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Predicting business performance: The role of budgeting techniques, cash management strategies and rational financial decision making

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Abstract

In today's business environment, organizational leaders needs to understand the nature of business performance from the lens of new perspective relevant to the practices in financial management. The purpose of the study is to discuss the importance of budgeting techniques, cash management strategies and rational financial decision making in the arena of family businesses in the Philippines. The researcher aims to determine several factors that are involve to achieve desired business performance. Using the G*Power version 3.1.9.4, the total sample size needed for this study is 77. The members of sample size were selected via purposive sampling from the population. The researcher used a partial least squares structural equation modeling (PLS-SEM) to test the hypothesis and model. The findings indicated that cash management strategies (beta=0.519, t= 5.629, p=0.000) and budgeting strategies (beta=0.469, t= 5.459, p=0.000) has significant relationship with business performance while rational financial decision making (beta=-0.099, t=1.274, p=0.203) failed to achieve significant relationship. Considering cash management strategies as a mediating variable (beta=0.564, t=1.652, p=0.099) shows no indirect effect between rational financial decision making and business performance. In order for the rational financial decision making works with business performance, people performing managerial approach should factor the mediating role of budgeting techniques (beta=0.154, t=2.167, p=0.015) as the results shown a positive, though non-significant, the indirect effect on the relationship between rational financial decision making and business performance. The findings of the study can be the basis of people in the leadership position to arrive on a holistic view that business performance is a combination of financial and non-financial factors and a good grasp on single financial approach is not sufficient.

Keywords**:** Business Performance; Budgeting Techniques; Cash Management Strategies; Rational Financial Decision Making

1. Introduction

Staying on top of the competition, business interests and to consistently achieving targeted financial and non-performance is not one way straight strategy nor easy. Every company wants to have the best business performance possible (Salehi & Arianpoor2021). In general, business performance is a company's ability to profit from its resources and achieve its objectives. In today's practice, the term business performance usually refers to a company's holistic approaches on important factors from its people, processes, customer perspective leading to financials. Measuring business performance is quite critical on ensuring effective strategy formulation along with business resources and its implementation (Benkova et al 2020). Rational decision making is a crucial aspect of in the business management and commonly has its presence in every aspect of decision making. It involves carefully considering the available options, weighing the pros and cons, and making choices based on logical reasoning rather than emotions or impulses (Celubro-Martinez et al 2024). Employing rational decision-making techniques enhances problem-solving skills (Fehr et al 2022), minimize the risk of making poor choices (Anada et al 2023), and ultimately achieve better business outcomes (Antara et al 2020). The concept of RFDM will rest upon the assumption that it is made when the business owner has been taken to corresponds on what the decision maker believes to render in maximized financial, wealth relative to the given situation. Since it is not always possible to know the outcome of one's economic decisions, the expected utility of these decisions become critical and relevant (Coccia 2020). Budgeting techniques involves number-crunching, estimates, attention to detail, application of forecasting and achieving best output as well as informed decisions about fund allocation (Homauni et al 2023; Ravitilova et al 2024). Budgeting for an upcoming period isn't just about allocating spend; it's also about determining how much revenue is needed to reach company goals. Utilisation of budgeting techniques is considered as a primary function is to ensure an organization has enough resources to meet its goals (Azhar et al 2024). Planning financials and non-financial resources in advance helps businesses to determine which organizational initiatives require more investment in resources and areas where decision makers can cut back. Effective cash management ensures that a business cover its financial obligations (Bari et al 2019), avoid excessive debt, and strategically use its cash resources for growth and stability (Eton et al 2019). It involves practices like forecasting cash flow (Salamah 2023), managing receivables and payables, and using tools and strategies (Dirman 2020) to optimize the handling of cash inflows and outflows.

