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Effect of Cash Management Practices on the Profitability of Selected Restaurants in Tagaytay City, Cavite

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Abstract
The study aimed to assess the effects of cash management practices on the profitability of casual dining restaurants operating for at least five years in Tagaytay City, Cavite. Using a quantitative approach, the researchers collected data from 64 respondents, including business owners, managers, and accountants, through a survey via a validated questionnaire. Results showed that cash management practices such as cash maintenance, controlling cash flows, floats on cash payments, cash collection systems, and safeguarding of cash were commonly practiced and had a significant influence on profitability, particularly on liquidity, return on investment (ROI), and return on equity (ROE). The researchers found significant differences in cash management practices based on age and educational attainment. Age had a highly significant effect on the cash collection system and safeguarding of cash, and it significantly affected the control of cash flow and floats on cash payments. Educational attainment significantly impacted all practices except cash maintenance. Moreover, the effects of cash management practices on profitability varied with age, particularly in terms of liquidity and ROI. The study concluded that consistent and effective cash management was essential to the profitability of casual dining restaurants in Tagaytay City's tourism-driven market.

Keywords: Cash Management Practices, Casual Dining Restaurants, profitability

1. Introduction

Cash plays a crucial role in every business, and customers still pay with cash even in the face of widespread technology and online payment options. Being the most liquid asset a company could have, it was subject to fluctuation, making the assumption of cash consumption uncertain and inconstant. Its importance extended beyond mere transactions, as companies primarily used it to thrive on funding their operations, paying expenses, repaying investors, and financing future expansion. However, in instances where a business had too much or too little cash on hand, despite gaining profit, trouble in managing finances would persist. With money remaining a significant mode of daily transaction, there had to be effective management of this kind of resource for a business to thrive in its respective industry.

According to Sharma (2024), cash management encompasses the efficient handling of a company's cash resources. This process includes managing bank accounts, ensuring sufficient funds for short-term needs,

and making informed investment decisions. By implementing effective cash management practices, businesses could pay their financial obligations on time, avoid unnecessary debt, and use their resources wisely for growth.

In today's increasingly complex economy, the restaurant industry plays a vital role beyond providing dining experiences, as it contributes significantly to local economic development. By dining at local establishments, communities preserve not just recipes but also agriculture by supporting regional farms that supply fresh and seasonal ingredients to restaurants, helping sustain local food production; local jobs by creating employment opportunities for people of all ages and skill levels; and local taxes by generating revenue reinvested into community services, infrastructure, and public programs, thus strengthening the local economy (Cumberland Valley, 2021).

Generating profit is the primary objective of any business. The remaining net income after deducting all expenses from revenue determines profitability. This can be measured using financial indicators such as Liquidity, Return on Investment (ROI), and Return on Equity (ROE). If a company fails to generate profit, people question its viability. Even businesses currently performing well and appearing to have promising futures may face serious challenges if they cannot maintain consistent profitability.

Therefore, business leaders must clearly understand their company's profitability to assess whether their products or services are viable and sustainable (Datarails, 2023). In this context, Cardoso (2019), founder and CEO of CloudCfo Inc. Philippines, noted that restaurants in the Philippines operate with many moving parts, and even minor changes in daily operations can significantly impact financial outcomes. He further emphasized the importance of strong financial controls, cautioning that without them, management could quickly lose sight of profitability.

A key aspect of such controls is cash maintenance, which ensures the business has enough funds to keep the operations running smoothly. Similarly, companies must carefully track incoming and outgoing cash to control cash flows and avoid financial hiccups. Moreover, cash payment floats also play a crucial role, as delays between payment and the cash reaching the account can affect the business's available funds. Furthermore, an efficient cash collection system assists prompt revenue capture by managing how money is collected and handling the collected funds effectively. Additionally, safeguarding cash through secure processes and systems is essential to prevent theft, fraud, or loss, ultimately protecting the business's financial health.

As Tagaytay City drew over 6.5 million same-day visitors in the fourth quarter of 2023, the Provincial Tourism Office made it Cavite's top tourist destination. Furthermore, City Mayor Abraham Tolentino stated that the city's majestic scenery, the breathtaking view of the world-famous Taal Volcano, and the friendly attitude of its residents' attracted tourists from various places. On top of that, popular restaurants in the city cater to couples, families, barkadas, and even singles. Hence, Mayor Tolentino anticipated that this number would increase in 2024 and the years to follow, highlighting the city's growing appeal to both residents and visitors (Philstar, 2024).

McCann (n.d.) stated that managing cash was a separate talent from creative cuisine and courteous hospitality. However, many entrepreneurs lacked accounting training, making handling restaurant finances a significant challenge. In addition, statistics revealed a concerning reality in the restaurant industry, as its lifespan was disturbingly short. After their first year, about 60% of restaurants failed; after five years, that number jumped to 80%. Key elements like securing desirable locations and implementing effective cash management practices determine a restaurant's success (Integrated Cash Logistics, 2024).

With this in mind, business owners must recognize that success is never guaranteed. Businesses had to set limitations on their spending and ensure that their earnings were allocated to the right resources to thrive in such a volatile industry.

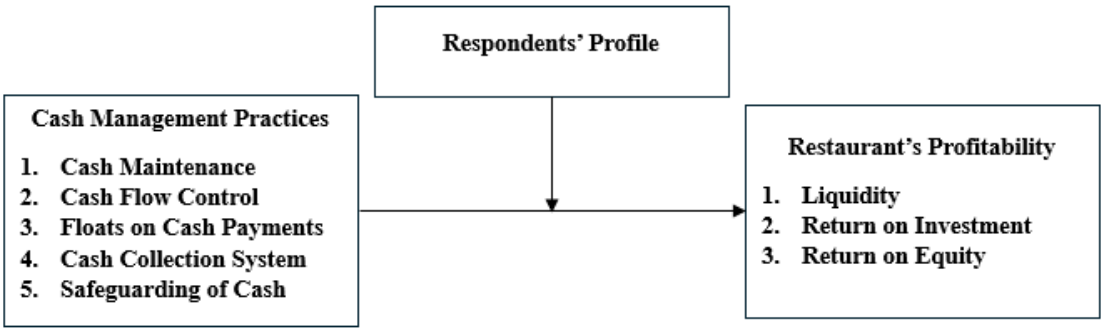
While existing studies on cash management have extensively covered various business sectors, a noticeable gap in research focused on the restaurant industry remains. A common misconception is that everything runs smoothly if a restaurant has customers and generates revenue. However, this perspective overlooks the complexities of cash management in the restaurant industry, where daily cash inflows and outflows are frequent and often unpredictable. Poor cash management can put even a profitable business at risk of failure.

Previous research has reviewed cash management practices across various industries, but no one has thoroughly analyzed how these practices translate to a restaurant's profitability or how implementing such financial controls can help businesses avoid solvency threats. These controls also contribute to thriving in a dynamic and competitive environment by improving profitability and economic stability. This gap highlights the need for future research to provide valuable insights for business owners into the complexities of this evolving industry.

