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Financial Management Practices and Challenges among the Selected Companies in Light Industry and Science Park In City Of Cabuyao, Laguna

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I. INTRODUCTION :

Nowadays, financial management remains vital in today's world for individual, businesses, and organization mainly because it helps in terms of decision-making, evaluation, allocation, and control in the business' financial aspect that this function of management serves as the backbone to have a sound decision for growth, making it indispensable in today's dynamic economic landscape. Financial Management is one of the several functional areas of management, but it is the center of the success of any business or organization. Therefore, an organization should consider financial management as a key component of the general management of the organization (Hrechyshkina, 2016). Consequently, careless financial management practices are the main cause of failure for business enterprises, associations, and organizations in almost all countries in the world (Kawame, 2015). The literature findings sighted managerial inefficiency as a root cause and poor financial management as a predominant reason responsible for MSME failure (Gawali & Gadekar, 2017). Moreover, Financial Management is vital to the success, growth, and sustainability of any business because it helps the business organization (a) to properly optimize its resources and utilize it efficiently, thereby having the knowledge which investment should be prioritized, reduced cost and expenses and maximize profit. (b) to have a strategic decision-making which is driven by provided financial data that can help in understanding the feasibility of each decision and potential return of various initiatives. (c) to effectively identify and mitigate various financial risk, such as but not limited to, liquidity risk, credit risk, and market risk, by proactively identifying those risks, the business can protect its assets and maintain financial sustainability. (d) to properly maintain a positive cash flow and by achieving this, accounts receivable, accounts payable and inventory levels should be well-managed to ensure that there's a

sufficient liquidity to meet short-term obligations. (e) to analyze and monitor performance against established goals and benchmarks as it can help in identifying which area needs improvement, implementing corrective measures and ensuring that the business remains on a path of competitiveness, growth, and profitability. The adoption of sound financial management gives an entity an advantage as it enhances its profitability and survival in a dynamic environment and will help MSMEs to have effective control on their working capital that includes cash flows, inventories, accounts receivable, and payables, and enabling them as well to provide accurate and up to date financial records. It will also identify their strengths, weaknesses, opportunities, and threats (Peralta, 2021)On the other hand, Light Industry and Science Park (LISP) is an area composed of different industries doing business and providing services within a specific location. LISP is designed to accommodate various businesses, particularly those involved in manufacturing, research and development and other related activities. By providing a conducive environment for businesses creates a diversified ecosystem that can mitigate risks associated with economic fluctuations and market dynamics, and these parks contribute to the advancement of technology, knowledge, and prosperity.

As everyone wanted to establish a business, a very competitive market emerges that makes it difficult for a business to survive, notwithstanding to the fact that several issues arise relatively affects the Small-Medium Enterprises (SMEs). The researcher wanted to conduct this study to know and have a glimpse on how a business thrive inside an ecozone where discipline, practices and challenges are visible and can be used by those SMEs outside the ecozone. Practices that will yield profit and mitigate the risk through identified challenges can help other enterprises successful in the market. The mere fact that there is a recent global catastrophic event, the research could be a useful tool to know the best practices they made to thrive and survive, have they tried internal borrowings or external borrowings, and to what extent and resort that each company made just to gain profit despite of the environmental adversities.

Theoretical Framework :

Financial Practices : The Resource-Based View provides a valuable framework for understanding how firms can achieve and sustain competitive advantage by leveraging their unique resources and capabilities, thereby driving superior long-term performance. Repeatable patterns of actions in the utilization of assets to create and/or offer items to a market are referred to as capabilities. Examples of these capabilities are skills such as technical or management ability, as well as processes such as system implementation. According to RBV, an enterprise' performance is determined by the effective utilization of its resources and capabilities (Mashenene & Kumburu, 2020), implying that resource management such as fund management determines an organization's performance. Therefore, the study theorized and hypothesized that for a small-scale agricultural enterprise to achieve its objective performance, it then must effectively use and employ the capabilities (resources) in their disposal.According to Anoos et. al (2020), financial management practices are the critical aspects of the business entity since it involves the process of planning and monitoring the financial resources of the firms. Budgeting, as one of the measured variables in his study, is one of the important tools in every business as it involves forecasting of sales and other data to help align with the management's financial objectives and support strategic decisions.

Moreover, according to Barbosa (2021), financial management practices contribute to the improvement of the economic status of the enterprises. To survive, sustain and be profitable in the long run, accounting management practices, cash management, inventory management, credit risks management must properly be implemented in small, medium enterprises. Also, financial and risk planning has a strong relationship with the performance of the enterprise. Further, according to Anoos and Gimena (2020), long-term financing is rarely practiced by MSEs taking into consideration the financing costs such as interest discouraged them from obtaining loans from creditors. Meanwhile, on the study of Leon (2019), entrepreneurs may benefit from long-term financing, contrary to the short-term financing, long-term credit allows entrepreneurs to invest in projects that involve delayed returns. In the study of Wolmarans (2015), it is established that financial management practices regarding working capital management and profitability are relevant that those balance sheet and strategic financial management.

Financial Challenges: There are many ways to characterize the challenges faced in achieving and maintaining financial stability. Moreover, the nature of the challenge will depend to some extent on the structure and maturity of the economic system. Although what follows can be adapted to all financial systems, for mature financial systems the financial-stability challenge can be characterized as maintaining the smooth functioning of the financial system and maintaining the system's ability to facilitate and support the efficient functioning and performance of the economy; and having in place the mechanisms to prevent financial problems from becoming systemic or from threatening the stability of the financial and economic system, but without undermining the economy's ability to sustain growth and perform its other important functions. The challenge is not to prevent all financial problems from arising. First, it is not practical to expect that a dynamic and effective financial system would avoid instances of market volatility and turbulence, or that all financial institutions would be capable of perfectly managing the uncertainties and risks involved in providing financial services and enhancing financial stakeholder value. Second, it would be undesirable to create and impose mechanisms that are overly protective of market stability or that overly constrain risk-taking by financial institutions. Constraints could be so intrusive and inhibiting that risk-taking could be reduced to the point where economic efficiency is inhibited. Moreover, the mechanisms of protection or insurance could, if poorly designed and implemented, create the moral hazard of even greater risk-taking.

Research Paradigm : The researcher establishes the paradigm to have a model and guide that describes and illustrates how the variable are treated in the study. In Proofed. article, the research paradigm is described to be the philosophical foundation of the research which will increase quality and improve the performance in the analysis process of the researcher thereby having the paradigm as illustrated below.

INDEPENDENT VARIABLE	DEPENDENT VARIABLE
Financial Management Practices of the organization in terms of: a. Budgeting b. Working Capital Management c. Long-term Financing	Financial Management Challenges of the organization in terms of: a. Product Costing b. Product Promotion c. Internal Management d. Statutory Mandates

Figure 1. The Research Paradigm

Research Questions : This study aims to determine the Financial Management Practices and Challenges among the selected companies in Light Industry and Science Park in a City of Laguna. Specifically, it seeks to fulfill the following questions:

- ❖ What is the business profile of the respondents in terms of:
- ✓ Nature of the Organization;
- ✓ Number of Years Operating;
- ✓ Number of Employees; and
- ✓ Business Size?
- ❖ What are the financial management practices of the organization in terms of:
- ✓ Budgeting;
- ✓ Working Capital Management; and
- ✓ Long-term Financing?
- ❖ What are the financial management challenges of the organization in terms of:
- ✓ Product Costing;
- ✓ Product Promotion;
- ✓ Internal Management; and
- ✓ Statutory Mandates?
- ❖ Is there a significant difference in the respondents' financial management practices when grouped according to their profile?
- ❖ Is there a significant difference in the respondents' financial management challenges when grouped according to their profile?
- ❖ Is there a significant relationship between financial management practices and financial management challenges?

Hypothesis

H_0 There is no significant difference in the respondent's financial management practices when grouped according to profile variable.

H_{01} There is no significant difference in the respondents' financial management challenges when grouped according to profile variables.

H_{02} There is no significant relationship between financial management practices and financial management challenges.

Scope and Limitations : This study focuses on the financial management practices and challenges within the Light Industry and Science Park, City of Cabuyao, Laguna. The objective is to provide a comprehensive understanding of how businesses within this industrial hub manage their finances and the challenges they encounter.

Further, the research study scope includes industry overview, financial management practices, and challenges and constraints. To elaborate, industry overview deals with knowing the company' profile highlighting their nature, scale, and significance. Moreover, the study covers the examination of the prevailing financial management practices adopted by businesses within the Light Industry and Science Park in City of Cabuyao, Laguna which includes budgeting, working capital management and long-term financing. Finally, the challenges and constraints are being asked for identification and analysis faced by the businesses which includes issues relating to product costing, product promotion, internal management, and statutory mandates. On the other hand, the study is limited to the following: (a) geographical scope, (b) industry specificity, (c) temporal context, (d) data limitations, and (e) external factors. To elaborate, geographical scope because the study is limited to the businesses and industries operating within Light Industry and Science Park in City of Cabuyao, Laguna and may not

capture the broader financial management landscape in other regions or industrial parks. Second, the industry specificity because the research findings may be specific as to the types of industries and business present inside the ecozone and may not be generalize to other sectors, industry, or businesses. Also, the study is limited as to its temporal context because the study only provides the snapshot of the financial management practices and challenges at a specific point in time and may not reflect changes or developments occurring before or after the period of the study. Additionally, since the study relies on available data and information from businesses within the Light Industry and Science Park, it makes it limited as to the data available and provided by the respondent which may be limited in scope or granularity. Lastly, the study may not fully account for external factors such as economic conditions, regulatory changes, or market dynamics that could influence financial management practices and challenges within the industrial park.

Significance of the Study : This study involves in the determination of financial management practices and challenges amongst the industry situated in the Light Industry and Science Park, City of Cabuyao, Laguna. This is conducted for the benefit of the:

Company – Financial Manager and Accountants. By having a study analyzing the financial management practices and challenges, the company can gain insight into areas that needs improvement to enhance performance and profitability, mitigate the risks to ensure sustainability and use the findings to inform strategic planning and decision-making processes.

Community. By completely knowing the financial management challenges encountered in a specific locale, it can foster economic development or growth by addressing the challenges and promoting conducive business environment. Also, it can help in supporting job creation and employment opportunities within the community by enhancing the financial
health and sustainability of business in the Light Industry and Science Park.

Student-Researcher. This study is significant to the researcher as it can contribute to the existing body of literature on financial management practices within industrial parks. Also, it enhances professional skills and expertise in research methodology, data analysis, and interpretation. Finally, the study can influence policy development and decision-making processes by providing evidence-based recommendations and insights. By determining the financial management and practices in the industry, the students can have a gain practical insight into the real-world financial management and practices, thereby enhancing research and critical thinking skills, gain knowledge and understanding that can be applied in future careers in finance, management, and field.

Professor. By having this study, it can aid the professor by using the study findings as a case study or teaching materials to illustrate concepts and theories related to financial management. Moreover, it can contribute to academic research and knowledge in the field of financial management practices within industrial parks. Finally, it can help engage students in meaningful research activities and foster a collaborative learning environment.

Future Researchers. This study can serve as a research foundation to further conduct study and explore new areas and perspectives related to financial management practices. Moreover, it expands the body of knowledge on financial management practices within industrial parks and contribute to the development of the best practices. In summary, the study on financial management practices and challenges within the Light Industry and Science Park, City of Cabuyao, Laguna, offers valuable benefits to a diverse range of stakeholders.

Definition of Terms : This portion shows the definition of terms which are operationally defined as to how it is being used by the researcher all throughout the research process. The identified terminologies are the following:
Budgeting. A systematic financial planning approach that involves predicting and allocating resources for both revenues and expenses within a business organization. It serves as a tool for financial control and decision-making.

Financial Management. The process of planning, organizing, directing, and controlling the financial activities of an organization. It encompasses acquiring and utilizing funds to achieve predetermined objectives, ensuring financial stability and sustainability.

Internal Management. Refers to the managerial capability of efficiently overseeing and directing the resources within a business organization. It involves proactive decision-making, resource allocation, and risk management to achieve organizational goals.

Light Industry and Science Park. It is a series of industrial parks in the Philippines that helps boost the economy by creating jobs, meets customer demand, and drives technological innovation.

Long-term Financing. It is a type of funding that has maturity of more than a year. It is often used for large projects, financing, and company extension that requires large amount of capital.

Product Costing. The comprehensive calculation of expenses associated with creating a product, including direct materials, direct labor, and factory overhead. It provides an accurate understanding of the total production cost.
Product Promotion. A marketing strategy aimed at increasing the sales and visibility of a company's products. It involves various promotional activities to create awareness and interest among potential customers.

Statutory Mandates. This refers to the government reports and standards that business organizations are obligated to comply with. Non-compliance may result in findings and legal consequences.

Working Capital Management. The strategic management of current assets and liabilities within a business organization. It focuses on optimizing the use of these resources to ensure smooth operations and maintain financial health. These mentioned operational definitions provides specific and clear-cut meanings for each terminology, aligning with how they are used in the context of the research study.

II. REVIEW OF LITERATURE AND STUDIES

This chapter presents the related literature and studies relevant to the study. The significant knowledge and results from these studies previously conducted provided the researcher with a wide perspective of information and insight which provide the background for the development of the study. These are thematically arranged following the variables presented in the study.

