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Research Article

The Influence of Cost Management Strategies on Financial Performance among Selected Manufacturing Businesses in Tagum City

Kimberly Tiara S. Guibao, Kaye Angela V. Hilamon, Ma. Divine L. Sepe, Joe Mari N. Flores*

Department of Accounting Education, University of Mindanao Tagum College, 8105, Philippines

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**Corresponding author:*
E-mail:
joemari_flores@umindanao.edu.ph

ABSTRACT

In today's competitive global economy, manufacturing companies face constant challenge in managing costs effectively while maintaining financial performance, and meeting customer demands. While the significance of cost management is widely acknowledged, its impact on the financial performance of manufacturing businesses in Tagum City remains underexplored. This study examined the influence of cost management strategies on financial performance among selected manufacturing businesses in Tagum City. Specifically, it sought to determine whether material, labor, and overhead costing, as the domains of cost management strategies impacted their financial performance. In addition, a quantitative, non-experimental, descriptive-correlational design was employed. The data collected from 179 managers/owners who were selected through simple random sampling and surveyed using structured questionnaires. Furthermore, statistical tools applied included the Mean, Pearson's r, and Multiple Regression Analysis. The results revealed that effective cost management strategies have a significant impact on financial performance. In particular, financial performance was significantly influenced by material and labor costs, while overhead costs demonstrated less impact. Therefore, this study underscores the significance of effective cost management strategies in improving financial sustainability and driving business growth, thereby contributing to SDG 8 (Decent Work and Economic Growth).

Keywords: *Cost management strategies, Financial performance, Manufacturing businesses, SDG 8: Decent Work and Economic Growth*

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Introduction

The competition among manufacturing companies is very keen and vigorous in this era of globalization. Because of this, manufacturing firms face ongoing challenges, precisely due to disruptions in the supply chain and higher operational costs related to labor and materials that significantly affect the financial health of the businesses. Perez (2024, para.3) affirmed that higher inflation results in higher interest rates that increase production costs and overhead costs, which causes a reduction in profitability. Similarly, Mamidu and Akinula (2020, p. 84) found that high production costs negatively impact financial performance by slowing a company's progress. Additionally, as living expenses rise, businesses have to offer higher wages to attract skilled workers, further squeezing their financial gains (Hamermesh, 2021, para. 1). Although the manufacturing sector contributes to economic growth, Omar, Minoufekr, and Plapper (2019, para. 3) found that it has the second-lowest profitability, with a gross operating rate of just 7.8%. This is due to the ongoing necessity for organizations to cut expenses and improve profit margins to stay competitive in the market.

In the Philippine setting, according to UP ISSI (2020, para. 6), the rate of business closures is high because of unprofitable operations and the difficulty of financial accessibility to continue business operations. Also, the pandemic had a massive impact on all entrepreneurs which it harmed the sales, production, and operations of several companies all over the globe and resulted in a substantial negative influence on financial performance (Nguyen & Xuan, 2021, para. 7). That is why, in a recent study of Akintunde, Lambe, and Daniel (2024, para.1), manufacturing companies are necessary to be more proficient at utilizing resources to make the unpromising areas become advantages for potential financial growth. As stated by Ombati (2021, p.3), economic performance is pivotal to a firm's health and existence as this will show how an entity can meet its financial goals and track progress, for instance, profitability. It is defined as the aptitude of a business to manage its resources, and it measures capital adequacy (Fatihudin & Mochklas, 2018, as cited in Muema & Abdul, 2021).

In addition, financial health is assessed through financial performance since companies will find a way to generate profitability and have higher sales. According to Jonah and Court (2023, p. 218), financial performance is primarily driven by continuous sales growth since sales generate revenue and profit from the deductions of expenses. Shareholders serve this as their basis to track the entity's value by how companies manage all of their assets, liabilities, equity, income, and expenses (Ibrahim R, Hussain, & Ibrahim, YK, 2023, para. 2). Thus, it functions as the key determinant in evaluating a company's growth and overall financial health. Similarly, this involves assessing the outcomes of a company's policies and operations in financial terms, evident in its return on investments, assets, and equity, along with its liquidity and solvency. (Mamidu, Akinola, 2020, p. 81). Manoharan et al. (2024, p. 30) stated that the prepared financial statements are where the investors rely on information, and transparency is a must for presenting financial information to ensure that macro stakeholders receive reliable data regularly regarding the company's value, encouraging them to make decisions.

Further, the shareholders and the economy as a whole depend on financial performance. Businesses strive for financial wellness, attracting investors and contributing to economic growth as they continue to engage in the business industry as part of the agenda of Sustainable Development Goals by the United Nations which is to strive for sustainable economic growth and to provide productive employment (United Nations [UN], 2015, para.8). In connection with this study, every business should make financial progress to create more jobs. In measuring the company's financial wellness, Kazimoto's (2016, p.62) study pinpoints the three indicators: profitability, liquidity, and sales volume, ensuring enough returns to the stakeholders to sustain its competitive advantage and market value.

On the other hand, cost management plays a significant role in the manufacturing sector. As claimed by Rougnahi, Jarrar, and Paul Dana (2021, p.2), firms with limited accessibility to capital decrease the capacity to expand their sales and enfeeble the degree of cost stickiness when sales are declining. The degree of cost management strategies gauges the level of corporate management. With this intention, as cited by Lizot, Trojan, and Alfonso (2021, para.12), cost management focuses on gathering relevant information to help the company manage and make decisions. Through the application of this system, the product's profitability will increase through its simulation methods (Galic et al., 2023, p.92).