This study aimed to determine how the cash management practices of these establishments influenced their profitability, given the unique dining experiences they offered. By monitoring cash flow and understanding how cash management impacts their business, restaurants can identify areas for improvement and increase their chances of long-term survival. As they continue to navigate the industry, it becomes necessary to prioritize cash management to keep the business profitable and successful in a competitive market. Resilience and sustained growth depend primarily on how well a restaurant manages its finances.

1.1 Conceptual Framework

Figure 1. Research Paradigm



The study's conceptual framework involved the integration of the respondents' profiles as an intervening variable that may influence a difference in the cash management practices implemented and the effect of these cash management practices on profitability. Hence, the researchers determined how restaurant owners, managers, and accountants in Tagaytay City implement cash management practices considering the above-mentioned sub-variables. It then identified if cash management practices contribute an effect to the profitability of the restaurants, which was measured using their liquidity, ROI, and ROE ratios, as well as if there's a significant difference between their cash management practices and its effects to restaurants' profitability, with the respondents' profiles taken into consideration.

1.2 Statement of the Problem

1.2.1 What is the demographic profile of the participants in terms of:
1.2.1.1 age;
1.2.1.2 sex;
1.2.1.3 highest educational attainment;
1.2.1.4 position held in the restaurant; and
1.2.1.5 length of service?
1.2.2 What are the cash management practices of selected restaurants in Tagaytay City, Cavite, in terms of:
1.2.2.1 cash maintenance;
1.2.2.2 controlling cash flows;
1.2.2.3 floats on cash payments;
1.2.2.4 cash collection system; and
1.2.2.5 safeguarding of cash
1.2.3 What are the effects of cash management practices on the profitability of selected restaurants in Tagaytay City, Cavite, in terms of:
1.2.3.1 liquidity;
1.2.3.2 return on investment (ROI); and
1.2.3.3 return on equity (ROE)?
1.2.4 Is there a significant difference between the profile of the participants and the cash management practices of selected restaurants in Tagaytay City, Cavite?
1.2.5 Is there a significant difference between the profile of the participants and the effects of cash management practices on the profitability of selected restaurants in Tagaytay City, Cavite?
1.2.6 What recommendations shall be proposed to improve the cash management practices and allow more profitable opportunities for restaurants in Tagaytay City, Cavite?

1.3 Hypothesis

$H0_1$ – There is no significant difference exists between the participants' profiles and the cash management practices of selected restaurants in Tagaytay City, Cavite.
$H0_2$ - There is no significant difference between the participants' profiles and the effects of cash management practices on the profitability of selected restaurants in Tagaytay City, Cavite.

1.4 Scope and Limitation of the Study

This study focused on how cash management practices affect restaurants' profitability in Tagaytay City, Cavite. It also assessed the demographic profile of the participants, including their age, sex, highest educational attainment, position held in the restaurant, and length of service. In addition, it identified the cash management practices used with regards to cash maintenance, controlling cash flows, floats on cash payments, cash collection system, and safeguarding of cash, as well as their effect on profitability in terms of liquidity, ROI, and ROE. Moreover, this figured out if participants' profiles and cash management practices of selected restaurants had a significant difference between the profiles and cash management practices' effects on profitability, which were all done using a survey questionnaire. Furthermore, the study only focused on selected restaurants in Tagaytay City, Cavite, operating for at least five (5) years,

and the respondents were limited to either the business owners, managers, or accountants of the said restaurants.

With that in mind, the researchers selected casual restaurants in Tagaytay City, Cavite, because the city attracts many locals and tourists. This type of restaurant was significant in catering to these populations, which experienced fluctuating revenue streams that made cash management practices difficult, particularly during the peak and off-peak seasons. It excluded other types of restaurants—fast food and fine dining, to name a few. Fast food operated with high volume, low-profit sales with rapid customer turnover, as they received a lot of walk-in orders and provided less table service time, which led to a quicker cash flow cycle, while fine dining often had longer table turnover times and relied on reservations, which resulted in more predictable but less frequent revenue inflows. They also operated with lower volume but higher margin sales. These patterns contrasted with casual dining, where cash flow resulted from a blend of walk-in customers and reservations, producing a stable income and fluctuating cash inflow that demanded unique cash management practices. Restaurants in hotels were excluded from the study to maintain a focus on independent casual dining restaurants, which operated with distinct financial and operational characteristics.

Moreover, this study utilized liquidity, ROI, and ROE as profitability measures, thoroughly assessing restaurants' financial status and operational performance. Liquidity measures how restaurants handle short-term financial obligations to ensure smooth operations. Businesses use ROI to gauge the effectiveness of investments in generating profits, while they use ROE to assess how well they utilize equity to create returns for shareholders. When analyzed together, these indicators helped delve into how cash management practices impacted overall profitability, especially in a dynamic market like Tagaytay City.

The study did not include restaurants operating for four years or less to focus on restaurants with a more established history, as they likely had more consistent and reliable data on cash management practices and profitability. By studying these well-established businesses, the research aimed to better understand the long-term effects of cash management practices on profitability, as these restaurants had likely developed stable operations and more predictable financial trends.

The study did not rely on the actual financial statements or numerical figures of profitability indicators of restaurants. Instead, it focused on the perceptions and experiences of restaurant owners, managers, or accountants regarding how their cash management practices affected their profitability. This approach prioritized subjective insights over financial analysis, capturing how these practices played out in daily operations rather than just on paper.

Lastly, there were limitations beyond the researchers' control; some casual dining restaurants declined to participate due to their confidentiality policies. As a result, only 64 out of the 67 distributed questionnaires were retrieved and analyzed.

2. Methodology

The study used a quantitative research design, employing survey questionnaires and statistical methods to analyze the impact of cash management practices on restaurant profitability. The research applied a descriptive-comparative method to compare cash management practices and profitability without implying cause-and-effect relationships.

A purposive sampling method was used to select casual dining restaurants in Tagaytay City that had been operating for at least five years. The researchers included 67 restaurants in the study, and 64 responded.

The participants were restaurant owners, managers, or accountants from 64 casual dining restaurants that met the criteria of having operated for five years. The list of restaurants was sourced from the Tagaytay Tourism Office. The study was conducted in casual dining restaurants in Tagaytay City, Cavite, a prominent tourist area known for its restaurant industry.

A survey questionnaire, validated by experts and tested for reliability with a pilot group, was used. It included sections on demographic information, cash management practices (e.g., cash maintenance, controlling cash flows), and profitability (e.g., liquidity, ROI, ROE). A four-point Likert scale was used to evaluate responses.

The data was gathered through surveys distributed to restaurant respondents in Tagaytay City. Researchers ensured reliability through Cronbach's Alpha tests, confirming good internal consistency for the cash management practices and profitability sections. Participants were given consent letters, and the study adhered to ethical standards. Statistical techniques such as percentages, mean, standard deviation, and Mann-Whitney U Test were applied to analyze the data. The researchers used these methods to measure participants' profiles, cash management practices, and profitability effects, and to test for significant differences based on demographic factors.