This study is based on the Balanced Scorecard – in measuring company performance. It identify obstacles and setbacks that impact the organization's success. Several studies highlighted as well that business performance is the ability of a firm and company, together with the departments involve to achieve its objectives, goals and expected results. Organizational leaders needs to be fully equipped on understanding the nature of the business and in which it operates, the economic context, the seasonality or the strength of the competition in the market explain the variation directly linked to business performance (Menne et al 2022).

The purpose of the study is to determine and explore the role of budgeting techniques, cash management strategies, rational financial decision making, and business performance. In the following section, researcher present the theoretical foundation, operational conceptual framework, hypothesis development, methodology, analysis and results, followed by discussions. The researcher also discuss limitations of the study and directions for future research. The primary purpose of this study is to describe and explore the role of budgeting techniques, cash management strategies, and rational financial decision making towards business performance of selected family businesses in National Capital Region, Philippines. The researcher seeks to answer the following research questions:

1. What is the relationship between budgeting techniques and business performance?
2. What is the relationship between cash management strategies and business performance?
3. What is the relationship between rational financial decision making and business performance?
4. What is the mediating role of budgeting techniques between rational financial decision making and business growth?
5. What is the mediating role of cash management strategies between rational financial decision making and business growth?

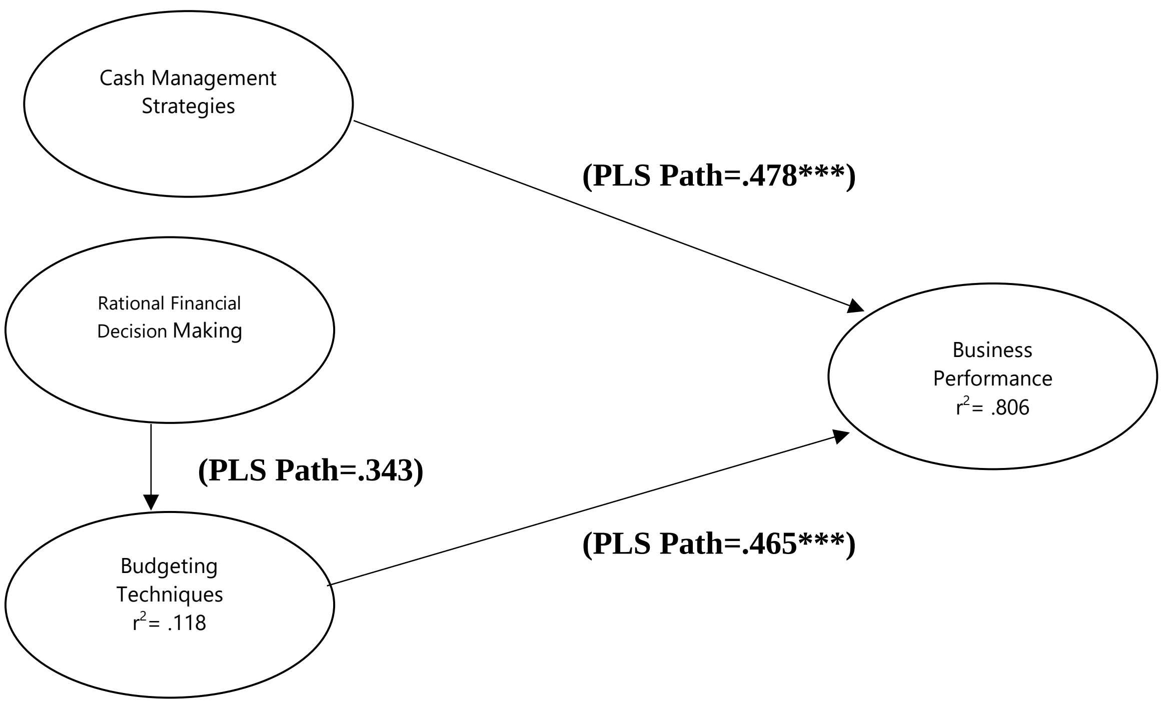
The recent study of He et al. (2018) cited by Channarika & Mardy (2024) pertaining to SME's employing budgeting techniques are more likely to meet financial goals and enhance overall business performance. In the context of investment activities, aside from comprehensive analysis, rational financial decision making is a crucial aspect to consider (Ogunlusi & Obademi 2019; Suresh 2021). While cash management strategies has no previous studies anchoring to business performance but cash holdings and cash flow management prevails in area of profitability, corporate and firm's performance (La Rocca & Cambrea, 2018; Dimitropoulos et al 2019; Giarto & Fachrurrozie 2020).

