesses are significantly affected by the financial management practices, as per the 0.000 results of the ANOVA test for the two variables. To test the degree and extent of the effect of financial management practices on business performance, the raw data were subjected to a coefficient test. The statistical test resulted in 2.887, indicating that for every unit increase in financial management practices, business performance will increase by 2.887.

The respondents know that practicing financial management practices helps them perform better in the industry. Using different practices to facilitate the proper handling of money contributes to increasing sales. Good liquidity helps to immediately attend to the cash needs that arise. Proper investment in assets, especially fixed assets, not only makes the operation faster and more efficient but also attracts customers by increasing their satisfaction with the service of the food business that they provide. In addition, by properly monitoring and assessing the performance of the business, they can determine whether the target sales are reached. In this way, when there is a huge deviation between the expected and actual results of the operation, the management will be able to take action to achieve the target performance metric of the business. The two variables of the study, which are financial management practices, and business performance are highly related, with a 0.886 degree of relationship. Through the table, it can be said that financial management practices can explain 75% of the variability in business performance. The remaining 25% variability in business performance is due to other factors besides financial management practices that were not studied by the researchers. The business performances of the food businesses are significantly affected by the financial management practices, as per the 0.000 results of the ANOVA test for the two variables. To test the degree and extent of the effect of financial management practices on business performance, the raw data were subjected to a coefficient test. The statistical test resulted in 2.887, indicating that for every unit increase in financial management practices, business performance will increase by 2.887.

CONCLUSION

Our research delved into the level of financial management practices and their relationship to business performance within the local food business industry in Gasan, Marinduque. Through our investigation, we found out that financial management practices such as working capital management, capital budgeting, capital structure, and internal control were all moderately practiced by our respondents. Moreover, business performance resulted in a 6.586 weighted mean average, which falls into the category of moderately high-level business performance. Furthermore, we established a significant relationship between the two variables, indicating that for every unit increase in financial management practices, there is an associated increase of 2.887 units in business performance

resulting from the regression analysis. Essentially, it means that the coefficient represents the change in the dependent variable for each one-unit change in the independent variable, holding all other variables constant. Therefore, a coefficient of 2.887 suggests that for every unit increase in financial management practices, business performance is expected to increase by approximately 2.887 units, all being equal. Our study also showed 75% variability, which refers to the coefficient of determination (r-squared) obtained from the statistical analysis. In this context, a coefficient of determination of 0.75 implies that changes in financial management practices can explain 75 percent of the variability in business performance. Together, these findings underscore the paramount importance of implementing strong financial management practices within food businesses. By prioritizing practices such as working capital management, capital budgeting, capital structure, and internal control, they can not only enhance their current performance but also position themselves for sustained success and growth in the future.

RECOMMENDATION

Given the importance of working capital management, the researchers recommend that business owners be more mindful in facilitating their inventory, payables, receivables, and budget. To conduct programs that would raise awareness about the benefits of making informed decisions about managing their finances of investment and incurring expenses. The researchers also recommend business owners and managers establish proper internal controls to maintain an ethical working environment. To facilitate the proper monitoring of the business performance of food businesses, business owners and managers should be aware and educated about the different metrics they can use to evaluate their standing in the industry. The basic computation and analysis of the numerous indicators of one's performance should be learned. To further improve the financial management practices, the researchers recommend that the local government of Gasan or the Department of Trade and Industry (DTI) fund, conduct, or support the proposed seminar design that could help feed suppliers. The researchers would also like to recommend that the DTI organize workshops to give managers and owners theoretical knowledge in financial analysis, which is crucial in assessing business performance. For future researchers, it is recommended to deepen the study specifically in each scope of financial management practices to consider the other factors affecting the business performance of food business.

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