3. Results and Discussion

Table 1: Demographic Profile of the Participants of the Study

Profile	Category	Frequency N=64	PERCENTAGE
Age	21-30 years old	30	47%
	31-40 years old	26	41%
	41-50 years old	5	8%
	51 years old and above	3	4%
Sex	Male	31	48%
	Female	33	52%
Educational Attainment	College Undergraduate	6	9%
	College Graduate	56	88%
	Master's Degree	2	3%
Position held in the restaurant	Accountant	8	13%
	Manager	46	72%
	Business Owner	10	15%
Length of service	Less than 5 years	19	30%
	5-10 years	37	58%
	More than 10 years	8	12%

Age. Of the 64 individuals who participated in the study, 30 respondents (47%) belonged to the 21 to 30 age group, making them the majority. In contrast, only 3 participants (4%) were 51 and above, making them the least represented. These results show that most respondents were younger, while only a small portion came from the older age group. The findings aligned with the study of Tolentino et al. (2024) entitled “Mental Well-Being and Management Support of Quick Service Restaurant Employees in the 4 Cities of Batangas”, which showed that 60 (57.14%) of restaurant employees were aged 21-30,

highlighting the strong presence of younger individuals which provides fresh insights into the dynamics of the restaurant industry.

Sex. The study results indicated that 33 participants, representing 52% of the respondents, were female, while 31 or 48% were male. This result suggests that women had a more significant presence in the industry. Data from the Bureau of Labor Statistics in the United States, cited in Amick's (2021) article, support these findings. The report shows that 61% of adult women have worked in the food industry at some point, with 39% starting their careers in a restaurant. Additionally, women hold nearly half of all food service management positions and own a majority stake in one-third of all restaurant businesses nationwide.

Educational Attainment. The results indicated that, out of 64 participants, 88% were college graduates, while only 3% held a master's degree. This distribution reflects a dominance of participants who graduated from college, while advanced degree holders represented a small portion of the population. Similarly, Cengage Group's Employability Report (2022) revealed that 62% of employers required a degree for entry-level jobs, underscoring the continued importance of higher education in the hiring process. This finding highlighted the ongoing expectation that candidates possessed at least a basic higher education level before entering the workforce, signaling that a degree remained a key credential in many industries.

Position Held in the Restaurant. Among the 64 participants of the study, 46 (72%) of them were restaurant managers, 10 (15%) of them were restaurant owners, and 8 (13%) of them were accountants. This result shows that managers were most present during the operating days of casual dining restaurants compared to restaurant owners or accountants. According to Schalow (2020), managers played a crucial role in the front-of-house and back-of-house operations of the restaurant, taking control of various tasks – from customer service, inventory management, and operations to financial responsibilities on a day-to-day basis.

Length of Service. The results showed that 58% of the respondents had worked in their restaurants for 5 to 10 years, while only 12% had been with their establishments for over a decade. These findings suggest that most respondents had already gained substantial experience in handling the complexities of the food industry. Reed (2024), in the Expert Market's Food & Beverage Industry Report, supported these findings by stating that the average length of employment in the industry was 10 years, with 55% of individuals having worked for 8 years.

Table 2: Cash Management Practices of the Restaurants

Indicators	Mean	Standard Deviation	Interpretation
1. Our restaurant implements a target cash balance policy to sustain our operations.	3.59	0.58	Highly Practiced
2. Our restaurant periodically adjusts the target cash balance in accordance with key factors such as operating expenses, payroll, and economic conditions.	3.58	0.56	Highly Practiced
3. Our restaurant ensures that our cash balance does not fall below the minimum required to cover daily operational expenses.	3.58	0.59	Highly Practiced

4. Our restaurant sets the target cash balance based on historical financial data, seasonal changes, and financial projections.	3.50	0.56	Highly Practiced
5. Our restaurant strategically implements reduction of expenditures during a cash shortage.	3.39	0.61	Highly Practiced
6. Our restaurant ensures that our surplus funds are used in helping to maintain cash balances at a reasonable level.	3.38	0.55	Highly Practiced
7. Our restaurant has a predefined upper cash limit to manage excess funds effectively.	3.36	0.60	Highly Practiced
8. Our restaurant invests our excess cash balance in marketable securities to avoid making cash idle.	3.11	0.78	Moderately Practiced
9. Our restaurant sells short-term securities whenever we experience cash shortage.	2.77	0.79	Moderately Practiced
OVERALL MEAN	**3.36**	**0.41**	**Highly Practiced**

The results showed that restaurants most frequently implemented a target cash balance policy to sustain their operations, earning the highest mean score of 3.59 with a standard deviation of 0.58. This highlights the importance of setting clear guidelines to maintain ideal cash levels, avoid shortages and surpluses, and manage cash effectively when fluctuations occur. In contrast, selling short-term securities during cash shortages received the lowest mean score of 2.77 and a standard deviation of 0.79, indicating that restaurants rarely used this strategy. With an overall mean of 3.36 and a standard deviation of 0.41, the data confirmed that restaurants consistently practiced strong cash management, particularly in maintaining adequate cash balances. These findings emphasize the critical role of cash maintenance in helping restaurants adapt to Tagaytay's fluctuating customer demand and seasonal trends.

In connection to the findings, MB Group (2023) noted that maintaining a healthy cash balance was vital, as having a strong cash position allowed companies to capitalize on investment and growth opportunities, such as expanding operations or acquiring assets, without resorting to external funding. Additionally, according to Jiang (2021), short sellers were typically experienced and informed investors, but during economic instability, markets became chaotic. Jiang's model suggested that short sales were often uninformed and riskier in such periods, which could explain the reduced frequency of short-term security sales during cash shortages, as this strategy became more dangerous and less appealing.

Table 3. Cash Management Practices of the Restaurants in terms of Controlling Cash Flow

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
1. Cash expenses are only approved by authorized personnel.	3.77	0.50	Highly Practiced
2. Our restaurant regularly monitors cash inflows and outflows to ensure an adequate cash balance.	3.67	0.54	Highly Practiced

3. Our restaurant evaluates and schedules asset purchases and disposals to ensure that cash is managed efficiently.	3.58	0.56	Highly Practiced
4. Our restaurant allocates an adequate amount of cash for inventory acquisition purposes.	3.50	0.53	Highly Practiced
5. A cash budget is prepared on a regular basis.	3.48	0.67	Highly Practiced
6. Our restaurant limits investing for unforeseen expenses.	3.38	0.63	Highly Practiced
7. Our restaurant plans and schedules loan repayments, interest payments, and dividend distributions based on available cash reserves and projected inflows.	3.27	0.70	Highly Practiced
8. Our restaurant takes advantage of early payment discounts from our suppliers.	3.27	0.65	Highly Practiced
9. Our restaurant strategically disposes underutilized assets to free up cash.	3.08	0.67	Moderately Practiced
OVERALL MEAN	**3.44**	**0.40**	**Highly Practiced**

According to the results, restaurants most frequently controlled cash flow by ensuring only authorized personnel approved cash expenses. This practice received the highest mean rating of 3.77 with a standard deviation of 0.50, indicating that restaurants exercise caution and selectivity in their spending, validating all cash outflows as necessary. Meanwhile, disposing of underutilized assets received the lowest rating of 3.08 and a standard deviation of 0.67, though restaurants still practiced it to some extent. The results showed that controlling restaurant cash flow is highly practiced, with an overall mean and standard deviation of 3.44 and 0.40, respectively. The article by The Access (2024) supported these findings by showing that cash flow control helps restaurants cover expenses during slow periods and enables managers to track money coming in and out of the business. Darlington (2023) also reinforced this by explaining that disposing of underutilized assets in the high-pressure, low-margin restaurant industry helps maximize profits. Restaurants often lease expensive equipment to manage cash flow, reduce financial risks, and avoid maintenance costs. By selling or replacing underutilized assets with leased options, restaurants free up funds for more essential investments, helping the business maintain financial stability and grow.