Conceptual Literature
Financial Management Practices : A budget is a financial plan to control future operations and results. It is expressed in numbers, such as dollars/pesos, units, pounds, hours, and manpower. Meanwhile, Budgeting facilitates control and communication and provides motivation to employees. Budgeting allocates funds to achieve desired outcomes (Siegel et al, 2014). The purpose of budgeting is to give those targets and plans financial values, making the progress easily measurable to transform the strategic ideas into understandable operative actions (Hanninen, 2014) In Fortuna (2021), which uses budgeting as a variable, finds that adopting to a good budgeting practices increases the level of profitability of an enterprise (merchandising, manufacturing, and service). Also, the researcher's respondents have a good budgeting practice relative to active participation of management in the budgeting process, linking budget development and strategic plans and rational allocation of resources during the budgeting process. Seconded by Pimpong and Lareya (2016) that companies go through budgeting process including budget planning, budget control, budget coordination, and budget evaluation. Hence, statistically, budget coordination has significant moderate positive relationship on the firm. Meanwhile, Hunjra measures the relationship between organizational performance and financial management including capital structure decision, dividend policy, investment appraisal techniques, working capital management and financial performance assessment in Pakistani corporate sector and concluded that all variables have positive and significant impact of the organization performance. Indeed, as seconded on Sooriyakumaran and Thrikawala (2022), that there's an association between business performance and financial management practices namely,

maintaining accounting records, financial reporting preparation and analysis, accounting information system, working capital management, investment decision and finance indulging the demographics as moderating variable.In the study of Mutabari and Warui (2023), that investigates the effect of budgetary control, planning, coordination, communication, and evaluation on the construction firm's performance. This study concluded that evaluating and understanding budgeting practices are crucial for construction firms. Meanwhile, in the study of Silva and Jayamaha (2012), in an apparel industry that highlighted the importance of preparation, harmonization, communication and assessment to have a better understanding about the budgeting practices. On the other hand, in the study of Ajao et. al (2020), that on the budget performance, it revealed that there existed some performance measurements for the budget in the insurance companies in that the level of service performance of the organization was high, the organization executed its services within the stipulated deadline. It was also found that effective budget control increased the net profit. In the government budgeting of Chaeriyyah (2021), the study concludes that the revised budget and budget blockage have no effect on the performance value of the organization.

In an article by Parishmita, budgeting should necessarily be integrated with corporate plan. The budget defines targets in concrete and quantitative terms for the firm as well as for each functional area. It provides guidelines on how to achieve these targets. It is more administrative and persuasive in nature as compared to the corporate plan and its preparationis the responsibility of line managers. Further, in the study of Otley (1994), cited by Batt et. Al (2021), budgeting has historically taken center stage in most organization. The literature has established budgeting as an institutionalized practice within organizations, or a formal control routine and procedure in organizations.In the literature review study of Cardos (2014), the findings resulted that each budgeting studies are contradictory; there are some differences in budgeting systems due to specific business environments and inevitable influences of national and organizational cultures. Each company must find-out its own combination of management tools and customize them to their internal budgeting system considering each company's culture, structure, history, and other internal needs.

Working Capital Management (WCM) is critical for the day-to-day operations of a firm. It involves managing the balance between the business enterprises' short-term assets (current assets) to ensure it has enough liquidity to meet its short-term liabilities (current liabilities) while maximizing its operational efficiency and profitability. The efficiency in working capital management emanates from efficiency in managing inventory, managing receivables as well as managing payables simultaneously (Banerje and Deb, 2023)In Bool and Corpuz (2021), working capital management practices in terms of cash, accounts receivable and inventory management are significantly related to economic, social, and environmental sustainability. This conforms with Abimola and Kolawela (2017) which revealed that good working capital management practices have significance to SME's performance. Noting that, the study could be a basis for government agencies to formulate programs that help microenterprises, especially those in barangays, learn the skills necessary for the business to operate, particularly those that involves working capital management. Moreover, Njeri and Muiri (2021) concluded that working capital practices has positive significant on the financial performance of commercial banks in Kenya. Aligned with Nwogu, Salihu and Waibe (2023), that working capital management has statistically significant positive impact on financial performance of small enterprises. Specifically, the study resulted that small enterprises with higher working capital management have a better financial performance in terms of sales growth, profitability, liquidity, solvency, and return on assets. Moreover, Gatimbu et al (2021) implicitly concluded that working capital management impacts small-scale coffee wet-mills performance. Hence, wet mills can improve their financial performance by adopting suitable working capital management strategies.

On the other hand, Narayanasamy et al (2023) concluded that WCM is linked with the firm's fundamental business activities and that earning management inversely influences working capital management efficiency; managers involve in earning management manages inventory sub-optimally. The above result aligns with Kasiran et al (2021) that small-medium enterprises in Malaysia was less efficient in managing working capital management during the duration of their study. Long-term funding is loan funds that have a tenor of more than a year. Generally, long-term repayment of funding ranges from 5 to 20 years. For companies, this type of funding is suitable as capital to start a business, or as a solution when large costs are needed in short time. In Wahab and Abdesamed (2012), borrowing has been one of the key sources of finance for funding their business operations, particularly at the growth stage. Contradicting to Nugroho and Purba (2018), that companies use their own capital more than using debt even more so using long-term debt so that the tax is burden is very high, which causes the company unable to pay the burden. Usually, loan (debt capital) as a source of business finance does not dilute ownership of the business compared to share capital (Jude and Adamou, 2018).

Also, according to Nobanee & Almarzooqi (2022), financial management facilitates sustainability in business in the Philippines by aiding in predicting and determining uncertainties that may come along the way in the process of running the business. Besides, it plays a critical role in assisting businesses to delegate the leadership functions to the most trustworthy personnel. On the other hand, the major function of financial management and practice in the literature indicates a positive relationship between sustainable businesses practice adopted by an organization and the financial performances of the organization (Jain et al., 2017; Al Breiki & Nobanee, 2019). The impact of corporate sustainability on corporate financial performance has been one of the most widely researched (Al Shehhi, Nobanee & Khare, 2018). Relative to Horvath (2017) conclusion that firms in industry with stronger preference to use long-term finance relative to short-term finance experience lower growth volatility in countries with better-developed financial systems, as these firms may benefit from reduced refinancing risks.Further, in Bartholdy and Olson (2023) study on using trade credit as a source of financing long-term investment, finds that managers should recognize trade credits as a viable and important long-term financing source. Understanding the optimal utilization of trade credits and their interaction with other financing sources can help optimize the cost of capital and enhance financial performance.

Financial Challenges : In an organization, financial challenges occur in different ways, and it is already treated as an inherent problem as there might be some decision-making factors by the financial managers that causes to arise different challenges. In study of Pagaddut (2021), MSMEs are considerably contributory to social and economic progress and prosperity through their entrepreneurial capabilities and capacities. However, they experience constraining challenges that importunately impair their abilities, failing to optimally engage themselves in the privileging opportunities around, particularly in the financial aspect. Furthermore, they should judiciously control costs, without compromising quality of their product and services, to increase margin. Conforming to Dhital (2022), that in the long-run sustainability, it is crucial to have effective business strategies in terms of product costing and its price. The fact of having effective costing system in place and states that in current hotly competitive business environment, it is very important to have an accurate product costing for the survival of the business.

In Kajal et. al (2021), emphasizes strategic cost management, global challenges of SMEs business, and performance level as well as points out the links between dimensions of business financial structural cost management. The study highlights that implementation allows cost management performance analysis to help provide empirically structured cost management and definition of finance structure. Thus, it plays a role in creating perfection of knowledge in managing strategic expenditure. Coinciding with Oyerogba and Olugbenga (2014), that there's a significant positive relationship between direct material cost, direct labor cost and firm's performance. However, the production overhead cost and administrative overhead cost were found to be negatively correlated with firm's performance. It is therefore recommended that cost management strategies that focus on reduction of production overhead and administrative overhead should be embarked upon by the manufacturing organizations if their profit maximization and wealth creation objectives will be met.According to Anwar et. al (2022), the purpose of sales promotion is to attract new customers, introduce new products. The advantages of sales promotion include: the ability to provide quick feedback, add excitement to the service or product, additional ways to communicate with customers, flexible timing, and efficiency. Disadvantages include high cost per contract, inability to reach multiple customers effectively. In the study of Erdiansyah & Emaningsih (2021), promotion has a positive and insignificant effect on customer loyalty through customer satisfaction contrary to Peattie & Peattie (1994) that loyalty of loyal customers can be also strengthened by sales promotion.

Moreover, almost all want-to-be-known businesses would really spend thousands of pesos just to be promoted whether by a well-known artist or pay an advertisement through television or radio, just to be visible to a wide-range of possible customers thereby resulting to an increase in profit and cover-up the product promotional costs. Further, to Barbosa (2021), MSMEs rarely practiced internal control, as a business, one should be aware of the of the difficulty of executing a concrete and well-defined internal control considering scarce resources. Failure to correct problems, on the other hand, might result in financial risks and losses even to enterprise's operation. Luckily, there are steps that the business can take to help avert and distinguish extortions in the organization. The accompanying five inside control difficulties are probably the most generally found in independent companies: partition of obligations, arrangements, and methodology, documentation, oversight and survey and client's access rights for data frameworks. To Wolmarans & Meintejes (2015), the factors that contribute to the failure of SMEs can be classified into external and internal factors. Internal factors within the SME are factors which which can be controlled such as finance and level of managerial skills. Canadian SMEs fails to internal control predominantly fail due to lack of general management and financial management skills

(Statistics Canada, 1997). To Dwamena (2021), internal auditors play oversight responsibilities, improve internal controls, advise management on risk management policies. Meanwhile, according to Barlis and War (2023) In their study on Franciscan Missionaries of Mary congregation, financial challenges can be caused by a lack of resources or mismanagement of resources, as well as misbehaviors of individuals, members, or any organizational actor. To ensure transparency in financial dealings, the congregation should consider the potential for fraud and develop a strong control practice to monitor and supervise their transaction. Revenues management is essential for sustainability, growth, and impact, and must be done well to ensure a reliable resource for the congregation and the community. Outside consultants with skills and fundraising experience should be considered to help with fundraising decisions.Navigating the regulatory landscape in the Philippines, especially in terms of standard reporting and government issuances, can present a myriad of financial challenges for firms operating in the country. These challenges could include but not limited to the compliance costs, the complexities and changes, taxes, and security.Meanwhile, some SMEs are also being challenged with the statutory mandates whether it is in terms of reporting or submitting pertinent information and paying taxes. In the study of Brumby et. al (2019), reforming the public sector is a constant process to address emerging challenges stemming from an increase in economic sophistication and expanded citizen's expectation.

Research Literature : In the study of Akinola and Nkwinika (2023), financial control is a fundamental factor of SME's operations, encompassing tactics of planning, organizing, controlling, and directing the economic assets to attain the company's objectives. One of the few primary functional areas of management, financial management is often regarded as the foundation for the growth and success of the enterprise. Activities aimed at managing a business' finances to meet the financial goals are included in financial management. According to Wolmarans and Meintjes (2015), financial management practices regarding working capital and profitability are more relevant to the owner-managers of established SMEs than those regarding balance sheets and strategic financial management. Practices regarding cash flow and decision making are also much more relevant than those regarding planning and detail analysis. It seems that to focus on short-term management issues like cash flow, is much more relevant for established SMEs than to have a medium to long-term view of the firm. On the other hand, it could be argued that these firms became successful SMEs because they had a stronger focus on short-term management issues than on medium- to long-term aspects.In Hokororo et al (2023), as demonstrated by empirical data and provided theoretical reasons, financial management practices of agri-SMEs in underdeveloped countries such as Tanzania cannot be neglected at all. Empirical evidence indicates that there is a substantial positive association between implementation of specific FMPs (working capital and financial management practices) and observed improvements in the performance of enterprise operations. Their study includes indicators measuring Working Capital Management, Capital Budgeting Practices and Financing Management Practices, wherein WCM needs improvement, and this can be achieved by maintaining sufficient cash flows to meet daily business needs, maintain proper records for all payables and receivables, updating inventory records regularly.

Moreover, in the study conducted in Cebu, Philippines by Anoos and Gimena (2020), the owners and management of the MSMEs in Danao City do not practice the generally accepted standards on the financial management and control of the business, which poses some threats to its sustainability, considering that their predominant size, the volume of assets and revenue earned is relatively low or minimal. Even though the MSMEs are considered small, there must be adherence to the proper accounting, auditing, and internal control to ensure that the limited or scarce resources are allocated and that adequate forecasting for revenue and expenses are undertaken avoid overstocking and opportunity loss in case of shortage during peak season. It is important to seek financial and accounting advice to improve understanding and implementation of WCM practices (Hokororo et al, 2023)Further, in the study conducted by R. R. Mendoza (2015), there's significant correlation existing between liquidity and activity, liquidity and leverage, and activity and leverage. However, the three performance measures showed no significant relationship with profitability. Conversely, it is clear from the study that while the MSMEs have high scores on liquidity, leverage, and most aspects of activity, they suffer from low profitability.