2. Theoretical Foundation and Operational Conceptual Framework

Overall business performance is defined as the ability to implement a strategy to achieve organizational objectives. Elements in a balanced scorecard was considered and highly relevant in the context of business performance which helps identify and improve their internal operations to help their external outcomes (Kaplan & Norton 1993; Benkova et al 2020). The balance scorecard is considered as an important tool for businesses to analyse how effective management is at achieving objectives and goals. It is important to measure business performance to understand whether a business is achieving its goals in relevant to a well-known key performance indicators

(KPIs) such as employee productivity and skills, order delivery and fulfilment speed, customer satisfaction ratings, monthly traffic generated from the business's website, how many new customers make purchases, and net sales growth. The structural relationship of the cash management strategies (Chang 2022), budgeting techniques (Ravitilova et al 2024), rational financial decision making (Celubro-Martinez et al 2024) and business performance (Salehi & Arianpoor2021) are illustrated in Figure 1.

Figure 1. Operational Conceptual Framework on the Budgeting Techniques, Cash Management Strategies, Rational Financial Decision Making, and Business Performance



Source: PLS-Path Coefficients, ***= p<.01

2.1 Hypothesis Development

2.1.1 Budgeting Techniques and Business Performance

A company's budgeting techniques and approaches has a big impact on how financially successful it is (Homauni et al 2023; Azhar et al 2024;). Given that the majority of businesses want to increase their profitability, a number of procedures and frameworks are established to guarantee that a business performs and expands successfully (Fada 2023; Samsi 2024). Therefore, budgeting policies give supervisors relevant data to assess business performance and guide top management and senior managers across different divisions within an organization (Amir et al 2021; Kabore 2024). The budgeting techniques forces businesses and organizations to map out respective goals, save money, keep track of the progress and variances (Bamidele et al 2024). The final hypothesis is:

H1. There is a significant relationship between budgeting technique and business performance

2.1.2 Cash Management Strategies and Business Performance

Sufficient cash on hand is crucial for any business to keep running smoothly. Good cash management ensures that there's always enough cash to keep the business moving forward without interruption (Chang 2019). Appropriate cash management approaches often ends up with extra cash that isn't needed for immediate expenses that leads to surplus cash which can be invested in short-term, long-term investments, and financial instruments, thus generates additional income for the business (Dirman 2020; Toumeh et al 2020). A business showing effective cash management is seen as a lower risk to lenders and investors and indicates that the business is likely to be able to repay its debts on time. Apparently, efficient cash management reduces the need for a business to borrow money because it ensures that the business makes the most of the cash thus good cash management practices (Bari et al 2019; Eshonqulov 2024) help on choosing the most favourable times and terms for borrowing, potentially securing lower interest rates (La Rocca & Cambrea 2018; Giarto & Fachrurrozie 2020). Reducing borrowing costs significantly improve a business's health in a financial and non-financial manner. Basically, the final hypothesis is:

H2. There is a significant relationship between cash management strategies and business performance

2.1.3 Rational Financial Decision Making and Business Performance

Financial knowledge in decision-making skills help decision makers make informed financial decisions through problem-solving, critical thinking, and an understanding of key financial facts and concepts (Coccia 2020; Fehr et al 2022). Strong financial knowledge in decision-making skills help to weigh options and make informed choices for their financial situations, such as deciding how and when to save and spend, comparing costs before a big purchase, and planning for retirement or other long-term savings (Ogunlusi & Obademi 2019). Financial knowledge in decision-making skills typically don't develop until several years of exposure on money management, financial disbursements (Suresh 2021) or financial literacy education making the final hypothesis is:

H3. There is a significant relationship between rational financial decision making and business performance

2.1.4 Budgeting techniques mediates the relationship between rational financial decision making and Business Performance

The budgeting technique is mostly considered as a monetary function in the area of relevant on financing business and financial management (Khanh et al 2024). In a future state and period of business management, both with respect to revenues and expenditures, budgeting techniques adds value on achieving targets in relation to involved resources (Karimi & Munene 2024). All activities for strategic objectives in the budgeting plans and techniques need a critical review, audit and feedback relevant to the resources allocated for implementing them (Abdelhadi & Mustapha 2022). The researcher's final hypothesis is:

H4. Budgeting techniques has mediating role between rational financial decision making and business performance

2.1.5 Cash management strategies mediates the relationship between rational financial decision making and Business Performance

In both decision making in finance and business operations, cash serves as the lifeblood that sustains daily activities and fuels growth (Dimitropoulos et al 2019). Cash management strategies ensures that there is enough liquidity to cover immediate expenses, such as bills, payroll, and unforeseen emergencies, while also allocating funds for investments, debt repayment, and savings (Badakhshan & Bali 2022). Cash management is highly considered as strategic process of monitoring, analyzing, and optimizing the cash flows of an individual, business, or organization, It involves maintaining adequate liquidity to meet financial obligations while maximizing the utilization of surplus funds to generate returns or reduce costs (Salamah 2023). Effective cash management is essential for financial stability, enabling decision makers in the aspect of business management to navigate economic uncertainties, capitalize on opportunities, and achieve their respective long-term financial objectives (Giarto & Fachrurrozie 2020). The final hypothesis is:

H5. Cash management strategies has mediating role between rational financial decision making and business performance

3. Methodology

The researcher performed quantitative and explanatory. Purposive sampling was used to select the cross-sectional research participants in Metro Manila, Philippines (Kock & Hadaya 2018). The researcher intended on this study gathered 77 participants and has the best positioned to describe business performance, rational financial decision making, budgeting techniques and cash management strategies. To the best that the researcher exhausted, the participants were identified using screening standards, and these are: participants were not involved in a Focus Group (FG) happened on pilot study relevant to uncover reliability test of the research instrument. The researcher performed screening questions which were necessary to avoid bias in the analysis. This study utilizes the G*power were used to determine the sample size and parameters considered are effect size of 0.15; alpha error of probability is 0.05; power 1-beta error probability is 0.080; number of predictors is three (3) for a total sample size between seventy-three (73) and seventy-seven (77). The researcher considered a statistical power level of .8 which indicates that the likelihood of making a Type II error is extremely low. The statistical power of .8 is generally considered an acceptable level of power (Kock & Hadaya 2018). Ethical approval was sought and obtained from the respective companies. Researcher carefully explain the informed consent prior of distribution and sought from the staff participants of this study. The right of participants to decline or to discontinue the participation was strictly emphasized by the researcher and respected throughout the study and data collection. Data and sensitive information have been and will continue to be treated with utmost/absolute confidentiality.

3.1 Sample Description

Table below shows the demographic profile of the employee respondents in terms of age, sex, marital status, tenure, position, highest educational attainment, years of professional experience and the business profile.

Table 1 Characteristics and Demographic information of the sample (n=77)

Demographic Profile	Category	N	%
Age	20-29	3	3.90%
	30-39	34	44.16%
	40-49	40	51.95%
Sex	Male	31	40.26%
	Female	46	59.74%
Marital Status	Married	51	66.23%
	Single	26	33.77%
Tenure	1 - 2 years	22	28.57%
	3 - 5 years	39	50.65%
	6 - 7 years	5	6.49%
	Less than a year	11	14.29%
Position	Managerial	68	88.31%
	Supervisory	9	11.69%