Table 4. Cash Management Practices of the Restaurants in terms of Floats on Cash Payment

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
Records of receipts on account are maintained accurately to prevent collection float discrepancies and misstatements.	3.61	0.52	Highly Practiced
Float times on cash payments are well-documented and reviewed regularly.	3.59	0.56	Highly Practiced
Controls are in place to ensure timely settlement of accounts payable to suppliers.	3.58	0.56	Highly Practiced

Our restaurant takes advantage of payment terms to suppliers and creditors to maximize the cash float.	3.47	0.5	Highly Practiced
Our restaurant offers different payment methods such as credit cards and digital payment to minimize collection floats.	3.47	0.71	Highly Practiced
A safety net of cash is reserved in case of collection floats.	3.45	0.59	Highly Practiced
Float periods on payables are optimized while maintaining excellent supplier relationships.	3.44	0.59	Highly Practiced
Payment float periods are considered to ensure that cash is available for high-priority expenditures.	3.41	0.61	Highly Practiced
Cash payments are periodically reconciled with bank statements to manage payment floats effectively.	3.39	0.55	Highly Practiced
The volume of cash disbursements is adjusted during collection floats.	3.34	0.67	Highly Practiced
OVERALL MEAN	**3.48**	**0.45**	**Highly Practiced**

The results show that restaurants most frequently practiced accurately maintaining records of receipts on account to prevent collection float discrepancies, earning the highest mean of 3.61 with a standard deviation of 0.52. In contrast, restaurants least frequently adjusted the volume of cash disbursements during collection floats, with a mean of 3.34 and a standard deviation of 0.67, although respondents still practiced this measure extensively. The overall mean of 3.48 and standard deviation of 0.45 indicate that restaurants in Tagaytay City actively managed their cash during periods with floats on cash payments. This careful management allowed them to accommodate necessary situations, settle transactions on time, properly monitor collection timings, and accurately record float amounts. This result aligns with an article from the financial technology company Meow Technologies (2023), which explained that businesses prevent float discrepancies by strictly tracking and documenting transactions. This practice provides accurate information about a company's cash availability at any given time, helping avoid unexpected cash shortages and enhancing financial stability

Table 5. Cash Management Practices of the Restaurants in terms of Cash Collection System

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
Our restaurant has a well-documented and well-updated cash collection system.	3.73	0.51	Highly Practiced
Our restaurant ensures that all disagreements regarding cash collection are handled professionally and timely.	3.73	0.45	Highly Practiced
Regular review and reporting on cash collection are done to track performance and records.	3.70	0.49	Highly Practiced

Customers are always issued with official receipts after payment.	3.69	0.53	Highly Practiced
Our system allows for multiple payment methods to be used by the customer (e.g., cash, checks, credit/debit cards, digital payments).	3.61	0.68	Highly Practiced
Our restaurant has an accounting department/staff that is separate from the cashier.	3.58	0.64	Highly Practiced
Our restaurant makes use of a Point of Sale (POS) system to track and automate cash collections, reducing the risk of human error. *Point of Sale System - a computer-based register with software dedicated to tallying orders, taking payments, tracking inventory, buying trends and printing receipts.*	3.44	0.85	Highly Practiced
Our restaurant effectively implements, such as, but not limited to, discounts, early bird promotions, holiday specials, event-based offers, and special occasion deals to accelerate cash collection.	3.44	0.66	Highly Practiced
OVERALL MEAN	**3.62**	**0.43**	**Highly Practiced**

The results indicated that the most implemented practices of restaurants were maintaining a well-documented and well-updated cash collection system, along with resolving conflicts in a professional and timely manner. Both practices received the highest mean score of 3.73, with standard deviations of 0.51 and 0.45, respectively. In contrast, using a POS system for tracking and automating cash collection and offering discounts to encourage quicker payments were the least practiced. Both had a mean score of 3.44, with standard deviations of 0.85 and 0.66, respectively. With an overall mean score of 3.62 and a standard deviation of 0.43, the findings revealed that restaurants highly practiced efficient cash collection systems as a key component of their daily cash management practices. This highlights their strong and dependable process, helping ensure smooth cash recovery and minimizing collection issues. Smith (2023) supported these results by stating that accurate and efficient cash collection practices enhance cash flow management, assist informed decision-making, and ensure a company's financial stability.

Table 6. Cash Management Practices of the Restaurants in terms of Safeguarding Cash

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
Access to cash storage or cash safe is limited to authorized personnel only.	3.81	0.39	Highly Practiced
All cash transactions are recorded and supported by official receipts and other supporting documents.	3.73	0.51	Highly Practiced
Our restaurant integrates a security surveillance system to monitor our cash handling procedures.	3.73	0.45	Highly Practiced

Physical cash is stored securely in a locked safe, or a secure cash vault or drawer.	3.70	0.49	Highly Practiced
Regular checks and maintenance are performed on security equipment (e.g., safes, locks, cameras, alarms)	3.69	0.47	Highly Practiced
Our restaurant ensures authorization through dual signatories in terms of check disbursements.	3.63	0.58	Highly Practiced
Periodic cash reports (e.g. bank reconciliations) are prepared and reconciled with physical cash on hand.	3.63	0.6	Highly Practiced
Our restaurant's cash handling has effectively minimized the risk of theft.	3.61	0.52	Highly Practiced
Our staff conducts money drops (transfer of cash to a more secure location) every end of shift.			
Our restaurant makes use of the imprest system in monitoring our minor expenses for possible discrepancies. *Imprest System - a petty cash system used in tracking a business' spending of cash*	3.56	0.56	Highly Practiced
OVERALL MEAN	**3.67**	**0.38**	**Highly Practiced**

The findings showed that restaurants most strongly committed to security by limiting access to cash storage or safes to authorized personnel only, which received the highest mean score of 3.81 with a standard deviation of 0.39. In contrast, restaurants least frequently conducted money drops at the end of each shift and used an imprest system to monitor minor expenses for discrepancies, both receiving the lowest mean score of 3.56 with a standard deviation of 0.56. With an overall mean score of 3.67 and a standard deviation of 0.38, the results indicate that restaurants consistently practiced and effectively implemented their cash-safeguarding measures. These results aligned with the study of Waite (2025), which emphasized that wealth management was about increasing assets and safeguarding them. Businesses encounter numerous risks, but by recognizing these, a company can protect its assets and strategically position itself for stability and future growth.