Synthesis : Different related studies, literature, and journal with relation to the research study is presented. The researcher was able to gather different concepts and insights which give a pint of backgrounds and help to provide foundation for the study in discovering financial management practices and challenges of an organization.The researcher segmented the chapter into two (2) categories namely, financial practices and financial challenges, wherein several conceptual literatures and research literature show different financial practices and challenges encountered by an organization across the globe.In the study of Wolmarans & Meintejes (2015), Anoos and Gimena (2020) and Nobanee & Almarzooqi (2022), it discussed the importance of specifically analyzing the financial management practices and it simply helps the organization be profitable and somehow has a direct relationship toward organization's sustainability and growth. Quoting Jain (2017), Financial management and practice in the literature indicates a positive relationship between sustainable businesses practice adopted by an organization and the financial performances of the organization. In Akinola and Nkiwinika (2023), their study defines financial control as a fundamental factor of SME's operations, encompassing tactics of planning, organizing, controlling, and directing the economic assets to attain the company's objectives. Meanwhile, Wolmarans and Meintjes (2015) correlates working capital and profitability which showed to be relevant to the owner-managers of established SMEs than those items regarding balance sheets and strategic financial management.

In Fortuna (2021) and Sooriyakumaran and Thrikawala (2022) concluded that there's an association between business performance and financial management practices indulging and making the demographics of each respondent as a moderating variable. Seconded by Pimpong and Lareya (2016), which uses budgeting as a variable, that companies go through budgeting process and has a significant moderate positive relationship on the firm's performance.Meanwhile, to Bool and Corpuz (2021), Nieri and Muiri (2021) and Salihu and Waibe (202) concluded that working capital management has a positive significant on the firm's financial performance. Conforming with the study of Abimola and Kolawela (2017), that revealed that good working capital management practices have significance to SME's performance, noting that the study could be a basis for government agencies to formulate programs that help enterprises involving working capital management.Further, Narayanasamy et al (2023) concluded that WCM is linked with the firm's fundamental business activities and that earning management inversely influences working capital management efficiency; managers involve in earning management manages inventory sub-optimally. The above result aligns with Kasiran et al (2021) that small-medium enterprises in Malaysia was less efficient in managing working capital management during the duration of their study.

In Bartholdy and Olson (2023) study on using trade credit as a source of financing long-term investment, finds that managers should recognize trade credits as a viable and important long-term financing source. Understanding the optimal utilization of trade credits and their interaction with other financing sources can help optimize the cost of capital and enhance financial performance. In the literatures of Pagaddut (2021), Dhital (2022), Anwar et. al (2022), Erdiansyah & Emaningsih (2021), Barbosa (2021) and Brumby et. al (2019), conforming with Kajal et al (2021) and Barlis and War (2023) study, several financial management challenges were discussed and needs to be addressed by the organization which includes but not limited to the following product costing, product promotion, internal management, and statutory mandates, as there is still more quasi-research notwithstanding to the mentioned variables. Understanding the financial challenges is important because it allows an entity to be prepared for roadblocks, which can decrease the chances of the business' economic distress. Accounting financial management clearly plays a significant role in the financing decisions made by the firms (Shakespeare, 2020), and challenges as to cost should be judiciously adjusted (Dhital, 2022) and enterprises are contributory to social and economic progress, however, they are encountering challenges that importunately impair their abilities.

Research Gap: The research study mainly focuses on the general aspects of financial management practices and challenges and offers a wide range of insights into the financial aspect of the businesses within Light Industry and Science Park, City of Cabuyao, Laguna. In the context of the literature found, it is lacking on the financial ratio analysis that could have been used in the entity's general decision-making as to liquidity, profitability, and other activity ratios that it could have a direct, more precise and accurate analysis of the firm's overall performance and which could have been recognized as a best practice amongst the companies situated within the LISP which could have been adopted by the other firms or a newbie industry looking for a study aiding their inquiry.

III. RESEARCH METHODOLOGY

This chapter has the relevant information on the study's proposed process flow, and it contains the proposed research design, research locale, respondents, sample size, research tools and validation, data collection methods and treatment of data.

Research Design : This study will utilize the descriptive correlational research method to explain the relationship between the financial management practices and financial management challenges among the selected companies in Light Industrial and Science Park in City of Cabuyao, Laguna and analyzing the link between them. According to QuestionPro, descriptive correlation research is a type of research design that tries to explain the relationship between two or more variables without making any claims about cause and effect.

Seconded by Devi & Lepcha (2023), correlational design is a non-experimental study design in examining the relationship between or among two or more variables in a single group, which can occur at several levels.

Research Locale : The study will be conducted in Light Industry and Science Park I in City of Cabuyao, Laguna which is believed to be the home of almost a hundred locators that provide employment for not less than 28,000 employees. Light Industry and Science Park offers a conducive environment for research, characterized by its concentration of industries, advanced infrastructure, collaborative culture, innovation ecosystem, access to talent, regulatory framework, and strategic importance. These factors make it a suitable research locale for investigating various aspects related to industry dynamics, innovation, and economic development. Moreover, the research locale deemed fit to study financial management practices and challenges of various selected companies inside LISP since some of them are well-founded and have established financial management systems, while others may face unique challenges that warrant investigations.

Respondents of the Study : The study's population consists of different companies or locators situated within the premise of Light Industry and Science Park in City of Cabuyao, Laguna. The study will be using non-probability sampling to choose respondents for the collection of the quantitative data from the locators particularly purposive sampling. According to Nikolopoulou (2023), purposive sampling refers to a group of non-probability sampling techniques in which units are selected because they have characteristics that is needed in the sample. The purposive sampling will be used because the willingness and availability of the respondents are weighed-in so that they can provide an ample time to answer the inquiries and self-made questionnaire to further improve the study.In this regard, the study collected from 30 locators or respondents and on the identified respondents, the financial managers or accountants or any high official in-trust and known to the financial practices and challenges encountered by their organization is the chosen respondent of the research study. On the listed possible identified locators, the financial managers or accountants or any high official in-trust and known to the financial practices and challenges encountered by their organization is the chosen respondent of the research study.

Instrumentation (Validation and Scoring of Instruments) : The researcher-made survey questionnaire was used to collect data. The survey tool was composed of three parts, Part I collected the information of the respondents according to their profile, Part II dealt with financial management practices and Part III covered the respondent's financial management challenges. Before the conduct of the actual data gathering procedure, the survey tool will undergo validation and reliability measurement through the aid of expert validation to check the comprehensiveness, adequacy, and relevance of the given instrument. This help in ensuring that all necessary items are included, and all items that were unsuitable to a particular construct will be eliminated (Connell, et al, 2018)The survey tool was submitted and validated by the researcher's adviser, research facilitator, and the data validator. Their opinions and recommendations will be carefully assessed and considered in finalizing the survey instrument before proceeding to the data gathering.The research study will be using a 4-point Likert Scale, which is a common tool used in survey research as it contains questions regarding the identified variable and the respondents are expected to respond and choose the best option. According to Bhandari & Nikolopoulou (2023), Likert Scales are a practical and accessible method of collecting data and enables statistical testing of the hypotheses. Moreover, under financial management practices, it will be scaled and interpreted as 4 – Always Practiced, 3 – Often Practiced, 2 – Sometimes Practiced, and 1 – Never Practiced. Whereas, under financial management challenges, it will be scaled and interpreted as 4 – Very Highly Challenging, 3 – Highly Challenging, 2 – Challenging, and 1 – Less Challenging.

Data Gathering Procedures : First, the researcher will hand over a letter of request to each locator signifying their intention to become the participant of the research and allowing us to pertinent information that will help this research become successful. After receiving authorization, the researcher will begin disseminating the survey questionnaire to the identified participants for data gathering. After a week, the same will be retrieved by the researcher.Once retrieved, the filled-up survey questionnaire will be encoded, compiled, statistically assessed, and evaluated to help throughout the research.

Treatment of Data / Thematic Process : To make the results of the study meaningful, the data gathered will be subjected to statistical treatment for quantitative data and identified to be as follows:

Frequency and Percentage. This was used to determine the profile of the respondents.

Weighted Mean. This tool was employed to determine the financial management practices and financial management challenges of the respondents.

Pearson R. This tool was used to determine the relationship between financial management practices and financial management challenges of the respondents.
Analysis of Variance. This tool was used to ascertain the significant difference in the respondents' financial management practices and financial management challenges when grouped according to profile variables.

Ethical Considerations : Ethical considerations are paramount in research, ensuring that the rights, dignity, and well-being of participants are protected and that the research is conducted with integrity and accountability. Here are some ethical standards that may be set throughout the conduct of the study:

Informed Consent. Participants should be fully informed about the purpose, procedures, risks, benefits, and any potential consequences of the research before agreeing to participate. Obtaining explicit, voluntary, and informed consent from participants is essential, and they should have the right to withdraw from the study at any time without penalty.

Privacy and Confidentiality. Protecting the confidentiality of participants' personal information and data is crucial. Researchers should ensure that data is stored securely, anonymized, or de-identified when necessary, and only accessed by authorized individuals. Any identifiable information should be handled with the utmost care to prevent unauthorized disclosure. Likewise, respecting participants' privacy and maintaining boundaries is essential. Researchers should ensure that participants' personal and sensitive information is not disclosed or used inappropriately, and that interactions with participants are conducted in a respectful, professional, and non-intrusive manner.

Beneficence. Researchers have a responsibility to maximize potential benefits and minimize potential harms or risks to participants. This includes designing the study ethically, considering the welfare of participants, and ensuring that any potential risks are justified and minimized to the greatest extent possible.

Fairness and Equity. The researchers of the study follow a duty to not exclude individuals or groups from participation for reasons that are not related to the study conducted. All respondents were treated fairly and ensured that neither of them bears an unfair share of the direct burdens of participation, nor unfairly excluded from the potential benefits of research participation. Where a language barrier exists between the researcher and participant, various measures may be used to ensure effective communication in recruitment and consent discussions.

Compliance with Regulations. Researchers should adhere to relevant laws, regulations, guidelines, and institutional policies governing research ethics and human subjects' protection. This includes obtaining necessary approvals from ethics committees or institutional review boards and ensuring ongoing compliance throughout the research process.

Transparency and Accountability. Maintaining transparency in the research process, including disclosing potential conflicts of interest, funding sources, and limitations of the study, is essential. Researchers should be accountable for their actions, decisions, and the ethical conduct of the study, and be prepared to address concerns, questions, or criticisms raised by participants, peers, or stakeholders.

Reporting and Publication Ethics. When reporting or publishing research findings, researchers should adhere to ethical standards and guidelines, ensuring accuracy, completeness, and fairness in presenting the results. This includes providing appropriate credit, citations, and acknowledgments, and disclosing any potential biases, limitations, or conflicts of interest. In summary, setting and adhering to ethical standards throughout the conduct of the study is essential to ensure the integrity, credibility, and ethical acceptability of the research and by this, researchers can uphold ethical principles and promote trust, credibility, and responsible conduct research involving human participants.

IV. RESULTS AND INTERPRETATION

This chapter presents a concise overview on the financial management and challenges encountered among the selected companies in Light Industry and Science Park in City of Cabuyao, Laguna was presented, analyzed, and interpreted. The data was organized, tabulated, and presented using tables and other visual representations to provide a clear understanding of the findings. Statistical tools and techniques were applied to analyze the data and explore the if there is a relationship between financial management practices and financial management challenges.

1. Business Profile of the Organization

Table 1
Business profile according to nature of the organization

Nature of the Organization	*f*	%	Rank
Logistics and Warehousing	**12**	**40.00**	**2**
Consumer Goods	**4**	**13.00**	**3**
Electronics	**14**	**47.00**	**1**
TOTAL	**30**	**100.00**	

Table 1 presents the business profile of the respondents according to the nature of their organization. It reveals that 14 out of 30, representing forty seven percent, are from Electronic Industry. Followed by Logistics and Warehousing, then Consumer Goods garnering a frequency of 12 and 4, representing forty percent and thirteen percent respectively.

Further, Table 1 indicates that the electronics sector is predominant among the respondents, accounting for 47% of the sample, while the consumer products sector represents only 13%. This dominance of the electronics industry suggests several factors driving its prevalence in the locality. Firstly, it likely reflects the current consumer demand for electronics products, which could be driven by factors such as technological advancements, innovation, and the increasing integration of electronics into various aspects of daily life. As consumers continue to seek out the latest gadgets and devices, the demand for electronics products remains high. Additionally, the presence of a significant number of respondents from the electronics sector suggests that the local area may have a conducive environment for electronics businesses to thrive. This could include factors such as access to skilled labor, infrastructure, supply chain networks, and supportive regulatory frameworks.

Moreover, the concentration of respondents in the electronics sector implies that there is a pool of highly skilled individuals available in the nearby area. This availability of skilled workforce likely attracts electronics businesses to the locality, as they can tap into this talent pool to support their operations and drive innovation. Further, this dominance indicates a specialization in the region, with a focus on activities related to manufacturing, producing, or distributing electronic products and components.Overall, the dominance of the electronics sector in the locality, as indicated by Table 1, reflects both the current consumer demand for electronics products and the presence of a skilled workforce and supportive business environment that fosters the growth of electronics businesses in the area.