Highest Educational Education	College Graduate	73	94.81%
	Master's Degree	4	5.19%
Years of Professional Experience	1 - 2 years	11	14.29%
	3 - 5 years	61	79.22%
	6 - 7 years	2	2.60%
	Less than a year	3	3.90%
Business Profile	QKB CORPORATION	28	36.36%
	VIERAJ TRAVEL AND TOURS	17	22.08%
	MC LAB HEALTH INC.	32	41.56%

As shown in Table 1, the employee participants under the category of 40-49 years of age (51.95%) got the biggest number of respondents. Under the variable of sex, (59.74%) of the respondents were dominated by female with a 40.26% were male respondents and predominantly shared by married marital status (66.23%). While the highest employee tenure was 3-5 years (50.65%), the position is certainly on managerial level (88.31%). The college graduate under the variable of highest education shows 94.81% and the 3-5 years of professional experience has the biggest share (79.22%). In terms of the business profile, company Mc Lab Health Inc. has most of the respondents (41.56%).

3.2 Research Instruments

The researcher of this study developed a structured questionnaire with closed-ended and open-ended questions and a rating scale. These instruments were pre-tested on twenty (20) initial respondents to ensure their understandability and usability of the test questionnaire. To the best that the researcher exhausted, the sample size was large enough to support the exploratory factor analysis. Personal interviews were used to validate the research instrument's content validity and appropriateness. Performing pre-testing is needed and beneficial for examining bias and evaluating if intended research instrument is anchored on the standard, resulting in few modifications to the developed items. All items were rated on a seven-point Likert scale ranging from strongly disagree (1) to strongly agree (7) using a 40-item questionnaire. Seven-point Likert scale items in the survey questionnaires have been shown to be more accurate and provides a better reflection of employee employee's true evaluation. Also, given all the advantages, in most cases, even when compared to higher-order items, the 7-point items are quite good to be the best solution for questionnaires in terms of usability evaluations (Finstad 2010; Alabi & Jelili, 2022).

4. Results and Analysis

The current study employed a quantitative research design. Additionally, the researcher performed an exploratory approach to quantify the relationships between cash management, rational financial decision making, budgeting techniques, and business performance. The parameters of the mediation model were estimated using partial least squares – structural equation modelling (PLS-SEM) with Smart PLS 4 statistical software. PLS-SEM is considered as a second generation statistics and a variance-based estimation technique used to uncover and determine the reliability and validity of constructs and estimate the relationships between determined measures (Hair et al. 2019). In PLS-SEM, the path model is specifically evaluated in two phases or stages. The first stage involved evaluation and examination of the measurement model. This stage assessed the independent variables and dependent variable' reliability test such as convergent validity and discriminant validity. The second stage examined the structural model, which includes analysis the hypothesized structural relationships between variables (Dimaunahan & Amora 2016). The mean score for all 77 responses was in the range of somewhat agree, exceeding 4, as shown in Table 2.

4.1 Reliability and Validity Measurements

The reliability test such as convergent and discriminant validity tests were analysed to examine the measurement model meeting the standards. Performing assessment of construct reliability enables evaluating a reflective as well as formative item and set of items about the construct, thus it is intended to measure (Hair et al. 2016). Composite reliability (CR_a) and Cronbach's alpha (CA) are typically used to determine convergence for the reliability (Hair et al. 2019). To uncover high reliability, the composite reliability (CR_a) and Cronbach's alpha (CA) values must be .07 or greater than 0.7 (Nunnally & Bernstein 1994). The variables of rational financial decision making, budgeting techniques, cash management strategies and business performance has successfully met the needed criterion for construct reliability. The researcher examined the acceptable level of convergent validity and to be able to achieve said levels, the p-values for each item should be less than or equal to .05, and the loadings reported in PLS SEM should be greater than or equal to .5. (Hair et al. 2019). Additionally, the correlation between the questionnaire item and a construct is so-called item loading (Hair et al. 2019). In Table 2 below , all indicators along with the item loadings were statistically significant and achieved the thresholds greater than the 0.5.