Table 7. Summary of Cash Management Practices of the Restaurants

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
Cash Maintenance	3.36	0.41	Highly Practiced
Controlling Cash Flow	3.44	0.40	Highly Practiced
Floats on Cash Payment	3.48	0.45	Highly Practiced

Cash Collection System	3.62	0.43	Highly Practiced
Safeguarding of Cash	3.67	0.38	Highly Practiced
OVERALL MEAN	**3.51**	**0.36**	**Highly Practiced**

With an overall mean of 3.51, the results indicate that restaurants highly practiced all aspects of cash management. They emphasize maintaining adequate cash and taking appropriate actions during periods of shortage or surplus. Additionally, they consistently monitor cash movements, manage payment floats, ensure that money is collected effectively, and safeguard their cash to prevent fraud and theft. This result aligns with J.P. Morgan's Managing Director of Wealth Management Banking, Mascilli (2024), wherein she mentioned that cash management plays vitally in setting the business up towards future success through ensuring cash availability, tracking cash flow data and patterns, forecasting uncertainties and taking advantage of various opportunities. This leads to a desirable business status, financial stability, and strategic flexibility even through seasonal fluctuations.

Table 8. Effects of Cash Management Practices on Profitability of the Restaurants in terms of Liquidity.

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
Effective cash management practices have improved our restaurant's ability to meet short-term financial obligations.	3.59	0.53	High Effect
Our cash management practices are crucial in maintaining a strong liquidity position and avoiding any compromises.	3.59	0.53	High Effect
Our cash management practices properly adjust our restaurant's liquidity position in accordance with current business conditions.	3.58	0.53	High Effect
Our restaurant successfully maintained an adequate level of liquid assets to cover operational expenses due to our cash management practices.	3.55	0.59	High Effect
Our cash management practices ensured that our restaurant has accurate financial data to manage its liquidity.	3.53	0.53	High Effect
Due to our cash management practices, our restaurant's liquidity position allowed us to take advantage of business opportunities (e.g., bulk discounts from suppliers).	3.52	0.59	High Effect
Our cash management practices allowed us to anticipate and prevent liquidity threats.	3.50	0.53	High Effect

OVERALL MEAN	**3.55**	**0.46**	**High Effect**

The findings revealed that the ability to meet short-term financial obligations and maintain a strong liquidity position without making compromises both received a mean score of 3.59 and a standard deviation of 0.53, making them the areas most influenced by cash management practices in the context of liquidity. On the other hand, the ability to anticipate and prevent liquidity threats had the lowest mean score of 3.50 and a standard deviation of 0.53. With an overall mean of 3.55, indicating a High Effect, and a standard deviation of 0.46, the results demonstrate that proper implementation of cash management practices significantly strengthens the liquidity of restaurants. Consequently, this enables businesses to operate smoothly without compromising operational efficiency or financial stability, especially in managing day-to-day expenses and unforeseen financial demands. Aguilar et al. (2024) supported the findings through their study Cash Management Practices and the Financial Performance of Micro-Enterprises, where they found a positive relationship between cash management practices and financial performance, particularly in profitability and liquidity. Their study showed that micro-enterprises with more structured cash management practices are more likely to experience financial stability, better sales growth, and stronger profitability and liquidity. These results highlight the importance of micro-enterprises adopting and strengthening their cash management practices as a key strategy for achieving sustainable development and improved financial performance.

Table 8. Effects of Cash Management Practices on Profitability of the Restaurants in terms of ROI

INDICATORS	MEAN	STANDARD DEVIATION	INTERPRETATION
Our cash management practices enabled us to strategize cash flow in achieving increased ROI.	3.52	0.62	High Effect
By minimizing inefficiencies in our cash management practices, our restaurant is able to reduce costs and improve ROI.	3.48	0.59	High Effect
Our cash management practices created cost-saving opportunities, which improves ROI.	3.48	0.56	High Effect
Our cash management practices are aligned to our restaurant's objectives in increasing ROI.	3.47	0.62	High Effect
Our cash management practices contributed to better investment decisions, positively affecting ROI.	3.42	0.64	High Effect
Our cash management practices, which optimize cash flow, contributed to increasing ROI by allocating funds to profitable investments.	3.41	0.64	High Effect
Our cash management practices enabled our business to expand investments, potentially increasing overall ROI.	3.36	0.65	High Effect
Our cash management practices enabled our restaurant to invest excess cash in high-return opportunities.	3.25	0.78	Moderate Effect
OVERALL MEAN	**3.42**	**0.53**	**High Effect**

Based on the results, the highest mean score of 3.52 and a standard deviation of 0.62 revealed that restaurants' cash management practices effectively enable them to strategize cash flow in achieving increased ROI. Meanwhile, cash management practices showed a moderate effect in allowing restaurants to invest excess cash in high-return opportunities, with a mean score of 3.25 and a standard deviation of 0.78. With an overall mean and a standard deviation of 3.42 and 0.53, respectively, the results revealed that cash management practices strongly impacted overall ROI. Thus, this enables the restaurants to make wiser decisions that lead to higher returns and demonstrates how effectively using financial resources can help them achieve profitability. This result aligned with an article from Stripe (2024), which highlighted that with effective cash management, companies could maximize their profits by investing in yielding returns without compromising liquidity. As a result, it could improve a company's earnings from interest or other investment income. On the other hand, a study by Enow and Kamala (2016) revealed that most South African SMEs had low intention to invest their cash surplus in short-term or long-term investments and instead opted to place the cash surplus into a bank deposit.

Table 8. Effects of Cash Management Practices on Profitability of the Restaurants in terms of ROE

Indicators	Mean	Standard Deviation	Interpretation
Our cash management practices make sure that our equity reserves are utilized properly.	3.56	0.53	High Effect
Our cash management practices allow us to minimize debt, enabling more retained earnings to be reinvested, thus boosting our ROE.	3.56	0.59	High Effect
Our cash management practices allow us to maintain control over costs, which supports our profit margin and influences our ROE. *Profit Margin- profit left over after all the necessary costs required to operate a business, produce products, and fulfil tax obligations have been deducted from a company's total revenue*	3.55	0.53	High Effect
Our cash management practices make proper use of our retained earnings to generate further growth in equity/capital.	3.50	0.53	High Effect
Our cash management practices enabled us to consistently declare returns on capital or dividends, thus evident of increasing our ROE.	3.45	0.59	High Effect
Our cash management practices balance dividend payments with reinvestment goals to optimize ROE.	3.42	0.61	High Effect
Our cash management practices affect the way we manage our financial leverage, which plays a role in our ROE.	3.33	0.69	High Effect

Financial leverage - is the use of borrowed money (debt) to finance the purchase of assets with the expectation that the income or capital gain from the new asset will exceed the cost of borrowing			
OVERALL MEAN	**3.48**	**0.50**	**High Effect**

The results showed that the restaurants utilized their equity reserves most effectively and positioned themselves to minimize debt and reinvest retained earnings. Both practices received the highest mean rating of 3.56, with standard deviations of 0.53 and 0.59, respectively. On the other hand, the effect on their ability to manage their financial leverage scored the lowest rating, with a mean of 3.33 and a standard deviation of 0.69. With an overall mean of 3.48 and a standard deviation of 0.50, it suggested that proper restaurant cash management played a substantial role in boosting their profitability and growth through maximization of their financial resources without solely being dependent on debt financing, most especially when it came to improving value for the business and its ROE. Thuita and C.K. (2021) supported these findings by showing that a 0.505 coefficient for cash management indicated that every unit increase in cash management would raise the ROE by 0.505 units, assuming all other factors remained constant. Since the p-value reached 0.001—well below the 0.05 threshold—it confirmed the statistical significance of this relationship. The researchers found a strong link between better cash management and higher business profitability.