Table 2
Business Profile according to Number of Years Operating

Number of Years Operating	*F*	%	Rank
5 – 10 years	**3**	**10.00**	**3**
11 – 15 years	**14**	**47.00**	**1**
More than 15 years	**13**	**43.00**	**2**
TOTAL	**30**	**100.00**	

Table 2 presents the business profile of the respondents according to the number of years operating. It revealed that 14 out of 30, representing 47%, has a number of years operating of 11-15 years. Followed by those organization whose been operating for more than 15 years, having a frequency of 13 representing 43%. Then, those whose been operating for 5-10 years having a frequency of 3 representing 10%. This implies that a high level of stability and experience among the respondents, which may influence their financial management practices and ability to handle business challenges effectively. The predominance of long-operating firms indicates that businesses are likely to developed robust operational and financial strategies over time.The study of Malaluan (2019) found out that having a long term of services, the businesses have their own ways to monitor the performances of income or losses of the businesses, thus paving way to develop a strategic financial management practice and meticulously handle business challenges effectively.

Table 3 Business Profile according to Number of Employees

Number of Employees	*f*	%	Rank
101 – 500 employees	**10**	**33.00**	**2**
501 – 1,000 employes	**20**	**67.00**	**1**
TOTAL	**30**	**100.00**	

Table 3 presents the business profile of the respondents according to the number of employees. It revealed that 20 out of 30, representing **67%**, has **501 – 1,000 employees**. Followed by those organization that has a frequency of 10, representing 33%, has 101 – 500 employees. This implies that presence of a large workforce suggests that these organizations have substantial operational capacities and potentially more complex management structures.

Table 4 Business Profile according to Business Size

Business Size	*f*	%
Medium-size Entity	**30**	**100.00**
TOTAL	**30**	**100.00**

Table 4 presents the business profile of the respondents according to business size. It revealed that 30 out of 30, representing **100%**, categorized the business as Medium-size Entity. Further, given that all respondents fall into the medium-size category, it indicates that the study may have carefully chosen to explore financial management practices and challenges within this specific segment of businesses. This focus could allow for a more in-depth analysis of the unique characteristics, needs, and challenges faced by medium-sized entities. Also, this may imply that there is a predominant presence of businesses with moderate scale and resources within the area of Cabuyao.Understanding the financial management practices and challenges of medium-sized businesses is valuable, as these entities often operate in a dynamic environment where they must balance growth opportunities with resource constraints. By concentrating on medium-sized entities, the study may provide targeted insights and recommendations tailored to the needs of this segment of the business community.

2. Financial Management Practices

Table 5 Financial Management Practices in terms of Budgeting

	Indicators	Mean	Verbal Interpretation
	The organization...		
1	forecasts the future sales / demand of the goods to know the possible income that can be generated of the organization	**3.97**	**Highly Practiced**
2	budgets the expected future operating expenses of the business to monitor and control these expenses relating to operations.	**3.57**	**Highly Practiced**
3	delegates the budgeting per department and allows each department to their own schedule.	**3.67**	**Highly Practiced**
4	reviews the budget quarterly to find variances and know where these variances came from.	**3.40**	**Highly Practiced**
5	revises the budgeted amount for the month because of unexpected expenses necessary in the business operations.	**2.60**	**Moderately Practiced**
	General Assessment	**3.44**	**Highly Practiced**

Legend: 3.25 – 4.00 Highly Practiced *1.75 – 2.49 Slightly Practiced*
2.25 – 3.24 Moderately Practiced *1.00 – 1.74 Not Practiced*

Table 5 shows that the financial management – budgeting practices of the companies Situated in Light Industry and Science Park has a **general assessment** of **3.44** interpreted as **Highly Practiced**. The indicator stating, *"the organization forecasts the future sales / demand of the goods to know the possible income that can be generated of the organization."* achieved the highest mean of **3.97** verbally interpreted as

Highly Practiced. Whereas the indicator, *"revises the budgeted amount for the month because of unexpected expenses necessary in the business operations."* had the lowest mean of **2.60** verbally interpreted as **Moderately**

Practiced. Based on the findings mentioned, it seems that companies located in the Light Industry and Science Park have been effectively implementing financial management budgeting practices. This suggests that these companies are likely managing their finances in a satisfactory manner, which could indicate good financial health and stability within those industries.

Further, the indicators *"budgets the expected future operating expenses of the business to monitor and control these expenses relating to operation"*, *"delegates the budgeting per department and allows each department to their own schedule"* and *"reviews the budget quarterly to find variances and know where these variances came from."* garnered a mean of **3.57, 3.67**and **3.40** respectively. Despite of its different outcome, in terms of mean computation, still it is verbally interpreted as **Highly Practiced**

Supported in Fortuna (2021), which uses budgeting as a variable, finds that adopting to a good budgeting practices increases the level of profitability of an enterprise (merchandising, manufacturing, and service). Also, the researcher's respondents have a good budgeting practice relative to active participation of management in the budgeting process, linking budget development and strategic plans and rational allocation of resources during the budgeting process. Seconded by Pimpong and Lareya (2016) that companies go through budgeting process including budget planning, budget control, budget coordination, and budget evaluation. Hence, statistically, budget coordination has significant moderate positive relationship on the firm.

Table 6 Financial Management Practices in terms of Working Capital Management

	Indicators	Mean	Verbal Interpretation
	The organization...		
1	strictly monitors the current assets to know the organization's liquidity level and its importance in the day-to-day operation.	**3.97**	**Highly Practiced**
2	strictly monitors the current liabilities to avoid penalties and maintain strong relationship with suppliers and vendors.	**4.00**	**Highly Practiced**
3	tracks the working capital to know if the firm has an adequate cash flow to meet short-term debt or obligations and expenses.	**3.50**	**Highly Practiced**
4	monitors the inventory levels to identify fast-moving, moderately moving, and slow-moving inventory and allowing timely action that could increase profit and reduce costs.	**3.97**	**Highly Practiced**
5	invests in short-term investments such as marketable securities to have additional income with lower risk, making it as a stable option.	**2.73**	**Moderately Practiced**
	General Assessment	**3.63**	**Highly Practiced**

Legend: 3.25 – 4.00 Highly Practiced *1.75 – 2.49 Slightly Practiced*
2.25 – 3.24 Moderately Practiced *1.00 – 1.74 Not Practiced*

Table 6 shows that the financial management – working capital management practices of the companies situated in Light Industry and Science Park has a general assessment of **3.63** interpreted as **Highly Practiced.** The indicator stating, *"strictly monitors the current liabilities to avoid penalties and maintain strong relationship with suppliers and vendors."* achieved the highest mean of **4.00** verbally interpreted as **Highly Practiced**. Whereas the indicator, *"invests in short-term investments such as marketable securities to have additional income with lower risk, making it as a stable option."* had the lowest mean of **2.73** verbally interpreted as **Moderately Practiced**.
Moreover, the other indicators, *"strictly monitors the current assets to know the organization's liquidity level and its importance in the day-to-day operation."*, "*t racks the working capital to know if the firm has an adequate cash flow to meet short-term debt or obligations and expenses."* and *"monitors the inventory levels to identify fast-moving, moderately moving, and slow-moving inventory and allowing timely action that could increase profit and reduce costs."* garnered a mean of **4.00**, **3.50** and **3.97**, respectively but still, it is verbally interpreted as **Highly Practiced**.

Working Capital Management (WCM) is critical for the day-to-day operations of a firm. It involves managing the balance between the business enterprises' short-term assets (current assets) to ensure it has enough liquidity to meet its short-term liabilities (current liabilities) while maximizing its operational efficiency and profitability. Aligned with Nwogu, Salihu and Waibe (2023), that working capital management has statistically significant positive impact on financial performance of small enterprises. Specifically, the study resulted that small enterprises with higher working capital management have a better financial performance in terms of sales growth, profitability, liquidity, solvency, and return on assets. In Bool and Corpuz (2021), working capital management practices in terms of cash, accounts receivable and inventory management are significantly related to economic, social, and environmental sustainability.

Table 7 Financial Management Practices in terms of Long-Term Financing

	Indicators	Mean	Verbal Interpretation
	The organization...		
1	Seeks financial assistance from outside the business for capital expansion purposes.	**2.03**	**Slightly Practiced**
2	pays their loan on time to have strong relationship to creditors.	**4.00**	**Highly Practiced**
3	obtains loan to finance a long-term asset to increase the firm's operating capabilities.	**2.17**	**Slightly Practiced**
4	tracks their long-term debt to equity ratios to assess the firm's credit image is reputable and trustworthy of the funds being loaned.	**2.93**	**Moderately Practiced**
5	prioritizes long-term financing rather than equity financing because the latter is often expensive in terms of paying of dividends.	**3.67**	**Highly Practiced**
	General Assessment	**2.96**	**Moderately Practiced**

Legend: 3.25 – 4.00 Highly Practiced *1.75 – 2.49 Slightly Practiced*
2.25 – 3.24 Moderately Practiced *1.00 – 1.74 Not Practiced*

Table 7 shows that the financial management – long-term financing practices of the companies situated in Light Industry and Science Park has a general assessment of **2.96 interpreted** as **Moderately Practiced.** The indicator stating, *"pays their loan on time to have strong relationship to creditors."* achieved the highest mean of **4.00** verbally interpreted as **Highly Practiced**. Whereas the indicator, "*seeks financial assistance from outside the business for capital expansion purposes."* had the lowest mean of **2.03** verbally interpreted as **Slightly Practiced**.

Moreover, the other indicator *"prioritizes long-term financing rather than equity financing because the latter is often expensive in terms of paying of dividends."* garnered a mean of **3.67** verbally interpreted as **Highly Practiced.** Meanwhile, alongside with the indicator *"Seeks financial assistance from outside the business for capital expansion purposes.", "obtains loan to finance a long-term asset to increase the firm's operating capabilities."* garnered a mean of **2.17** verbally interpreted as **Slightly Practiced.** Lastly, the indicator, *"tracks their long-term debt to equity ratios to assess the firm's credit image is reputable and trustworthy of the funds being loaned."* had a mean of **2.93** verbally interpreted as **Moderately Practiced.** This implies that, indeed paying loans on time affects the relationship of the organization and creditors. Timely loan payments are crucial for maintaining a positive relationship between an organization and its creditors. Consistently paying back loans on schedule demonstrates financial responsibility and reliability, which can strengthen trust between the organization and its creditors. This trust can be essential for accessing future financing opportunities and negotiating favorable terms. Conversely, missed, or late payments can damage the organization's creditworthiness and erode trust with creditors, potentially leading to higher borrowing costs or difficulty obtaining credit in the future.In Wahab and Abdesamed (2014), borrowing has been one of the key sources of finance for funding their business operations, particularly at growth stage. Contradicting to Nugroho and Purba (2018), that companies use their own capital more than using debt even more so using long-term debt so that the tax is burden is very high, which causes the company unable to pay the burden. Usually, loan (debt capital) as a source of business finance does not dilute ownership of the business compared to share capital (Jude and Adamou, 2018).

3. Financial Management Challenges
4.

Table 8 Financial Management Challenges in terms of Product Costing

	Indicators	Mean	Verbal Interpretation
The organization...			
1	sets the prices of their product based on the determination of pricing. (e.g product cost, competitor's pricing)	**4.00**	**Very Highly Challenging**
2	reviews the costing of their product annually.	**4.00**	**Very Highly Challenging**
3	has a bidding process to the suppliers to contract lowest bid and of quality.	**2.90**	**Highly Challenging**
4	sets the product costs based on the mother company's directives.	**3.53**	**Very Highly Challenging**
5	evaluates the product costing and adjust it when needed.	**3.37**	**Very Highly Challenging**
	General Assessment	**3.56**	**Very Highly Challenging**

Legend: 3.25 – 4.00 Very Highly Challenging *1.75 – 2.49 Challenging*
2.25 – 3.24 Highly Challenging *1.00 – 1.74 Less Challenging*

Table 8 shows that the financial management – product costing challenges of the companies situated in Light Industry and Science Park has a general assessment of **3.56** interpreted as **Very Highly Challenging.** The indicator stating, *"sets the prices of their product based on the determination of pricing. (e.g product cost, competitor's pricing)"* and *"reviews the costing of their product annually."* equally achieved the highest mean of **4.00** verbally interpreted as **Very Highly Challenging**. Whereas the indicator, "*has a bidding process to the suppliers to contract lowest bid and of quality."* had the lowest mean of **2.90** verbally interpreted as **Highly Challenging.**

Moreover, the indicators *"sets the product costs based on the mother company's directives."* and *"evaluates the product costing and adjust it when needed."* had a mean of **3.53** and **3.37** respectively, both verbally interpreted as **Very Highly Challenging.** Among the identified specific indicators, two areas stand out as particularly difficult. These suggests that companies struggle significantly with determining appropriate pricing strategies and maintaining cost competitiveness in their markets, given with the fact, that most of the companies situated in Light Industry and Science Park are subsidiary company of a parent company in which the latter controls. Conforming in Dhital (2022), that in the long-run sustainability, it is crucial to have effective business strategies in terms of product costing and its price. The fact of having effective costing system in place and states that in current hotly competitive business environment, it is very important to have an accurate product costing for the survival of the business.

