

# Financial Management Practices of Restaurant Employees in Cabanatuan City

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**Abstract**— *Financial management practices plays a vital role in the whole restaurant operations and services. Financial manager of a restaurant should take financial management seriously and need to be focused on the best approaches towards planning, monitoring, allocating, and budgeting monetary resources based on the availability of funds to provide high quality services standards. Restaurant business needs to have a good financial managers that could really focus and understand food service industry leading to media brand. The findings meant that restaurant employees in Cabanatuan City had high level of financial management practices especially in management of working capital and investment appraisal techniques. Highest educational attainment ( $r= 1.135$ ) and major field of specialization ( $r=.173$ ) had found a positive correlation with the level of financial management practiced. Other variables like age, gender, marital status, and training and seminars had no relationships with the financial management practices. The most challenging part of financial manager is the operating expenses and restaurant operations and services as a whole. These challenges are the menu, customer service experiences, uniqueness from other restaurant, marketing strategies operational challenges, inventory and hiring and training staffs. It is recommended to plan programs for the improvement and enhancement of restaurant employees performance and financial management towards restaurant operations.*

**Keywords**— *Financial Management Practices, Financial Managers, Restaurant Employees.*

## I. INTRODUCTION

Financial Management of an employee plays a crucial role in their working performances and in their daily life activities. It measures the impact to daily performance of employees not only in the restaurant but also in all organizations. Financial manager of a restaurant should take financial management seriously and need to be focus on the best approaches towards planning, monitoring, allocating, and budgeting monetary resources based on the availability of funds to provide high quality services standards.

Employees who had good financial management show a positive and significant relationship between financial management practices and restaurant business performance (Butt, Hunjra, & Rehman, 2010). Good financial managers of a restaurant always ensure that the restaurant runs effectively, efficiently and smoothly, thus ensures providing better customer experiences and satisfactions. Employees with good financial management,

shown better understanding of all business aspects to ensure that they provide quality services.

Good financial managers in a business restaurant are need to be hands-on in all areas that needs financial resources and application. In order to succeed in the restaurant services, great restaurant employees required few essential qualities and skills such as being patience, enhanced energy levels, prompt thinking, strong interpersonal skills, spending more time in restaurant, planning, multi-tasking, passion, record keeping, and inventiveness. And good financial management practices of a restaurant employees involves financial understanding in terms of income, investment, family security, standard of living, assets and savings. According to Szala (2018), there are no replacement for a good restaurant financial management platforms that includes accounting capabilities. Restaurant manager needs to understand the overhead such as property costs, salaries of yours,

administrative costs, food production and supplies, utilities including internet service, monthly point of sale costs and any paid advertising.

Several researches about financial management practices had significantly affects organization performance. The financially well managed restaurants are considered had better and good managers that can operationally efficient. Financially management practices of restaurant managers had found positive views and decisions for the betterment of restaurant operations as a whole specifically in providing quality and high standard of services, (Hunjra, 2010).

Restaurant business needs to have a good financial managers that could really focus and understand food service industry leading to media brand. Based on the study of Sajadi (2012) found out that the majority of revenue management practices in restaurant business are perceived as unfair. The practice which is perceived to be most unfair is the policy based on the time spent. On the study of concluded that financial structure and practices of an organization is sustainability, profitability and growth. Financial investment ensures the organization to sustain adequate cash flow to meet its operation expenses and working obligation.

Financial manager play a vital role in business, even small, big, start up or established to run a business. Financial Management needs to understand on how the business is doing financially. Thus, good financial management is essential for success as well as the survival of business (Talentedge, n.d.).

In the view of Strutner (2022), financial management is the practice of making business plan and then ensuring all departments stay on tract. Solid financial management enables the managers of finance to provide data that supports creation of a long-range vision, informs decisions on where to invest and yields insights on how to fund investments, liquidity, profitability, cash runway and more.

In the above notion, the researcher, aims to identify and evaluate of the financial management practices of restaurant employees in Cabanatuan City, in terms of capital structure decision, investment appraisal techniques, dividend policy, working capital management, and financial performance assessment.

## II. OBJECTIVES OF THE STUDY

The study aims to identify and evaluate the financial management practices of restaurant employees in Cabanatuan City.

Specifically, it sought to answer the following:

1. What is the profile of the restaurant employee be described?
2. How may the levels of financial management practices of restaurant employees be described.30 in terms of capital structure decision, investment appraisal techniques, dividend policy, working capital management, and financial performance assessment.
3. Is there a significant relationship between the profile of the employees and the level of financial management practices?
4. What are the challenges and issues of students in financial management practices of restaurant employees?