Table 2. item Loading, AVE, and Reliability of the Constructs/Variables

Item	Variables/Constructs	Mean	SD	Loading	AVE	CR_a	CR_c	CA
BPLG6	Business Performance - Learning & Growth	4.10	0.13	0.64				
BPLG10		3.90	0.22	0.57				
BPLG12		3.90	0.12	0.73				
BPIP1	Business Performance - Internal Process	4.67	0.12	0.73				
BPIP5		3.90	0.17	0.65				
BPIP8		3.97	0.08	0.79				
BPIP9		3.83	0.18	0.56				
BPIP10		3.93	0.07	0.57				
BPC1	Business Performance - Customer	4.03	0.11	0.73				
BPC4		3.93	0.17	0.55				
BPC5		3.90	0.15	0.61				
BPC6		3.83	0.06	0.73				
BPC9		4.00	0.12	0.76				
BPC10		4.03	0.14	0.60				
BPF4	Business Performance - Financial	4.03	0.16	0.64				
BPF5		3.90	0.15	0.61				
BPF6		3.83	0.21	0.52				
BPF8		4.07	0.14	0.70				
BPF9		4.03	0.17	0.67				
BPF10		3.90	0.11	0.75				

BPF12		4.07	0.17	0.54	0.54	0.94	0.94	0.94
BT2	Budgeting Techniques	3.67	0.20	0.67				
BT3		3.73	0.09	0.84				
BT5		3.60	0.21	0.67				
BT4		3.67	0.23	0.54				
BT9		3.80	0.06	0.90	0.54	0.82	0.85	0.78
CM1	Cash Management Strategies	3.70	0.21	0.87				
CM3		3.57	0.20	0.66				
CM4		3.73	0.06	0.59				
CM5		3.70	0.12	0.87				
CM6		3.73	0.21	0.78				
CM7		3.73	0.21	0.68				
CM8		3.80	0.09	0.66				
CM10		3.83	0.10	0.87	0.57	0.91	0.91	0.89
RFDM2	Rational Financial Decision Making	3.83	0.07	0.88				
RFDM4		3.77	0.20	0.90				
RFDM5		3.77	0.21	0.72				
RFDM7		3.83	0.08	0.71				
RFDM9		3.70	0.13	0.89				
RFDM12		3.77	0.08	0.76	0.67	0.92	0.92	0.90

SD = Standard Deviation; AVE = Average Variance Extracted; CR_a = Composite Reliability rho_a; CR_c = Composite Reliability rho_c; CA = Cronbach's alpha

Moreover, the average variance extracted (AVE) shows quantified variance for each of construct namely business performance, budgeting techniques, cash management strategies and rational financial decision making which derived from the items specified and compared to the variance due to measurement error. The researcher examined the each of the latent variable and all has an average variance extracted (AVE) greater than .5, which shows that the the recommended value was achieved for acceptable validity (Fornell & Larcker 1981). Additionally, the coefficients of average variance extracted (AVE) were valid. The reliability and validity tests composing of convergent and discriminant validity were analyzed to examine the measurement model. The researcher performed the assessment of each construct and its reliability which enables evaluating a reflective item and set of items about the construct it is intended to measure (Hair et al. 2019). Apparently, composite reliability (CR) and Cronbach's alpha (CA) were considered firsthand to determine the construct reliability both convergent and discriminant validity. To uncover high reliability, the researcher matched the result of composite reliability (CR) and Cronbach.

4.2 Model Fit and Quality Indices

Overall, the results showed that the structural equation modeling under partial least square approach (using the Smart PLS) estimates were within the standard and acceptable range. The p-values of the path coefficients, R-squared, as well as the adjusted R-squared must be equal to or less than .05 for the model to be acceptable. The recommended value for variance inflation factor (VIF) indices is 3.3 or less. The researcher visited the standard root mean square (SRMR = 0.196) as well of estimated and saturated model, thus gathered responses failed to meet the criteria of < 0.08 and normed fit index (NFI) > 0.90.