Table 9 Financial Management Challenges in terms of Product Promotion

	Indicators	Mean	Verbal Interpretation
The organization...			
1	engages in online advertisement to boost sales.	**1.67**	**Less Challenging**
2	offers discounts to regular customers, bulk purchases to increase sales and encourage paying in cash or within the discount period offered.	**2.00**	**Challenging**
3	offers a 'seasoned' product or services which causes fluctuations of the profit/loss of the organization.	**1.97**	**Challenging**
4	pays a celebrity endorser/ambassador to encourage a wide range of potential market to patronage the product/services offered.	**1.00**	**Less Challenging**
5	values cost-benefit principle and ensures that benefit outweigh in the analysis	**3.37**	**Very Highly Challenging**
	General Assessment	**2.00**	**Challenging**

Legend: 3.25 – 4.00 Very Highly Challenging *1.75 – 2.49 Challenging*
2.25 – 3.24 Highly Challenging *1.00 – 1.74 Less Challenging*

Table 9 shows that the financial management – product promotion challenges of the companies situated in Light Industry and Science Park has a general assessment of **2.00** interpreted as **Challenging.** The indicator stating, *"values cost-benefit principle and ensures that benefit outweigh in the analysis"* achieved the highest mean of **3.37** verbally interpreted as **Very Highly Challenging**. Whereas the indicator, "*pays a celebrity endorser/ambassador to encourage a wide range of potential market to patronage the product/services offered."* had the lowest mean of **1.00** verbally interpreted as **Less Challenging.** This result implies that since most of the organization has a parent-subsidiary relationship or an extension of the parent organization as a warehousing facility or storage area, where all costs and promotion are shouldered by the latter, the management of the warehousing facility is not affected or challenged by this decision-making.

Contrary in the study of Anwar et. al (2022), the purpose of sales promotion is to attract new customers, introduce new products. The advantages of sales promotion include: the ability to provide quick feedback, add excitement to the service or product, additional ways to communicate with customers, flexible timing, and efficiency. Disadvantages include high cost per contract, inability to reach multiple customers effectively. Moreover, almost all want-to-be-known businesses would really spend thousands of pesos just to be promoted whether by a well-known artist or pay an advertisement through television or radio, just to be visible to a wide-range of possible customers thereby resulting to an increase in profit and cover-up the product promotional costs.

Table 10 Financial Management Challenges in terms of Internal Management

	Indicators	Mean	Verbal Interpretation
	The organization...		
1	experiences internal theft and pilferage that affects the business financial position.	**1.00**	**Less Challenging**
2	requires maintenance of machines, equipment and other property, plant and equipment.	**3.53**	**Very Highly Challenging**
3	Assesses the changes in the market thread that poses risks and advertently strategize to counter this future risks.	**3.0**	**Very Highly Challenging**
4	has experienced Acts of God (natural disasters) and able to cope-up again.	**2.53**	**Highly Challenging**
5	has experienced poor internal cash flow management but able to find other ways to improve it.	**1.00**	**Less Challenging**
	General Assessment	**2.21**	**Challenging**

Legend: 3.25 – 4.00 Very Highly Challenging *1.75 – 2.49 Challenging*
2.25 – 3.24 Highly Challenging *1.00 – 1.74 Less Challenging*

Table 10 shows that the financial management – internal management challenges of the companies situated in Light Industry and Science Park has a general assessment of **2.21** interpreted as **Challenging.** The indicator stating, *"requires maintenance of machines, equipment and other property, plant and equipment."* achieved the highest mean of **3.53** verbally interpreted as **Very Highly Challenging**. Whereas the indicators, "*experiences internal theft and pilferage that affects the business financial position."* And *"has experienced poor internal cash flow management but able to find other ways to improve it."* had the lowest mean of **1.00** verbally interpreted as **Less Challenging.** The result implies that companies situated in Light Industry and Science Park are challenged when it comes to internal management which could stem-out from several underlying factors which includes but not limited to the rapid technological advancements wherein most companies in such parks are often at the forefront of innovation and technology. Keeping up with rapid advancements can strain internal management structures and processes that includes decision-making as to the machine and equipment's maintenance. Also, it may imply high competition and pressure since Light Industry and Science Park attracts numerous businesses working in similar or related fields, creating highly competitive environment. The pressure to outperform rivals can lead to internal friction, challenging management to maintain productivity and morale.

According to Tyrrell (2023), the seamless functioning of equipment is not just a matter of operational efficiency, it's a fundamental driver of productivity and profitability. Equipment maintenance plays a pivotal role in the equation. Like Nunes (2023), that predictive maintenance (PdM) aims the reduction of costs to increase the competitive strength of the enterprises. Whereas this predictive maintenance involves using data analytics and technology to predict when equipment is likely to fail so that maintenance can be performed proactively, thus minimizing downtime, and avoiding costly breakdowns. By adopting PdM strategies, businesses can optimize their maintenance schedules, extend the lifespan of equipment, and reduce unexpected repair costs.Moreover, internal management should be aware of these organizational expenses. By understanding the benefits of proactive maintenance versus reactive approaches, management can make informed decisions about allocating resources. Investing in maintenance programs may incur upfront costs, but it can ultimately lead to significant savings compared to the expense of purchasing new equipment or dealing with costly repairs resulting from equipment failures.

By prioritizing maintenance and adopting strategies like predictive maintenance, businesses can not only save costs but also enhance their competitiveness by ensuring uninterrupted operations, improved equipment reliability, and increased productivity. This proactive approach to maintenance aligns with broader goals of operational excellence and sustainable business practices. This is in line with Ensafi and Thabet (2021), that lack of proper decision-making approaches and lack of maintenance planning can increase the cost of operations, influencing the quality of facility management.

Table 11 Financial Management Challenges in terms of Statutory Mandates

	Indicators	Mean	Verbal Interpretation
The organization...			
1	has experienced problems in securing renewal permits to local authorities.	**1.00**	**Less Challenging**
2	has experienced some problems in imposing taxes from different agencies.	**1.00**	**Less Challenging**
3	has experienced some problems in labor disputes.	**1.37**	**Less Challenging**
4	poses a problem in the complexity and strict adherence to LISP's rules and standards.	**1.00**	**Less Challenging**
5	faces problems that relates to filing and paying taxes to local authorities.	**1.00**	**Less Challenging**
	General Assessment	**1.07**	**Less Challenging**

Legend: 3.25 – 4.00 Very Highly Challenging 1.75 – 2.49 Challenging
2.25 – 3.24 Highly Challenging 1.00 – 1.74 Less Challenging

Table 11 shows that the financial management – statutory mandate challenges of the companies situated in Light Industry and Science Park has a general assessment of **1.07** interpreted as **Less Challenging,** this suggests that overall, these companies perceive statutory mandate challenges as less challenging. The indicator stating, *"has experienced some problems in labor disputes."* achieved the highest mean of **1.37** verbally interpreted as **Less Challenging**, indicating that while it is considered less challenging, companies in this sector have experienced some problems with labor disputes. This means that while statutory mandate challenges are generally manageable for these companies, labor disputes present a relatively higher level of difficulty or concern. In an article Business World (2024), labor mediators post 43% of labor settlement rate because of the labor disputes filed against different companies nationwide, while this is a national report, it is unlikely that companies situated in Light Industry and Science Park were included concluding that it is less challenging on them.

Whereas all other indicators had the lowest mean of **1.00** verbally interpreted as **Less Challenging.**

5. The significant difference in the respondent's financial management practices when grouped according to their profile.

Table 12 ***Test of Significant Difference between Budgeting Practices when grouped according to their profile.***

	Business Profile	F	P	Remarks	Decision
Budgeting	Nature of Organization	6.38	0.01	Significant Difference	Reject H_o
	Number of Years Operating	0.55	0.58	No Significant Difference	Accept H_o
	Number of Employees	0.20	0.66	No Significant Difference	Accept H_o

Level of significance if p-value ≤ 0.05

Table 12 presents the significant difference in the financial management – budgeting practices when grouped according to their profile. The computed F-value and corresponding P-Value for each business profile in terms of Nature of Organization with (F-value = 6.38, P-value of 0.01) a remark of **Significant Difference**, thereby **rejecting the null hypothesis.** On the other hand, two of the remaining business profile namely Number of Years Operating and Number of Employess, having F-value of 0.55 and 0.20 respectively and P-value of 0.58 and 0.66 respectively giving a remark of **No Significant Difference,** hence **accepting the null hypothesis.**The result implies that the nature of the organization has significant difference in terms of budgeting practices which could be attributed to several factors. It is imperative that different types of organization, whether by industry, size, or operational focus, will naturally approach budgeting with varied strategies and priorities. However, understanding these differences allows the organization to tailor the budgeting processes to better meet their specific needs and achieve their financial and strategic goals.

In the study of Mutabari and Warui (2023), that investigates the effect of budgetary control, planning, coordination, communication, and evaluation on the construction firm’s performance. This study concluded that evaluating and understanding budgeting practices are crucial for construction firms. Meanwhile, in the study of Silva and Jayamaha (2012), in an apparel industry that highlighted the importance of preparation, harmonization, communication and assessment to have a better understanding about the budgeting practices. On the other hand, in the study of Ajao et. al (2020), that on the budget performance, it revealed that there existed some performance measurements for the budget in the insurance companies in that the level of service performance of the organization was high, the organization executed its services within the stipulated deadline. It was also found that effective budget control increased the net profit. In the government budgeting of Chaeriyyah (2021), the study concludes that the revised budget and budget blockage have no effect on the performance value of the organization. In an article by Parishmita, budgeting should necessarily be integrated with corporate plan. The budget defines targets in concrete and quantitative terms for the firm as well as for each functional area. It provides guidelines on how to achieve these targets. It is more administrative and persuasive in nature as compared to the corporate plan and its preparation is the responsibility of line managers. Further, in the study of Otley (1994), cited by Batt et. Al (2021), budgeting has historically taken center stage in most organization. The literature has established budgeting as an institutionalized practice within organizations, or a formal control routine and procedure in organizations.
Further, in the study, there is a significant difference between budgeting and nature of organizations.

Table 13 ***Test of Significant Difference between Working Capital Management Practices when grouped according to their profile.***

	Business Profile	F	P	Remarks	Decision
WCM	Nature of Organization	1.03	0.37	No Significant Difference	Accept H_o
	Number of Years Operating	0.22	0.80	No Significant Difference	Accept H_o
	Number of Employees	0.10	0.75	No Significant Difference	Accept H_o

Level of significance if p-value ≤ 0.05

Table 13 presents the significant difference in the financial management – working capital management practices when grouped according to their profile. Under Nature of Organization profile, the computed F-value is 1.03 with a corresponding P-value of 0.37. With a P-value higher than the commonly accepted significance level (such as 0.05), the result suggests that there is no significant difference in working capital management practices based on the nature of the organization. Therefore, the null hypothesis is accepted, indicating that the type of organization does not significantly impact how working capital is managed.Likewise, under Number of Years Operating, the F-value for this profile is 0.22 with a P-value of 0.80. Again, the P-value exceeds the significance level, indicating no significant difference in working capital management practices based on the number of years a business has been operating. Therefore, the null hypothesis is accepted.Further, under Number of Employees, The F-value here is 0.10 with a P-value of 0.75. Like the previous cases, the P-value is higher than the significance level, indicating no significant difference in working capital management practices based on the number of employees. Consequently, the null hypothesis is accepted.The result indicates that there's no significant difference in working capital management practices across different business profiles, it implies that regardless of the type or nature of the business, companies tend to handle their working capital in a similar manner. This could suggest that factors such as industry, size, or business model may not significantly influence how businesses manage their working capital. In the study of Ashrafi and Prakdel (2019), working capital management is one of the key areas of financial management and managing organizations because it directly affects the liquidity and profitability of the company.

Table 14 ***Test of Significant Difference between Long-term Financing Practices when grouped according to their profile.***

	Business Profile	F	P	Remarks	Decision
LTF	Nature of Organization	0.91	0.41	No Significant Difference	Accept H_o
	Number of Years Operating	0.24	0.79	No Significant Difference	Accept H_o
	Number of Employees	0.14	4.24	No Significant Difference	Accept H_o

Level of significance if p-value ≤ 0.05

Table 14 presents the significant difference in the financial management – long-term financing practices when grouped according to their profile. The computed F-value and corresponding P-Value for each business profile in terms of Nature of Organization with (F-value = 0.91, P-value of 0.41) a remark of **No Significant Difference**, thereby **rejecting the null hypothesis**. On the other hand, two of the remaining business profile namely Number of Years Operating and Number of Employees, having F-value of 0.24 and 0.14 respectively and P-value of 0.79 and 4.24 respectively giving a remark of **No Significant Difference**, hence **accepting the null hypothesis**.Therefore, based on these findings, it can be concluded that regardless of the identified business profile (Nature of Organization, Number of Years Operating, or Number of Employees), the financial management practices are at the same level. This implies that factors such as the type of organization, its longevity, or its size do not significantly influence the approach to long-term financing practices among the studied businesses.

6. The significant difference in the respondent's financial management challenges difference when grouped according to their profile.