## III. RESEARCH METHOD

A descriptive research design was used in the study in accordance to the objectives of the study. The main respondents of the study are the 25 restaurant employees wherein the job descriptions were related to financial management either financial manager, accountant and or any related to accounting. They are the restaurant employees in restaurant business in Cabanatuan City and they were purposively selected using quota sampling method.

The researcher used survey questionnaire and interview guide questions to gather the needed data. He personally administered survey questions and interview. Thus, before he conducting a survey, the researcher is personally asking permission to conduct the study and discuss first the importance of conducting the study.

The survey questionnaire consisted of Likert scale so that respondents can easily response to each questions based on their degree of acceptance: 4- Outstanding; 3-Very satisfactory, 2- Satisfactory, and 1-Need Improvement.

And lastly, all gathered data were encoded, tabulated, analyzed and statistically treated using SPSS tool.

## IV. RESULTS AND DISCUSSION

### 1. Profile of the Restaurant Employee

Majority of the restaurant employee are female, there aged range between 35 to 45 years old, married, with bachelors' degree in Hotel and Restaurant Management. They are more than 10 years in restaurant industry with training and seminars attended related to the industry where they can served and based on the field of specialization towards better organizational performance. Most of them are manager in the restaurant wherein they are responsible to the restaurant financial management and in monitoring of whole restaurant operations.

## 2. Level of Financial Management Practices of Restaurant Employees

Table 1. Financial Management Practices

Financial Management Practices	Weighted Mean	Interpretation
Capital Structure Decision	2.57	Very Satisfactory
Investment Appraisal Techniques	3.32	Outstanding
Dividend Policy	2.89	Very Satisfactory
Working Capital Management	3.35	Outstanding
Financial Performance Assessment	2.23	Satisfactory
<b>Overall Weighted mean</b>	<b>2.87</b>	<b>Very Satisfactory</b>

Table 1 shows the level of financial management practices of restaurant employees. As shown the overall weighted mean got 2.87 and verbally interpreted as “Very Satisfactory”. Working capital management had obtained the highest weighted mean of 3.35 with verbal interpretation of “Outstanding” while the financial performance assessment had gained lowest weighted mean of 2.23 and verbally interpreted as “Satisfactory”.

The findings meant that restaurant employees in Cabanatuan City had high level of financial management practices especially in management of working capital and investment appraisal techniques. Financial managers performed better to ensure that restaurant finances were manage effectively and efficiently towards better restaurant performances and in satisfactions of the customers. Additionally, financial manager ensure to oversees the financial status of restaurant to ensure its continued sustainability. They always supervise important functions of finances such as cash flow, profitability, expenses, utilities, salaries and benefits, and all other expenses. Moreover, they are responsible to financial decisions and control, financial planning, capital management, allocation and utilization of financial resources, disposal of surplus, financial report and risk management.

## 3. Relationship between the profile of the employees and the level of financial management practices

Highest educational attainment ( $r= 1.135$ ) and major field of specialization ( $r=.173$ ) had found a positive correlation with the level of financial management practiced. Other variables like age, gender, marital status, and training and seminars had no relationships with the financial management practices. The findings meant that the highest the level the educational attainment and major field of specialization the better their financial management practices. Restaurant employees with highest educational attainment related to the hospitality services can manage the restaurant operations especially in terms of financial status and operation of restaurant business. They can properly, efficiently manage the finances in terms of planning, budgeting, allocations, savings, utilization and many more on the most benefited on the business operations.

## 4. Challenges and Issues of Financial Management Practices of Restaurant Employees

The most challenging part of financial manager is the operating expenses and restaurant operations and services as a whole. These challenges are the menu, customer service experiences, uniqueness from other restaurant, marketing strategies operational challenges, inventory and hiring and training staffs.

These are the challenges encountered by the restaurant employees and financial managers because all of the mentioned challenges can greatly be contributed for the better restaurant operations in providing high standard and quality services.

## V. CONCLUSION AND RECOMMENDATION

### Conclusion

Based on the findings of the study, restaurant employees needs to ensure that can efficiently and effectively utilized finances from planning –operating–saving of the restaurant services and operations. Financial Managers in Cabanatuan City were outstandingly managed restaurant finances for the whole restaurant operations towards providing high quality services that can best providing unforgettable experiences to all customers. They oversees even the small things that could affects restaurant finances and services.

### Recommendations

Based on the conclusions, the researchers drawn recommendations:

1. the financial managers should place greater emphasis on the status on the restaurant and employees finances so that

they can provide and support the daily needs and satisfactions of all employees.

2. Always plan and monitor and establish and maintain a solid management structure so that everyone understand their own and team responsibilities towards better performance.

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