Table 9. Summary of the Effects of Cash Management Practices on Profitability of the Restaurants

Indicators	**Mean**	**Standard Deviation**	**Interpretation**
Liquidity	3.55	0.46	High Effect
ROI	3.42	0.53	High Effect
ROE	3.48	0.50	High Effect
OVERALL MEAN	**3.49**	**0.47**	**High Effect**

With an overall mean of 3.49, the findings demonstrate that cash management practices affect profitability. This result implies that by correctly implementing and consistently applying these practices, restaurants improve their capacity to sustain operational liquidity. Moreover, sound cash management contributes to more intelligent decision-making, allowing businesses to invest strategically, which could generate returns on investment and equity. The findings correspond with Brunet's (2024) assertion of the importance of cash management as it helps monitor cash flow in ensuring availability in settling obligations, funding day-to-day operations, and investing in future revenue-generating opportunities. Hence, avoiding financial compromise while maximizing profits enhances stakeholder or investor confidence and sustainable long-term growth.

Table 10. Significant Difference Between the Profile of the Participants in terms of Age and Cash Management Practices

CASH MANAGEMENT PRACTICES	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Cash Maintenance	3.19	0.3640	Ho not Rejected	Not Significant
Controlling Cash Flow	9.03	0.0290	Reject Ho	Significant
Floats on Cash Payment	8.51	0.0370	Reject Ho	Significant
Cash Collection System	11.8	0.0080	Reject Ho	Highly Significant
Safeguarding of Cash	13.5	0.0040	Reject Ho	Highly Significant

The results indicated no significant difference in cash maintenance practices between individuals of different age groups. However, significant differences were observed in controlling cash flow ($p = 0.0290$) and managing floats for cash payments ($p = 0.0370$). Furthermore, the researchers found highly significant differences in cash collection ($p = 0.0080$) and safeguarding of cash ($p = 0.0040$), as both p-values fell below the 0.01 threshold. With this, pairwise comparison revealed that individuals aged 31 to 40 tended to demonstrate stronger engagement in practices related to controlling cash flow, cash collection systems, and floats on cash payments compared to those aged 51 and above. Regarding safeguarding cash, significant differences were observed in the age groups of 21 to 30 and 31 to 40, which exhibited more active practices than 51 and above. These findings suggest that while age does not influence cash maintenance practices, it affects other aspects of cash management.

These results aligned with the findings of a study conducted by Bari et al. (2019) titled "Effects of Cash Management on Financial Performance of Food and Beverage Retailers in the Puntland State of Somalia: A Case of Garowe District," in which the study identified various cash management practices, and results revealed a significant difference in how these practices were applied across different age groups. Specifically, 46% were below 30 years, 31% aged 30-40, 15% were 40-50 years, and 8% were 50 years and above, whereas, across all age groups, the level of agreement and disagreement with the implementation of the cash management practices varied, indicating that the application of cash management practices is not consistent and tends to differ depending on the age of the individual.

On the other hand, the finding contradicts the study of Muttaqin (2023) titled "Do CEO characteristics impact corporate cash holdings? Insights from consumer goods companies listed on the Indonesia Stock Exchange," which revealed that CEO characteristics, particularly age, significantly influence corporate cash holdings. The results indicated a positive association between CEO age and companies' cash level. Specifically, older CEOs tend to maintain higher cash reserves, which may reflect a more cautious and risk-averse financial management style. In contrast, younger CEOs are likely to hold lower cash levels, reflecting a more aggressive, risk-taking approach to financial decision-making—potentially prioritizing investments, expansion, or innovation over liquidity and reserve accumulation.

Table 11. Significant Difference Between the Profile of the Participants in terms of Sex and Cash Management Practices

CASH MANAGEMENT PRACTICES	MANN-WHITNEY U STAT	P-VALUE	DECISION	INTERPRETATION
Cash Maintenance	439	0.3280	Ho not Rejected	Not Significant
Controlling Cash Flow	512	1.0000	Ho not Rejected	Not Significant
Floats on Cash Payment	484	0.7140	Ho not Rejected	Not Significant
Cash Collection System	432	0.2770	Ho not Rejected	Not Significant
Safeguarding of Cash	463	0.5070	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The findings showed no significant difference between males and females in cash maintenance (p = 0.3280), cash flow control (p = 1.0000), floats on cash payments (p = 0.7140), cash collection systems (p = 0.2770), and cash safeguarding (p = 0.5070), suggesting that sex does not influence how cash is managed in the restaurant. A study by Mattei et al. (2023) supported these results, as it investigated whether gender influenced financial strategy decisions in Italy's food and beverage industry. Their findings revealed that financial decisions made by men and women did not differ significantly, highlighting that gender was not a key factor in shaping a company's economic structure.

Table 12. Significant Difference Between the Profile of the Participants in terms of Educational Attainment and Cash Management Practices

CASH MANAGEMENT PRACTICES	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Cash Maintenance	4.87	0.0870	Ho not Rejected	Not Significant
Controlling Cash Flow	6.06	0.0480	Reject Ho	Significant
Floats on Cash Payment	9.19	0.0100	Reject Ho	Significant
Cash Collection System	6.32	0.020	Reject Ho	Significant
Safeguarding of Cash	7.42	0.240	Reject Ho	Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The results showed no significant difference in cash maintenance when grouped according to their educational attainment, with a p-value of 0.0870. However, significant differences were observed in other

areas, particularly controlling cash flows (p = 0.0480), floats on cash payment (p = 0.0100), cash collection system (p = 0.0420), and safeguarding of cash (p = 0.0240). These results suggest that the hypothesis holds for cash maintenance but not other cash management practices. Pairwise comparisons revealed that college graduates engage more actively in controlling cash flow, managing floats on cash payments, operating cash collection systems, and safeguarding cash. Additionally, individuals with a master's degree showed greater involvement in cash collection system practices than college undergraduates. This indicates that educational attainment may influence how effectively individuals manage their cash.

The results regarding the significant differences aligned with the findings of the study of Dolorso (2023) titled "Financial Management Practices of Microenterprises in Quezon City," which analyzed cash management practices and found a p-value of 0.000, below the significance level of 0.05. This indicates a significant difference in cash management practices when entrepreneurs were grouped according to their highest educational attainment, with undergraduates obtaining the lowest mean scores, suggesting that knowledge of cash management practices depends on an individual's competence and level of education. Having a degree could provide valuable skills and strategies that support entrepreneurial ventures. It also helps individuals develop the ability to approach problems from multiple angles, which is crucial for long-term business success. However, it should be noted that there were no strict academic requirements to start a business, and a business degree does not automatically lead to success (Grand Canyon University, 2024).

Table 13. Significant Difference Between the Profile of the Participants in terms of Position Held in the Restaurant and Cash Management Practices

CASH MANAGEMENT PRACTICES	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Cash Maintenance	0.57	0.7530	Ho not Rejected	Not Significant
Controlling Cash Flow	0.60	0.7400	Ho not Rejected	Not Significant
Floats on Cash Payment	0.15	0.9270	Ho not Rejected	Not Significant
Cash Collection System	0.39	0.8220	Ho not Rejected	Not Significant
Safeguarding of Cash	0.23	0.8900	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The findings revealed that the position held in the restaurant did not significantly affect cash management practices, including cash maintenance (p = 0.7530), controlling cash flow (p = 0.7400), floats on cash payments (p = 0.9270), cash collection (p = 0.8220), and safeguarding (p = 0.8900). Therefore, the position within the restaurant had no significant contribution to cash management practices.