Table 15 ***Test of Significant Difference between Product Costing when grouped according to their profile.***

	Business Profile	F	P	Remarks	Decision
Product Costing	Nature of Organization	1.08	0.36	No Significant Difference	Accept H_o
	Number of Years Operating	0.06	0.94	No Significant Difference	Accept H_o
	Number of Employees	2.27	0.14	No Significant Difference	Accept H_o

Level of significance if p-value ≤ 0.05

Table 15 shows the results indicating that there are no significant differences in product costing across various profiles, as evidenced by the computed F-values and corresponding P-values. For the "Nature of Organization" profile, the F-value is 1.08 with a P-value of 0.36, suggesting no significant difference. Similarly, for the "Number of Years Operating" and "Number of Employees" profiles, the F-values are 0.06 and 2.27 respectively, with corresponding P-values of 0.94 and 0.14. These results also indicate no significant difference. In the study, given that most of the companies situated are a subsidiary or an extension by means of warehousing or logistics, they are not much affect by the product costings, hence, across the study, it resulted in having a no significant difference. Contrary to the literatures of Oyerogba and Olugbenga (2014), that there's a significance as to the direct material cost, direct labor cost and firm's performance.

Table 16 ***Test of Significant Difference between Product Promotion when grouped according to their profile.***

	Business Profile	F	P	Remarks	Decision
Product Promotion	Nature of Organization	1.70	0.20	No Significant Difference	Accept H_o
	Number of Years Operating	0.68	0.52	No Significant Difference	Accept H_o
	Number of Employees	0.31	0.58	No Significant Difference	Accept H_o

Level of significance if p-value ≤ 0.05

Table 16 presents the significant difference in the financial management – product promotion when grouped according to their profile. Under Nature of Organization profile, the computed F-value is 1.70 with a corresponding P-value of 0.20. With a P-value higher than the commonly accepted significance level (such as 0.05), the result suggests that there is no significant difference in product promotion based on the nature of the organization. Therefore, the null hypothesis is accepted, indicating that the type of organization does not significantly impact how product promotion is managed.Likewise, under Number of Years Operating, the F-value for this profile is 0.68 with a P-value of 0.52. Again, the P-value exceeds the significance level, indicating no significant difference in product promotion based on the number of years a business has been operating. Therefore, the null hypothesis is accepted.Further, under Number of Employees, The F-value here is 0.31 with a P-value of 0.58. Like the previous cases, the P-value is higher than the significance level, indicating no significant difference in product promotion based on the number of employees. Consequently, the null hypothesis is accepted.

Table 17 ***Test of Significant Difference between Internal Management when grouped according to their profile.***

	Business Profile	F	P	Remarks	Decision
Internal	Nature of the Organization	0.79	0.46	No Significant Difference	Accept H_o
Management	Number of Years Operating	0.16	0.65	No Significant Difference	Accept H_o
	Number of Employees	5.83	0.02	Significant Difference	Reject H_o

Level of significance if p-value ≤ 0.05

Table 17 shows the results indicating that there are no significant differences in internal management across various profiles, as evidenced by the computed F-values and corresponding P-values.For the "Number of Employees" profile, the F-value is 5.83 with a P-value of 0.02, suggesting **significant difference**. Moreover, for the “Nature of Organization” and "Number of Years Operating" profiles, the F-values are 0.79 and 0.16 respectively, with corresponding P-values of 0.46 and 0.65, likewise having **no significant difference.**

The number of employees and internal management has a significant difference which means that the parameters could indeed influence its internal management practices. This implies that the organizations may have different approaches in handling ‘internal management’s foreset indicators’ and it can refer to complexities, resources available, structures and decision-making processes. Align with Barlis and War (2023), in their study on Franciscan Missionaries of Mary congregation, financial challenges can be caused by a lack of resources or mismanagement of resources, as well as misbehaviors of individuals, members, or any organizational actor. In the study of Mom and Kazimoto (2021), it concluded that to improve the organization’s control environment, the governing board and management should maintain and effectively communicate written rules and regulations that will be followed its stakes, employees. Employee duties, power limitations, performance requirements, control methods and reporting connection should be clearly defined. Secondly, management should discuss ethical concerns with employees (pilferage or internal theft issues) and be addressed according to the conduct policy.

Table 18
Test of Significant Difference between Statutory Mandates when grouped according to their profile.

	Business Profile	F	P	Remarks	Decision
Statutory	Nature of the Organization	4.99	0.02	Significant Difference	Reject Ho
Mandates	Number of Years Operating	0.58	0.57	No Significant Difference	Accept Ho
	Number of Employees	0.03	0.86	No Significant Difference	Accept Ho

Level of significance if p-value ≤ 0.05

Table 18 presents the significant difference in the financial management – statutory mandates when grouped according to their profile. Under Nature of Organization profile, the computed F-value is 4.99 with a corresponding P-value of 0.02. With a P-value higher than the commonly accepted significance level, the result suggests

That there is **significant difference** in statutory mandates based on the nature of the organization. Therefore, the **null hypothesis is rejected**, indicating that the type of organization does significantly impact how statutory mandates is managed.This means that different types of organizations may have distinct approaches or challenges when it comes to complying with statutory requirements, such as legal regulations or government mandates. Understanding these differences is crucial for organizations to ensure compliance and effectively manage their statutory obligations. Indeed, that every business has its ways on reporting their own statutory obligations and according to the study of Brumby et. al (2019), reforming the public sector is a constant process to address emerging challenges stemming from an increase in economic sophistication and expanded citizen's expectation.Indeed, that statutory mandates are different among others in terms of nature of organization or type of industry and its complexities matters on how the organization are being classified and operate in the locality. These mandates encompass a range of legal requirements, regulations, and obligations that businesses must adhere to, often imposed by government authorities or regulatory bodies.The classification of organizations and the industries they operate in can indeed have a profound impact on how statutory mandates are interpreted, implemented, and managed. Different industries may be subject to specific regulatory frameworks tailored to address industry-specific risks, practices, and concerns.Likewise, the nature of the organization, whether it's a for-profit corporation, a nonprofit organization, a government entity, or a small business, can influence the scope and complexity of statutory mandates applicable to it. For example, larger corporations may be subject to more stringent regulatory requirements due to their size, market influence, and potential impact on the economy.

Furthermore, operating in a specific locality can introduce additional layers of complexity, as businesses may need to comply with both national and local regulations, which can vary significantly depending on the region. Understanding these complexities and variations in statutory mandates is essential for organizations to ensure compliance, mitigate legal risks, and operate ethically and responsibly within their respective industries and localities. It underscores the importance of tailored approaches to statutory compliance and effective management of regulatory obligations based on the unique characteristics and circumstances of each organization.Meanwhile, under Number of Years Operating, the F-value for this profile is 0.58 with a P-value of 0.57. Again, the P-value exceeds the significance level, indicating **no significant difference** in statutory mandates based on the number of years a business has been operating. Therefore, the **null hypothesis is accepted**.Further, under Number of Employees, The F-value here is 0.03 with a P-value of 0.86. Like the previous cases, the P-value is higher than the significance level, indicating **no significant difference** in statutory mandates based on the number of employees. Consequently, the **null hypothesis is accepted**.

7. The significant relationship in the respondent's financial management practices and financial management challenges.

Table 19 Test of Significant Relationship between Financial Management Practices and Financial Management Challenges

Financial Management Practices	Financial Management Challenges	r value	p value	Remarks	Decision
Budgeting	Product Costing	0.03	0.86	Not Significant	Accept Ho
	Product Promotion	0.10	0.59	Not Significant	Accept Ho
	Internal Management	0.39	0.03	Significant	Reject Ho
	Statutory Mandates	(0.08)	0.69	Not Significant	Accept Ho
Working Capital Management	Product Costing	0.36	0.05	Not Significant	Accept Ho
	Product Promotion	0.42	0.02	Significant	Reject Ho
	Internal Management	0.39	0.03	Significant	Reject Ho
	Statutory Mandates	(0.08)	0.69	Not Significant	Accept Ho
Long-term	Product Costing	0.16	0.39	Not Significant	Accept Ho

Financing	Product Promotion	(0.04)	0.83	Not Significant	Accept Ho
	Internal Management				
	Statutory Mandates	(0.26)	0.17	Not Significant	Accept Ho
		0.25	0.18	Not Significant	Accept Ho

Level of significance if p-value ≤ 0.05

Table 19 presents the relationship between financial management practices and financial management challenges. Under budgeting practices, the result indicates that internal management challenges are considered **significant**, with an r-value of 0.39 and a p-value of 0.03. An r-value (correlation coefficient) of 0.39 suggests a **moderate positive correlation** between budgeting practices and internal management challenges. Additionally, the p-value of 0.03 indicates that this correlation is statistically **significant**.

This finding implies that there is a meaningful relationship between how organizations budget their finances and the internal management challenges they face. It suggests that organizations experiencing internal management challenges are more likely to encounter difficulties or complexities in their budgeting practices. Understanding this relationship can help organizations address both their financial management challenges and improve their budgeting processes to better navigate internal management issues.In the study Gulpenko (2023), budgeting is considered as a detailed policy plan of a business unit containing both physical and monetary estimates, thus being a management tool. Currently, there are various methodological approaches to budgeting and their application is dependent on goals to be achieved and management techniques. Further in the study of Kumar (2022), budgetary control is established through financial planning, excess of departments, and administrative for the development of the organization. Policies, plans, and goals could be used to recognize problems, fix the boundaries, and investigate. Further, under working capital management practices, results you provided suggest that there are significant relationships between working capital management practices and both product promotion and internal management challenges.

The correlation coefficient (r-value) for product promotion is **0.42**, indicating a **moderate positive correlation** between working capital management practices and product promotion. Similarly, for internal management challenges, the correlation coefficient is 0.39, suggesting a moderate positive correlation. The p-values associated with these correlations are 0.02 for product promotion and 0.03 for internal management challenges. Since these p-values are below the commonly accepted significance level (typically 0.05), the **null hypothesis**—which assumes no significant relationship between variables—**is rejected**. In other words, the observed correlations are statistically significant.These findings imply that there are meaningful relationships between working capital management practices and both product promotion and internal management challenges. Businesses that engage in effective working capital management practices are more likely to have successful product promotion strategies and face fewer internal management challenges. Finally, under long-term financing, all the identified financial management challenges have a remark of **'not significant'**, thereby **accepting the null hypothesis.**

Table 20 Summary Result based on Business Profile

Nature of the Organization			**Number of Years Operating**			**Number of Employees**			**Business Size**		
	f	**%**		***f***	**%**		***f***	**%**		***f***	**%**
L&W	**12**	**40**	**5-10 years**	**3**	**10**	**101-500**	**10**	**33**	**Medium-size**	**30**	**100**
CG	**4**	**13**	**11-15 years**	**14**	**47**	**501-1,000**	**20**	**67**			
E	**14**	**47**	**>15 years**	**13**	**43**						
Total	**30**	**100**	**Total**	**30**	**100**	**Total**	**30**	**100**	**Total**	**30**	**100**

Table 20 shows that summary results based on the business profile of the companies situated in Light Industry and Science Park, City of Cabuyao, Laguna is dominated by Electronics companies composing of 14 out of 30 or 47%, while most the organization are already operating for at least 11-15 years having an employee of 501-1,000 and all are classified as medium-size entity.

Table 21 Summary Result based on Financial Management Practices

Indicators	General Assessment	Verbal Interpretation
Budgeting	**3.44**	**Highly Practiced**
Working Capital Management	**3.63**	**Highly Practiced**
Long-term Financing	**2.96**	**Moderately Practiced**

: 3.25 – 4.00 Highly Practiced *1.75 – 2.49 Slightly Practiced*
2.25 – 3.24 Moderately Practiced *.74 Not Practiced*

Table 21 shows the summary result based on the identified indicators for financial management practices. This showed that budgeting and working capital management practices are **Highly Practiced,** having a general assessment of **3.44** and **3.63**, which means that the respondents demonstrate a strong adherence to these particular financial management practices. This high level of practice reflects their commitment to maintaining financial discipline, ensuring operational efficiency, and achieving sustainable health.In the study of Matsoso et. Al (2021), the results suggested that SMEs in the manufacturing sector update, review, and prepare budgets at different times of the year. This implies that firm attributes such as size, operational scale, number of employees, among others, influence budgetary practices. Further, Lorain et. al (2015) revealed many businesses review their budgets monthly which coincides on Matsoso et al (2021) study that concurred 35.3% engages in a monthly review of their budgets. This kind of reviewing activity helps organization, given that Badem (2016) recommends monthly review to identify budget deviations and rectify such as they become necessary. On the other hand, Kiymaz et al (2023) concludes that company specific factors, such as firm size, growth, profitability, and leverage, influences the efficiency of Working Capital Management. Their study found that country specific variables such as gross domestic products (GDP), interest rate and inflation have varying impacts on a firm's WCM.

Table 22 Summary Result based on Financial Management Challenges

Indicators	General Assessment	Verbal Interpretation
Product Costing	**3.56**	**Very Highly Challenging**
Product Promotion	**2.00**	**Challenging**
Internal Management	**2.21**	**Challenging**
Statutory Mandates	**1.07**	**Less Challenging**

: 3.25 – 4.00 Very Highly Challenging *1.75 – 2.49 Challenging*
2.25 – 3.24 Highly Challenging *.74 Less Challenging*

Table 22 shows the summary result based on the identified indicators for financial management challenges. This showed that product costing is **Very Highly Challenging,** having a general assessment of **3.56**, to the organizations situated in Light Industry and Science Park which demonstrates the complexities and multi-faceted nature of product costing in these sectors. By addressing these challenges proactively, organizations can improve their costing accuracy leading to better financial management, informed decision-making, and enhanced competitive positioning. In the study of Blore (2020) suggests that costing is relevant to SME manufacturing firms, he also identified an opportunity for more research regarding the use of modern programming techniques to improve costing system. Also, Alam et al (2020) finds that most of the companies do not consider any policy for costing even though these are from the same type of industries, hence making it challenging.