4.3 Summary of Hypothesis Testing

According to the research results, it was found that not all the three predictors had a significant relationship on business performance at a significance level of 5%. There is a significant relationship between budgeting techniques and business performance, as reflected in the path coefficient (beta=0.469, t= 5.459, p=0.000). This means that budgeting techniques provides tenured managers relevant data to achieve required business performance and sets a good guide across various divisions of the company (Samsi 2024). The study of Bamidele et al 2024 echoed the same idea that relevant methods on budgeting plays a crucial, significant role and certain stake holders such as staff, managers, owners contributes in the development. Several studies from various context also affirmed that certain techniques in budgeting as well as policies along with the relevant data leads to performance, thus guides decision makers, users across different divisions within an organization (Amir et al 2021; Fada 2023; Maitima & Munene 2024).

There is a significant relationship between cash management strategies and business performance, as reflected in the path coefficient (beta=0.519, t= 5.629, p=0.000). This is particularly evident that companies needs to provide a good attention on strategies pertaining to cash management

(Anandasayanan & Subramaniam 2019; Dirman 2020; Tourmeh et al 2020) thus, understanding liquidity management generates performance in a long-term aspects. Arguments on cash management strategies has not been supported entirely but usually embedded on financial management concepts relevant to the challenges in on increasingly complex and competitive business era (Salamah 2023). Recent studies have highlighted the changes on the nature of strategies employed in cash management connecting a holistic understanding on corporate cash reserves policies and improving cash accounting (Eshonqulov 2024; Astrina et al 2024).

This research showed that rational financial decision making has no significant relationship on business performance as the path coefficient (beta=-0.099, t=1.274, p=0.203) is considered inverse relationship. This pattern can be interpreted that although there is a competitive approaches regarding rational financial decision making, challenges arises such as efficiency, capacity and economic resources (Anada et al 2023). Another study of BAHM-S et al 2021 provides a detailed perspective that environmental differences explains such directions not limited to legal, business, political situation, ways of thinking, to name a few. Said results was supported by the study of Antara et al (2020) but completely different on the ideas of Kumari et al (2024) supporting strong financial knowledge in decision-making skills help to weigh options and make informed choices relevant to business's financial situations, in most cases when comparing costs prior to purchase, acquisition and planning for long-term activities (Parmitasari & Rusnawati 2023; Rahmawati et al 2023; Celubro-Martinez et al 2024).

Moreover, the results of this research showed that the budgeting techniques has a partial mediation between rational financial decision making (beta=0.154, t=2.167, p=0.015) and business performance since the first hypothesis achieved significant relationship (Cepeda et al 2024; Gironda 2024). A recent study of Kabore 2024 has provided a relevant findings such as the commitment to certain budget objectives motivates the use of information and communication technologies and eventually leading to sound managerial performance. The efficient management of the internal resources can be achieved with the presence of practices relevant to budgeting, techniques and processes (Geng & Weng 2021; Abdelhadi & Mustapha 2022). Core-factors such as business planning together with the organizational commitment as well as the strategy implementation and managerial control are all positively connected and with the presence of mediating role of the budgeting techniques and process; significant performance can be achieved (Vuong & Rajagopal 2020).

Along with these significant findings, cash management strategies does not add value when considered as mediating factor between rational financial decision making and business performance (beta=0.564, t=1.652, p=0.099). The study of Chang 2022 confirmed aggressive policy in managing cash and properly generating sufficient cash to meeting immediate obligations however, aforementioned practices (Eton et al 2019) were not sustainable. Disruptions on cash flow relevant to cash replenishment policies in a highly disruptive environment needs to consider cash conversion cycle to observe acceptable performance (Badakhsan & Balli 2022).