This finding contradicts the study of Hamza et al. (2015), which examined those managing accounting records among Ghana SMEs. The study revealed that 59% of respondents were SME owners or managers, and only a minority were part-time (15.7%) and full-time (4.3%) accounting staff. However, 21% did not

maintain financial records, indicating that some individuals in key positions do not engage in accounting practices in SMEs. This lack of involvement in managing accounting records was associated with subpar cash management, as many did not perform cash budgeting or set target cash balances.

Table 14. Significant Difference Between the Profile of the Participants in terms of Length of Service and Cash Management Practices

CASH MANAGEMENT PRACTICES	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Cash Maintenance	1.60	0.4490	Ho not Rejected	Not Significant
Controlling Cash Flow	1.97	0.3730	Ho not Rejected	Not Significant
Floats on Cash Payment	4.19	0.1230	Ho not Rejected	Not Significant
Cash Collection System	1.10	0.5770	Ho not Rejected	Not Significant
Safeguarding of Cash	1.56	0.4580	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The results demonstrated no significant differences in cash management practices, particularly in cash maintenance (p = 0.4490), controlling cash flows (p = 0.3730), managing payment floats (p = 0.1230), cash collection systems (p = 0.5770), and safeguarding of cash (p = 0.4580) based on respondents' length of service. This suggests that the length of service does not substantially influence how these practices are implemented. The result contrasted with the study by Eton et al. (2019), which found that 74.5% of respondents had less than five years of tenure, with 56.9% admitting incompetence in cash management, 32.3% considering themselves competent, and 10.8% uncertain. This indicates that those with longer tenure tended to be more proficient in cash management, while those with less experience may have struggled, leading to financial inefficiencies. Significant difference between the profile of the participants and the effects of cash management practices on profitability. It presented the differences between the profile of the business owners/managers/accountants and the effects of cash management practices on profitability.

Table 14. Significant Difference Between the Profile of the Participants in terms of Age and the Effects of Cash Management Practices

PROFITABILITY	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Liquidity	11.1	0.0110	Reject Ho	Significant
ROI	9.35	0.0250	Reject Ho	Significant

ROE	7.18	0.0660	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

Results indicated that age plays a role in how cash management practices affect profitability, especially in terms of liquidity and ROI, as significant differences were observed in the said profitability indicators, with p-values of 0.0110 for liquidity and 0.0250 for ROE. Through pairwise comparison, it was found that individuals aged 31-40 experienced higher positive effects on profitability compared to those aged 51 years old and above, providing significant differences in such specific age groups. On the other hand, the analysis found no significant difference in ROE (p = 0.0660). This suggests that, beyond cash management, age influences business profitability—especially regarding liquidity and ROI.
The findings correspond with the study of Han (2024) titled "Are Young CEOs a Better Match for Young Firms? Evidence from Age, Firm Performance and CEO Compensation." which revealed that firms led by young CEOs experience higher growth rates in terms of sales and assets as these firms invest more heavily in capital expenditures and research and development activities compared to similar firms led by older CEOs, which suggests that age plays a significant role in firms' profitability dynamics. However, it contradicts the study of Johan and Sari (2020), titled "The Influence of CEO Characteristics on Banking Performance," which showed that the age of the CEO has a significant and positive influence on the bank's ROE. The older the CEO, the better the bank's performance. This is because older CEOs tend to have more exposure and experience in managing the institution's finances.

Table 14. Significant Difference Between the Profile of the Participants in terms of Sex and the Effects of Cash Management Practices

PROFITABILITY	MANN-WHITNEY U STAT	P-VALUE	DECISION	INTERPRETATION
Liquidity	437	0.2990	Ho not Rejected	Not Significant
ROI	426	0.2450	Ho not Rejected	Not significant
ROE	503	0.9060	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The results showed that significant differences between the sex of the participants and the effects of their cash management practices did not exist, specifically regarding liquidity (p = 0.2990), ROI (p = 0.2450), and ROE (p = 0.9060). This conveys that sex differences only played an insignificant factor in the effect of their implemented cash management practices. Pacheco et al. (2020) opposed the findings of this study, which evidenced that businesses headed by a woman who participated in their study were more likely to be profitable. In other words, women-led firms tended to perform better, which suggests that gender still played a crucial role in how well a firm performs.

Table 14. Significant Difference Between the Profile of the Participants in terms of Educational Attainment and the Effects of Cash Management Practices

PROFITABILITY	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Liquidity	4.46	0.1080	Ho not Rejected	Not Significant
ROI	5.11	0.0780	Ho not Rejected	Not significant
ROE	1.99	0.3700	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The results indicated that there was no significant difference in liquidity (p = 0.1080), ROI (p = 0.0780), and ROE (p = 0.3700) based on the participants' educational attainment. This result shows that having a degree did not necessarily influence how restaurant owners managed cash for profitability. The study by Lee et al. (2016) contradicted these findings, as it suggested that when individuals increased their human capital, specifically education, they developed decision-making skills and a greater ability to achieve profitable opportunities, improving business performance. The more they invested in their learning, the more capable they became in managing their businesses successfully.

Table 15. Significant Difference Between the Profile of the Participants in terms of Position Held in the Restaurant and the Effects of Cash Management Practices

PROFITABILITY	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Liquidity	0.27	0.8740	Ho not Rejected	Not Significant
ROI	0.04	0.9790	Ho not Rejected	Not significant
ROE	0.03	0.9840	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

Based on the findings of the study, no significant difference was observed between the participants' positions in the restaurant and the effects of their implemented cash management practices, specifically towards liquidity (p = 0.8740), ROI (p = 0.9790), and ROE (p = 0.9840). It infers that regardless of the participant's position—whether they were managers, business owners, or accountants—the effects of their cash management practices were not necessarily affected significantly. However, this was opposed to the article from Paulson (2023), which explained that in the restaurant industry, profitability also depends on how well a person manages debt and maximizes equipment purchases to cover expenses. This result shows

that running a restaurant wasn't a one-size-fits-all process - it changed based on the expertise of the key personnel involved. In short, a restaurant's profitability could also differ depending on the position in the business.

Table 16. Significant Difference Between the Profile of the Participants in terms of Length of Service and the Effects of Cash Management Practices

PROFITABILITY	KRUSKAL WALLIS STAT	P-VALUE	DECISION	INTERPRETATION
Liquidity	3.34	0.1880	Ho not Rejected	Not Significant
ROI	1.14	0.5660	Ho not Rejected	Not significant
ROE	1.88	0.3910	Ho not Rejected	Not Significant

If p-value is ≤ 0.05, there is significant difference, thus reject Ho.
If p-value is > 0.05, there is no significant difference, thus Ho not rejected.