Financial Management Best Practices Framework
Budgeting
Objective: to create a financial plan that guides an organization's decisions and actions toward achieving its strategic goals and to effectively, control finances, and support strategic decision-making, ultimately contributing to sustained financial health and organizational success.

Actions:
1. Develop and prepare comprehensive budget plan.
2. Regular monitoring of performance.
3. Conducting variance analysis.

Working Capital Management
Objective: to ensure that an organization has sufficient liquidity to meet its short-term obligations and operational needs while optimizing the efficiency and profitability of its operations.

Actions:
1. Implement robust cash flow forecasting to predict cash requirements.
2. Using idle cash effectively by investing in short-term instruments that offer liquidity and returns.
3. Establish clear credit policies and evaluate creditworthiness of customers to minimize bad debts.
4. Utilize inventory management software to track inventory levels and detect discrepancies.

Long-term Financing
Objective: to secure the necessary capital to support the organization's strategic growth and investment initiatives while maintaining financial stability and optimizing the cost of capital. Long-term financing ensures that an organization can fund significant projects, acquisitions, and capital expenditures over an extended period, aligning with its long-term goals.

Actions:
1. Pay loans on time to have a strong relationship with creditors.
2. Identify major capital expenditures and analyze which will provide wealth maximization.
3. If possible, diversify funding sources to reduce dependency on a single source of funding.

Product Costing
Objective: to accurately determine the total cost of producing a product, which includes direct materials, direct labor, and overhead costs. This accurate cost determination supports various critical business functions, including pricing, budgeting, and financial reporting.

Actions:
1. Prepare a plan to be presented to the parent company to properly align transfer costing, yielding profit to subsidiary unit.
2. Facilitate Cost-Volume-Profit analysis.
3. Measure production efficiency by comparing actual costs with standard costs.

Product Promotion
Objective: to inform, persuade, and remind potential customers about a product, thereby driving sales and building brand awareness.

Actions:
1. Create a product awareness advertisement to boost sales.
2. Offer discounts to attract customers.
3. Provide detailed information about the product, including its features, benefits, uses and availability.

Implementing this focused Financial Management Best Practices Framework can significantly enhance an organization's budgeting accuracy, working capital efficiency, long-term financing, product costing and product promotion strategies. These best practices help in achieving financial stability, supporting strategic growth, and optimizing overall financial performance.

V. SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter presents a comprehensive summary of the findings, conclusions, and recommendations derived from the study conducted about the financial management practices and challenges among the selected companies situated in Light Industry and Science Park, City of Cabuyao, Laguna. The study revealed insights into various aspects of financial management practices, including budgeting, long-term financing, and working capital management. Also, aspects of financial management challenges, including product costing, product promotion, internal management, and statutory mandates.

Summary of Findings : The summary provided below presents the study's findings, which have been derived from a meticulous collection of data and a comprehensive evaluation of the investigation:

1. On the Business Profile of the Organization:

- ❖ In terms of **Nature of the Organization**, 14 or 47% of the respondents answered that they belong to Electronics; 12 or 40% companies responded that are Logistics and Warehousing; and 4 or 13% responded that they belong to Consumer Goods.
- ❖ In terms of **Number of Years Operating**, 14 or 47% of the respondents answered 11-15 years; 13 or 43% companies said they are More Than 15 years; and 3 or 10% are operating within 5-10 years.
- ❖ In terms of **Number of Employees**, 20 or 67% of the respondents has 501-1,000 employees; and 10 or 33% answered that they have 101-500 employees.
- ❖ In terms of **Business Size,** 30 or 100% of the respondents belongs to Medium-size Entity.

2. On the Financial Management Practices:

- ❖ In terms of **Budgeting**
- ❖ It has a general assessment of **3.44**, verbally interpreted as **Highly Practiced.**
- ❖ In terms of **Working Capital Management**
- ❖ It has a general assessment of **3.63**, verbally interpreted as **Highly Practiced.**
- ❖ In terms of **Long-term Financing**
- ❖ It has a general assessment of **2.96,** verbally interpreted as **Moderately Practiced.**

3. On the Financial Management Challenges:

- ❖ In terms of **Product Costing**
- ❖ It has a general assessment of **3.56,** verbally interpreted as **Very Highly Challenging.**
- ❖ In terms of **Product Promotion**
- ❖ It has a general assessment of **2.0**, verbally interpreted as **Challenging.**
- ❖ In terms of **Internal Management**
- ❖ It has a general assessment of **2.21**, verbally interpreted as **Challenging.**
- ❖ In terms of **Statutory Mandates**
- ❖ It has a general assessment of **1,07**, verbally interpreted as **Less Challenging.**

- ❖ On the significant difference on the financial management practices when grouped according to business profile.
- ❖ In terms of **budgeting**, under nature of organization, since the p-value is less than the level of acceptable significance, therefore the **null hypothesis was rejected**. On the other hand, the remaining business profile resulted to accept the null hypothesis.
- ❖ In terms of **working capital management** and **long-term financing**, since all p-values are more than the level of significance, therefore the **null hypothesis was accepted.**

4. On the significant difference on the financial management challenges when grouped according to business profile.

- ❖ In terms of **internal management**, under number of employees, and in terms of **statutory mandates**, under nature of organization, the **null hypothesis was rejected**. Meanwhile, other remaining business profile for both internal management and statutory mandates resulted to accept the null hypothesis.
- ❖ In terms of **product costing** and **product promotion**, since all p-values are more than the level of significance, therefore the **null hypothesis was accepted.**

5. On the significant relationship of financial management practices and challenges.

- ❖ In terms of **budgeting practices**, the result showed that it has a
- ❖ significant relationship to **internal management challenges** having an r-value of 0.39 and a p-value of 0.03, which is below the acceptable level of significance, thereby **rejecting the null hypothesis**.
- ❖ In terms of **working capital management practices**, it showed that **product promotion** and **internal management** has a significant relationship, resulting to an r-value of 0.42 and 0.39, respectively while the p-value resulted to 0.02 and 0.03 which is below the acceptable level of significance, thereby **rejecting the null hypothesis**.
- ❖ In terms of **long-term financing practices**, the results not significant, therefore, the **null hypothesis is accepted**.

Conclusions : Based on the extensive analysis of the study findings, significant conclusions have been drawn, unveiling crucial insights and implications. These conclusions serve as a gateway to a comprehensive understanding of the research topic, revealing valuable findings that can guide future actions and decision-making.

1. The business profile of the organizations situated in Light Industry and Science Park, City of Cabuyao, Laguna revealed several key characteristics: Medium-size entity classification, electronics industry dominance, longevity, and workforce size.

   A significant portion of the companies identified themselves as medium-sized entities. Meanwhile, majority of the of the companies in the Light Industry and Science Park belong to the electronics industry. Also, the companies have been operating for a considerable period indicating a level of stability and experience within the industry. Additionally, a significant portion of these companies have a workforce size ranging suggesting a substantial level of employment and organizational capacity. The garnered insights are essential for stakeholders, policymakers, and industry players to formulate targeted strategies, address challenges, and capitalize on opportunities for economic growth and development.

2. The financial management practices related to *budgeting and working capital management* are *highly* practiced among organizations situated in the Light Industry and Science Park, City of Cabuyao, Laguna. Conversely, long-term financing practices are observed to be moderately practiced.
   Further, these observations concludes that the high level of practice in budgeting and working capital management indicates that organizations prioritize short-term financial efficiency and liquidity management. These practices are crucial for day-to-day operations and ensuring that the company has sufficient resources to meet its immediate financial obligations. While the moderate level practice of long-term financing suggests that while organizations recognize the importance of securing financing for future growth and expansion, they may not prioritize long-term financial planning as much as short-term financial management. This could be due to factors such as perceived stability in current financial conditions or a focus on more immediate operational concerns. Also, to highlight that the organizations, when they prioritize to borrow funds from outside, they make sure paying the loan on time, this is to ensure that the organization is committed and building strong bond to their creditors.

3. The study highlights various financial management challenges faced by organizations located in the Light Industry and Science Park, City of Cabuyao, Laguna. Among these challenges, product costing emerged as the most significant, with product promotion and internal management also posing notable difficulties. In contrast, statutory mandates were perceived as less challenging. The high level of challenge in the product costing suggests that organizations in the Light Industry and Science Park encounter significant complexities in accurately determining the costs associated with their products. This could include factors such as raw material costs, production overheads, and labor expenses, all of which require careful tracking and management to ensure profitability. Additionally, the observation that many companies in the locale operate as subsidiaries with their parent companies often dictating product costing strategies as part of the centralized costing standards, cost allocation and transfer pricing, compliance and reporting requirements, and operational efficiency and profitability.

4. Based on the analysis of financial management practices, when grouped according to the business profile variable, revealed a significant difference in budgeting practices based on the nature of the organization. This implies that the organization situated in Light Industry and Science Park, City of Cabuyao, Laguna has different ways or uniqueness in terms of budgeting requirements and priorities based on their organizational goals and objectives, funding sources and stakeholder's expectations. Also, it suggests that organizations of varying natures allocate resources differently and prioritize spending in distinct ways. Further, budgeting plays a pivotal role in strategic decision-making, influencing resource allocation, investment decisions, and organizational priorities.By understanding these differences among the organizations situated in Light Industry and Science Park, the management can optimize their budgeting processes through streamlining, improve decision-making and achieve greater heights for wealth or profit maximization.

5. Based on the analysis of financial management challenges, when grouped according to the business profile variable, revealed a significant difference in internal management based on the number of employees and a significant difference in statutory mandates based on the nature of organization.The significant difference in internal management challenges based on the number of employees suggests that organizations of varying sizes face distinct internal management issues. An organization with more employees may

encounter complexities related to workforce management, communication, and coordination, whereas other organizations may face challenges associated with limited resources and capacity. Also, organizations experiencing significant internal management challenges, particularly those with a larger number of employees, may need to allocate resources towards implementing effective human resource management practices, organizational development initiatives, and employee training programs. This can help address issues related to employee morale, productivity, and performance and proper dissemination of information regarding the company's code of conduct particularly related to pilferage and theft which may affect the organization's financial position. On the other hand, the significant difference in statutory mandates based on the nature of organization indicates that different types of organizations face unique regulatory compliance requirements and highlights the diverse regulatory environment that different organizations operate within the premise of Light Industry and Science Park. Also, industry-specificity can be concluded, this means that other organizations might experience a stringent compliance obligation while the others may have a different regulatory considerations or much simpler ways in reporting to compliance.

6. Based on the findings, there is a significant relationship between budgeting and internal management, as well as working capital management between product promotion and internal management. To elaborate, the significant relationship between budgeting and internal management suggests that effective budgeting practices are closely intertwined with internal management processes. Organizations that prioritize strategic budgeting are likely to have better internal management practices, including resource allocation, cost control, and decision-making. Also, this concludes that the organization with effective budgeting are better equipped to monitor performance metrics, identify deviations (shortage or surplus) of materials and other calculable standards, and take corrective actions to address these inefficiencies.

   Meanwhile, the significant relationship between working capital management and both product promotion and internal management can conclude that efficiently managing working capital while effectively promoting the products are better positioned to optimize internal processes and achieve operation efficiency. This underscores the importance of integrating financial ang marketing strategies to achieve operational efficiency and competitive advantage.

Recommendations : The following recommendations have been formulated based on the summarized findings and derived conclusions:

1. In terms of business profile, the researcher recommends to the stakeholders implement tailored programs and incentives that cater the needs of medium-sized entities, such as accessing to financing, tax benefits, and regulatory support. Moreover, given the dominance of the electronics sector, initiatives such as technological innovation grants, R&D support, and partnerships with educational institutions to maintain and advance the industry's technological leadership. By implementing these recommendations, it can effectively address current challenges and harness the potential of the companies situated in Light Industry and Science Park, thereby driving sustainable economic growth and development in the region.

2. In terms of budgeting, the researcher recommends to the company-financial managers /accountants to regularly review and update the budget because economic conditions, market trends, and internal factors can change over time. By regularly reviewing and updating the budget allows the organization to adapt to these changes, ensuring that financial plans remain relevant and responsive to current circumstances. Also, as new information becomes available and uncertainties are resolved, updating the budget can improve its accuracy and precision. This helps in better forecasting of revenues, expenses, and cash flows, enabling more informed decision-making and ensures that financial resources are allocated in alignment to strategic objectives, maximizing the likelihood of goal achievement. Further, checking the budget regularly will be a way to discover variances between planned and actual performance, by this action, it can enable the management to take corrective action when necessary and capitalize on the emerging opportunities that may not have been initially accounted for in the budget. In terms of working capital management, the researcher recommends to the company-financial managers/accountant to invest in short-term investments such as marketable securities can be a prudent strategy for a more effective working capital management because short-term assets provide organizations with a liquid asset that can easily be convertible into cash if needed. This enhances the liquidity management by ensuring that the funds are easily accessible to meet short-term financial obligations, such as paying suppliers or covering unexpected expenses. Moreover, by investing excess cash in a relatively low-risk market, organization can earn interest or dividends, thereby creating additional income that can support the organization's operation which can still be reinvested for future growth. Noting that organization that are willing to invest in a short-term investment portfolio should assess their specific financial objectives, risk tolerance and

liquidity needs before pushing such investment strategies. In terms of long-term financing, the researcher recommends to the company-financial managers/accountant to track their long-term debt to equity ratio because it provides valuable insights into the financial health, leverage position, and assessment of the organization's ability to meet long-term financial obligations and manage debt levels effectively. Moreover, this ratio is a key determinant of the organization's capital structure and evaluation of the best optimum financing that is appropriate and substantial to the organization. This also allows the organization to strike a balance between leveraging debt to fund growth opportunities and maintaining financial stability by avoiding excessive debt levels.