Table 3. Hypothesis Testing (alpha = 0.05)

Hypothesis	Beta Coefficients	t-value	P - value	Interpretation
(H1) There is a significant relationship between budgeting techniques and business performance. **(BT -> BP)**	0.469	5.459	0.000	Supported
(H2) There is a significant relationship between cash management strategies and business performance. **(CMS -> BP)**	0.519	5.629	0.000	Supported
(H3) There is a significant relationship between rational financial decision making and business performance. **(RFDM -> BP)**	-0.099	1.274	0.203	Not Supported
(H4) Budgeting techniques has a mediation effect between rational financial decision making and business performance **(RFDM -> BT-> BP)**	0.592	0.119	0.000	Supported
(H5) Cash management Strategies has a mediation effect between rational financial decision making and business performance **(RFDM -> CMS-> BP)**	0.564	1.652	0.099	Not Supported

4.4 Key Drivers of Business Performance

To add to the context of this research, the researchers asked open questions to examine business performance. Apparently, the clustering of the responses is based on the interpretation of Kaplan & Norton's (1993) research on Putting the Balanced Scorecard to Work . Findings uncovered that five (5) critical attributes that may contribute to their innovation and improvement. Internal processes: approaches and resources for business processes and continuous improvement (33%), learning and growth: continuous improvement index, safety and rework (28%), supportive climate of empowered and motivated employee (15%), customer perspective: sales growth anchored on business creation and development (14%), financial growth: holistic understanding of share value metric (10%).

4.5 Discussions

There are significant relationships between cash management strategies, budgeting techniques and business performance, and the mediation effect of budgeting technique on the relationship between rational financial decision making and business performance. The budgeting techniques has significant relationship with business performance, results suggest appropriate approaches anticipates operational changes, thus avoids overspending on underperformance projects and units. The researcher uncovered that the study's findings of Amir et al (2021), Fada (2023), Maitima & Munene (2024) certain techniques in budgeting along with appropriate policies guides decision makers of respective companies to achieve targeted performance. Specifically, Samsi (2024) emphasizes its crucial benefit on tenured managers such as business familiarity, the study of Bamidele et al (2024) provides a clear discussion that stakeholders contribute to the development on relevant methods of budgeting. The cash management strategies have significant relationship with business performance, findings reveal that maintaining and achieving a healthy cash flow reinforce liquidity aspect needed for a business to perform, meeting short-term obligations, thus supports the study of Anandasayanan & Subramaniam (2019), Salamah (2023), Dirman (2020) and Tourmeh et al (2020). Additionally, the study of Eshonqulov (2024), Astrina et al (2024) provides specific directions that cash accounting optimizes cash management strategies and holistic understanding cash balances, greater visibility leads to effective cash management strategies.

The budgeting techniques partially mediates the relationship between rational financial decision making on business performance was partially supported. In the mediation analysis performed by the researcher, budgeting techniques was presented as a mediating variable to the relationship of rational financial decision making on business performance, emphasizing the important role of budgeting technique so that resources in the area of rational financial decision making can be used effectively and account significant changes for business performance. Several studies have a similar perspective and substantiate the findings (Cepeda et al 2024; Geng & Weng 2021; Abdelhadi & Mustapha 2022; Gironda 2024). A recent study of Kabore 2024 echoed great similarities that certain budget objectives must factor the information and communication technologies for a sound managerial performance. While core-factors such as business planning, organizational commitment, the strategy implementation and managerial control must all be connected (Vuong & Rajagopal 2020).

5. Conclusion

In the context of family business in the Philippines, budgeting techniques, in consideration with its mediating role and direct effects, as well as cash management strategies are totally important to manage the business performance. The relevance of innovation and improvement pertaining specifically to the approaches and resources for business processes, continuous improvement index, safety and rework, supportive climate of empowered and motivated employee, sales growth anchored on business creation and development, holistic understanding of share value metric. Performing rational financial decisions are given in the business management arena but not sufficient to achieve target without factoring budgeting techniques. Effective budget techniques are anchored on the capacity to track how the company is doing financially so it can plan for both short- and long-term expenses, from new hires to the cost of expanding operations. Further study is needed to validate the mediation effects.

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