The results demonstrated that there was no significant difference between the length of service and the effects of cash management practices on the profitability of the participants, particularly in terms of liquidity (p = 0.1880), ROI (p = 0.5660), and ROE (p = 0.3910). This result implies that a business's profitability was not necessarily tied to its length of service or tenure but to its cash management practices. An article from Integrated Cash Logistics (2024) contradicted this finding, arguing that no matter how great the food was, a restaurant would struggle if someone managed it without sufficient industry experience or long tenure in the field. The challenges of running a restaurant, including profitability constraints, required extensive expertise. Thus, having a long tenure in the industry significantly increases the chances of operating a successful and profitable business.

4. Summary and Conclusion

The study focused on casual dining restaurants operating for at least five years, excluding other types of restaurants, to help them improve their cash management practices and profitability. The researchers examined the cash management practices of the specified restaurants and evaluated profitability indicators based on the respondents' perceived effects. The researchers hypothesized that there was no significant difference between the profile of the participants and the cash management practices of selected restaurants in Tagaytay City, Cavite, and there was no significant difference between the profile of the participants and the effects of cash management practices on the profitability of selected restaurants in Tagaytay City, Cavite.

A quantitative research design, particularly the descriptive-comparative research method, was used to examine the variables and their differences. The researchers used a self-made survey questionnaire validated by field experts, psychometricians, and statisticians. The researchers pilot-tested the instrument and assessed its reliability using Cronbach's Alpha. They collected the data through face-to-face surveys conducted in selected casual dining restaurants in Tagaytay City, Cavite. The questionnaire covered three parts: demographic profile, cash management practices, and the effect of these practices on profitability.

Percentages described demographics, while Means and Standard Deviations assessed the level of implementation and its effects. Kruskal-Wallis Test and Mann Whitney U Test were used to determine the significant difference between the demographic profile and the cash management practices of the selected restaurants, as well as the essential difference between the demographic profile and the effects of cash management practices on the profitability of the restaurants.

Based on the study's findings, the researchers drew the following conclusions about the respondents' demographic profiles. The selected restaurants in Tagaytay City, Cavite, were dominated by individuals aged 21 to 30. Many females, such as managers, accountants, and owners, occupied key positions. Most of the respondents held college degrees, with most working as managers. Additionally, most respondents had worked at their respective restaurants for five to ten years. Restaurants highly practice cash management across all areas. This indicates that they consistently maintain their cash with consideration of target cash balance, surplus, and shortage of money; control the inflows and outflows of cash; manage the floats on cash payments about timing; ensure the presence of an efficient cash collection system; and implement measures to safeguard some money from internal or external threats. Moreover, casual dining restaurants expressed that cash management practices tend to have high effects on profitability by improving liquidity through meeting short-term obligations, generating higher returns from investments, and strengthening ownership value reflected in equity.

The researchers observed significant differences in controlling cash flows and float on cash payment practices based on age, with individuals aged 31-40 demonstrating better practices than those aged 51 and above. Differences in practices regarding cash collection system and safeguarding of cash were highly significant when also grouped according to age, specifically between ages 31-40 and 51 and above for the former, and between 21-30, and 31-40 and 51 and above for the latter. This suggests that younger individuals apply more consistent and effective cash management practices. Except for cash maintenance, most cash management practices showed significant differences based on educational attainment, primarily between college graduates and undergraduates. The cash collection system showed differences even between undergraduates and those with master's degrees, indicating that higher education contributes to stronger cash management practices. The effects of cash management practices on liquidity and ROI profitability showed significant differences by age, particularly between those aged 31-40 and those aged 51 and above. This indicates that younger individuals are more likely to benefit from cash management practices, leading to stronger financial outcomes than their older counterparts.

5. Recommendations

Table 17. Recommendations and Action Plan

Recommendation	Action Plan
Sell short-term securities during cash shortages Selling short-term securities whenever there is a cash shortage will help restaurants quickly restore their target cash balance.	• Purchase short-term, low-risk securities like money market funds, treasury bills, or certificates of deposit whenever there is excess cash. • Keep records updated and maintain awareness of maturity dates, interest rates, and possible penalties. • Owners, managers, and accountants should work together to choose the most liquid investments.

	• Reach out to the bank or broker to initiate the sale.
Improve Management of Underutilized Assets To free up tied cash and fund more productive areas, restaurants can consider selling or leasing these assets.	• List and assess all assets to identify those underutilized. • Evaluate whether to sell, lease, or retain assets based on potential returns and business needs. • Initiate the sale or lease process for selected assets. Redirect funds gained toward high-return opportunities.
Improve float assessment and payment prioritization. Improving float assessment assures managers of the status of pending collections, while the payment prioritization approach allows for information use before releasing and adjusting cash disbursement.	• Assess the status of pending collections to determine collectability. • Identify readily available cash levels. • Prioritize essential expenses and defer non-urgent expenses without exceeding due dates. • Adjust the volume of cash disbursement by the data above.
Implement POS Systems and Incentives Introduce POS systems to enhance tracking and accuracy while offering customer incentives to encourage sales and improve cash flow.	• Install a reliable POS system to improve tracking and cash monitoring. • Conduct hands-on training to ensure staff can operate the POS system, manage transactions, and troubleshoot fundamental issues efficiently. • Offer discounts, loyalty rewards, or bundled deals to boost demand and increase cash inflow. Use social media platforms like Facebook and Instagram to advertise promotions, engage customers, and drive consistent sales.
Enhance Cash Protection and Control Systems Enhancing these systems would create more security regarding the cash the restaurant holds to sustain its operations.	• Implement a clear money drop policy that requires transferring cash to a secure location (e.g., vault, lockbox, safe, or bank) at the end of each shift. • Integrate the money drop policy with the POS system to ensure accurate cash activity recording, documentation, and control. Utilize the Imprest petty cash system for small, routine business expenses while ensuring that only the petty cash custodian controls it. Document every expense incurred using vouchers and

	replenish the fund accordingly with proper reconciliations.
Adapt Disciplined Cash Control Implement structured cash management practices to ensure accurate tracking, timely reconciliations, and effective liquidity control, minimizing financial risks.	• Reconcile cash after each shift to ensure accurate collection and quickly resolve discrepancies. • Safeguard cash with secure handling, regular audits, and separation of duties. • Update target cash balances regularly to detect cash shortages and surpluses and guide purchasing or inventory decisions. • Forecast cash flow to anticipate low periods and plan accordingly. • Manage floats by extending supplier terms and paying invoices on their due dates to maintain a liquidity cushion.
Optimize Cash Surplus This involves identifying excess funds, securing them, and redirecting them into profitable investments to enhance financial returns.	• Establish a system to monitor daily sales, reduce discrepancies, and track the availability of collected cash. • Identify periods of excess cash and plan for timely investments. • Monitor cash availability before making investments, especially when there are pending receivables to be collected. • Maintain an appropriate level of cash on hand and redirect excess funds into profitable avenues. Implement proper security measures to protect cash from potential losses.
Manage Financial Leverage using Accurate Data Accurate data opens opportunities for flexible long-term decision-making, including financial leverage management in optimizing ROE.	• Accurately track business activities, from purchases and disbursements to sales and collection. • Forecast future demand levels based on historical figures. • Identify the best available investment opportunities and their potential returns based on historical data and forecasts. Determine when and how much debt is necessary to acquire.

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