3. In terms of product costing, since most of the organizations has a parent-subsidiary relationship thereby affected by a 'transfer pricing', the researcher recommends that subsidiaries company's financial managers/accountants should generate a report submitted to their parent company to properly allocate cost to properly adjust cost without hurdling the business operations. By this action, the organization can ensure that intercompany transactions are conducted at arm's length, reflecting fair market value and aligning with transfer pricing regulations and guidelines (with considerations to its relationship).In terms of internal management, the researcher recommends to the company-financial managers/accountant and department heads to allocate a fund that will be used in the repairs and maintenance of machines to avoid a much larger expense or worst, buying a new one. Besides, allocating funds for this kind of expense is a proactive recommendation for effective internal management. Further, by investing in regular maintenance and timely repairs, organization can prolong the lifespan of the machinery, optimize operational efficiency, and minimize downtime and disruptions to production processes.On the other hand, it is important that the management could make time assessing the risks of the changes in the market thread to ultimately strategize future risk. Assessing market risks enables organizations to identify potential threats and opportunities arising from changes in the market environment. By conducting thorough risk assessments, organizations can anticipate market trends, competitive pressures, regulatory changes, and other external factors that may impact their business operations and profitability. Noting that, by staying abreast of market dynamics and ensuring operational readiness, organization can respond effectively to changes in market conditions, and position the organization's long-term success.In terms of statutory mandates, the researcher recommends to the company's management to continually comply with the statutory impositions by the local authorities that dealt with taxes, adherence to labor laws and employee management to ensure proper handling of labor issues not only ensures legal compliance but a positive working environment and enhances employee satisfaction. Also, it is recommended to establish a comprehensive compliance program that include regular training for employees on statutory mandates and best practices. This ensures that all levels of organization are aware of and understand the importance of compliance.

4. The researcher recommends developing customized budgeting frameworks tailored to the needs of the organization. Recognize the unique budgeting requirements based on the organizational goals, funding sources, and stakeholder expectations. This ensures that the organization's budget align with its strategic objectives. Also, conduction of benchmarking studies to identify best practices in budgeting across similar organizations, sharing these practices through workshops, seminar, and collaborative forums to help organizations learn from each other and improve one's practices. Lastly, establish a clear performance metrics to evaluate the effectiveness of budgeting practices. Regularly review and assess the metrics to identify areas for improvement and ensure that budgeting processes contribute to the overall strategic goals of the organization.

5. The researcher recommends investing in training and development programs tailored to the needs of organizations of varying sizes. These programs should cover essential skills, company policies and specific issues such as pilferage and theft prevention and by establishing internal controls and security measures preventing such actions. Moreover, for those organizations facing significant statutory mandates, develop industry-specific compliance framework because it should be designed to meet the unique regulatory requirements of each organization type. By implementing these recommendations, organizations in the Light Industry and Science Park can address internal management challenges based on their size and their compliance with statutory mandates.

6. The researcher recommends developing an integrated budgeting processes that aligns closely with internal management practices. This includes establishing strategic budgeting frameworks that facilitate efficient resource allocation, cost control, and informed decision-making. Also, the organization can establish a robust performance monitoring systems to track key metrics related to budgeting and internal management; regularly monitoring financial performance, identify deviations in materials usage, costs, and their other calculable standards, and implement corrective actions promptly. On the other hand, it is also recommended to focus

optimizing working capital management to ensure that sufficient resources are available for product promotion and internal management activities.

7. To advance future research in field the study of financial management practices and challenges, several recommendations can be made to the future researchers. To begin, it can be noted that financial management is broad in practice which can include comprehensive analysis of financial ratios which includes but not limited to liquidity ratios, profitability ratios and asset management ratios. Understanding how these ratios are utilized by different types of companies can provide insights into their financial health and decision-making processes. Also, the future researchers can investigate the various risks associated with financial management, such as market risk, credit risk, operational risk, and liquidity risk. Analyze how companies identify, assess, and mitigate these risks. The impact of external factors such as economic downturns, regulatory changes, and technological advancements on risk management practices can also be explored. Additionally, conducting a comparative study across different industries, regions, and company sizes to identify unique financial management practices and best practices. This can help in understanding the contextual factors that influence financial strategies and outcomes. Furthermore, exploring the methodologies and tools used by the organization for financial models that can impact the strategic decision-making process.

PART II: Financial Management Practices

Instruction: Answer the questions below based on the below scaling:

4 = Always Practiced *2 = Sometimes Practiced*

3 = Often Practiced *1 = Never Practiced*

What are the financial practices of your organization in terms of:

1. Budgeting

	Indicators	**4**	**3**	**2**	**1**
	The organization….				
1	forecasts the future sales / demand of the goods to know the possible income that can be generated of the organization.				
2	budgets the expected future operating expenses of the business to monitor and control these expenses relating to operations.				
3	delegates the budgeting per department and allows each department to their own schedule.				
4	reviews the budget quarterly to find variances and know where these variances came from.				
5	revises the budgeted amount for the month because of unexpected expenses necessary in the business operations.				

2. Working Capital Management

	Indicators	**4**	**3**	**2**	**1**
	The organization…..				
1	strictly monitors the current assets to know the organization's liquidity level and its importance in the day-to-day operation.				
2	strictly monitors the current liabilities to avoid penalties and maintain strong relationship with suppliers and vendors.				
3	tracks the working capital to know if the firm has an adequate cash flow to meet short-term debt or obligations and expenses.				
4	monitors the inventory levels to identify fast-moving, moderately moving, and slow-moving inventory and allowing timely action that could increase profit and reduce costs.				
5	invests in short-term investments such as marketable securities to have additional income with lower risk, making it as a stable option.				

3. Long-term Financing

	Indicators	4	3	2	1
	The organization….				
1	Seeks financial assistance from outside the business for capital expansion purposes.				
2	pays their loan on time to have strong relationship to creditors.				
3	obtains loan to finance a long-term asset to increase the firm's operating capabilities.				
4	tracks their long-term debt to equity ratios to assess the firm's credit image is reputable and trustworthy of the funds being loaned.				
5	prioritizes long-term financing rather than equity financing because the latter is often expensive in terms of paying of dividends.				

PART II: Financial Management Challenges

Instruction: Answer the below question based on the below scaling:
4 = Very Highly Challenging 2 = Challenging
3 = Highly Challenging 1 = Less Challenging

What are the financial challenges of your organization in terms of:

4. Product Costing

	Indicators	4	3	2	1
	The organization….				
1	sets the prices of their product based on the determination of pricing. (e.g product cost, competitor's pricing)				
2	reviews the costing of their product annually.				
3	has a bidding process to the suppliers to contract lowest bid and of quality.				
4	sets the product costs based on the mother company's directives.				
5	evaluates the product costing and adjust it when needed.				

5. Product Promotion

	Indicators	4	3	2	1
	The organization….				
1	engages in online advertisement to boost sales.				
2	offers discounts to regular customers, bulk purchases to increase sales and encourage paying in cash or within the discount period offered.				
3	offers a 'seasoned' product or services which causes fluctuations of the profit/loss of the organization.				
4	pays a celebrity endorser/ambassador to encourage a wide range of potential market to patronage the product/services offered.				
5	values cost-benefit principle and ensures that benefit outweigh in the analysis				

6. Internal Management.

	Indicators	4	3	2	1
	The organization….				
1	experiences internal theft and pilferage that affects the business financial position.				
2	requires maintenance of machines, equipment and other property, plant and equipment.				
3	Assesses the changes in the market thread that poses risks and advertently strategize to counter this future risks.				
4	has experienced Acts of God (natural disasters) and able to cope-up again.				
5	has experienced poor internal cash flow management but able to find other ways to improve it.				

Purpose of the Study	The researcher wanted to conduct this study to know and have a glimpse on how a business thrive inside an ecozone where discipline, practices and challenges are visible and can be used by those SMEs outside the ecozone. Practices that will yield profit and mitigate the risk through identified challenges can help other enterprises successful in the market. The mere fact that there is a recent global catastrophic event, the research could be a useful tool to know the best practices they made to thrive and survive, have they tried internal borrowings or external borrowings, and to what extent and resort that each company made just to gain profit despite of the environmental adversities.
Risks, Benefits, or Discomforts of the Study	The following are the potential risks, benefits, or discomforts of participating in this study: Risks. There may be risks associated with participating in this study. We will take all necessary precautions to minimize these risks. ☐ Physical risks include physical discomfort, pain, injury, illness or disease brought about by the methods and procedures of the research. A physical risk may result from the involvement of physical stimuli such as noise, electric shock, heat, cold, electric magnetic or gravitational fields, etc. Engaging a subject in a social situation which could involve violence may also create a physical risk. ☐ Psychological risks include the production of negative affective states such as anxiety, depression, guilt, shock and loss of self-esteem and altered behavior. Sensory deprivation, sleep deprivation, use of hypnosis, deception or mental stresses are examples of psychological risks. ☐ Social/Economic risks include alterations in relationships with others that are to the disadvantage of the subject, including embarrassment, loss of respect of others, labeling a subject in a way that will have negative consequences, or in some way diminishing those opportunities and powers a person has by virtue of relationships with others. Economic risks include payment by subjects for procedures not otherwise required, loss of wages or other income and any other financial costs, such as damage to a subject's employability, as a consequence of participation in the research. ☒ Loss of confidentiality ☒ Legal risks exist when the research methods are such that the subject or others will be liable for a violation of the law, either by revealing that the subject or others have or will engage in conduct for which the subject or others may be criminally or civilly liable, or by requiring activities for which the subject or others may be criminally or civilly liable. Benefits. You may benefit from this research. However, we cannot guarantee that you will receive any benefits from participating in this study. ☐ Contribute to the advancement of scientific knowledge ☒ Develop participants' new skills or learn more about themselves. ☒ Receive access to resources, such as support groups or educational materials, that may be beneficial to their health or well-being. ☐ Receive access to interventions or treatments that could improve their health outcomes. ☒ Receive compensation. Discomforts There may be discomfort associated with participating in this study. We will take all necessary precautions to minimize these discomforts. ☒ Time Commitment: Participating in this study may require a significant amount of time and effort on your part, including attending appointments and completing questionnaires or other assessments.

	☐ Emotional Distress: Some participants may find that discussing sensitive topics or answering personal questions can cause emotional distress or discomfort. ☐ Physical Discomfort: Depending on the nature of the study, there may be physical discomfort associated with participating, such as experiencing side effects from medication or undergoing a medical procedure. ☒ Confidentiality Concerns: While we will take all reasonable steps to protect your confidentiality, there is always a risk that your information could be inadvertently disclosed. ☒ Unforeseen Risks: Despite our efforts to minimize risks and discomforts, there may be unforeseen risks or discomforts associated with participating in this study that we cannot anticipate
Duration of Participation:	Your participation in this study will take approximately 1 month to complete.
Confidentiality:	We will take all reasonable steps to ensure that your information is kept confidential. However, there are certain circumstances where we may be required to disclose your information, such as if we suspect that you or someone else may be at risk of harm. In addition, your de-identified data may be used in future research.
Voluntary Nature of Participation:	Participation in this study is entirely voluntary, and you have the right to withdraw from the study at any time without penalty or loss of benefits to which you are otherwise entitled. If you choose to withdraw from the study, any data that you have provided up to that point will still be used in the study, unless you specifically request that it be deleted.
Contact Information:	If you have any questions or concerns about the study, you can contact the researchers at 09265732151. If you have any concerns about your rights as a participant, you can contact the Research Ethics Review Committee (RERC) at rdd@pnc.edu.ph
Consent:	By signing below, you indicate that you have read and understood the information provided above and that you voluntarily agree to participate in this study.

7. Statutory Mandates

	Indicators	4	3	2	1
	The organization…..				
1	has experienced problems in securing renewal permits to local authorities.				
2	has experienced some problems in imposing taxes from different agencies.				
3	has experienced some problems in labor disputes.				
4	poses a problem in the complexity and strict adherence to LISP's rules and standards.				
5	faces problems that relates to filing and paying taxes to local authorities.				

Research Project Title	Financial Management Practices and Challenges among the selected companies in Light Industry and Science in City of Cabuyao, Laguna			
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INFORMED CONSENT FORM

You are being invited to participate in a research study. Before you decide whether to participate, it is important that you understand why the research is being done and what your participation would involve. Please read the following information carefully and take time to ask any questions that you may have. You are free to choose whether or not to participate in this study. If you do not want to participate, you do not have to give a reason, and your decision will not affect any relationship you may have with the researchers or the institution.

Name of the Research-Participant	Signature	Date

Use Another page, if needed.

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DEDICATION

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