Cost management helps to achieve efficiency in two ways: (1) by monitoring planned and realized costs for better control, and (2) by supporting decision-making through the analysis of production and financial data for short and long-term (Lizot, Trojan, & Alfonso 2021, para. 12). This method is a proper application to develop policy condition and to reduce unnecessary expenses. Imposing this within the business will give a practical idea concerning monitoring the industry and budget framing. As specified by Henri, Boiral and Roy (2016, p.37), the importance of this system serves as a key determinant in operating a business successfully.

This study is anchored with the resource-based view theory by Wernerfelt and views the firm-specific factors and their effect on performance (Wernerfelt, 1984, pp. 171-180). In relevance to this, part of the costs are the tangible resources, which include raw materials; intangible resources, which include the knowledge and skill of employees; and capabilities of how effectively the business uses its resources. The theory explains that if these firms' characteristics are employed appropriately and effectively, these will serve as a competitive advantage that can contribute to the financial progress of manufacturing businesses. Cost management skills will help improve the performance of the company. With these resources, a specific business can develop competencies and help the firm enhance its effectiveness and efficiency, eventually leading to a competitive edge in the industry. In relevance to the influence of cost management on financial performance, the study of Sewakilyanga (2018, p.1) proved that cost management impacts the financial performance of the business. Also, as concluded by another survey by Mamidu and Akinola (2020, p. 84), cost management substantially impacts performance.

For this reason, it is imperative to conduct further studies to fill research gaps from previous studies and explore the influence of cost management on the financial performance of manufacturing firms. Alfonso et al. (2024, p.16) suggested extending this topic to different manufacturing companies to remain competitive and profitable. Additionally, to prove that there is an influence between these variables, the study of Temitayo and Adigbie (2020, p. 89) recommends conducting cost management to help managers identify and focus on the essential factors to increase profitability. Although several studies have examined the significance of cost management, local research remains limited in exploring its impact on the financial performance, particularly in Tagum City. Besides, the contributions of this study provide knowledge for future studies as this will intend to discover new empirical evidence about the influence of cost management strategies on financial performance while considering the level of economic performance over the years of business operation.

Knowing the relationship between the two variables covered in this study will make a significant difference in adapting this strategic variable method in their operation and measuring their financial capability and growth. That is why researchers seek to determine the influence of cost management as a valuable method in maintaining a healthy financial performance in manufacturing firms. This study aimed to assess the level of cost management techniques in manufacturing businesses by examining material, labor, and overhead costs. In addition, the level of financial performance over the years of operating in the industry is measured through its profitability, liquidity, and sales volume. After identifying the independent and dependent variable levels, the researchers investigated if there was a significant relationship between cost management and financial performance. Moreover, this study determined which domain of cost management significantly influences the financial performance of manufacturing businesses.

Given that manufacturing companies contribute to the country's emerging economy, they are also one of the foundations of local economies, influencing not just industries but every individual. It also thrives in remaining competitive in the global market, contributing more significantly to economic growth and innovations and providing more jobs and opportunities. Further investigation about the influence of cost management on financial performance in this industry is needed to give the decision makers an idea of being keen on developing strategies for managing costs as this will adversely influence performance. It will also give them an essential insight into how cost management strategies can be helpful in terms of their effectiveness and efficiency in handling costs and accuracy in making decisions, whether it is for budgeting or forecasting costs that will influence the financial performance of certain companies.

Manufacturing businesses will benefit from the findings of this study since it will help them learn how to manage the costs of their business operations. This study will inform them on how they will manage their costs without affecting the quality of their products. *Managers* are decision-makers in business operations, and this study will provide reliable information about managing their costs without compromising their products. *Other manufacturing firms* have yet to adopt effective cost management strategies that can help them pinpoint critical pressure points and manage them effectively to implement the system successfully. Lastly, *future researchers* will also benefit from the results generated in this study, which will serve as their guide and reference.

Moreover, the null hypotheses in this study were tested at a 0.05 level of significance, indicating no significant relationship between cost management and financial performance and no domain of cost management affects financial performance.

In line with Sustainable Development Goal (SDG) 8: Decent Work and Economic Growth, which emphasizes the pursuit of sustainable economic growth and provide productive employment (United Nations [UN], 2015 para. 8). This study highlighted the importance of implementing effective cost management strategies to improve financial performance, allowing businesses to expand, create more jobs, and contribute to long-term economic sustainability. By adopting these strategies, businesses can strengthen their finances, operate more efficiently, and support economic growth.

Methods

This section covers the method utilized in this study. The topics discussed here include the research respondents, instruments, and research design, which will guide the readers in comprehending how and where this study was conducted.

Respondents

The respondents for this study were general managers/owners or production managers. Managers were selected as respondents since they fit the inclusion criteria, are decision-makers within the organization, possess relevant knowledge, and have practical experience managing costs. As part of the said criteria, they must be above twenty years of age and have worked more than three years in the manufacturing firm. In contrast, the exclusion criteria for the participants were those newly employed as general or production managers, lack of experience, and lack of involvement in cost management.

Additionally, the geographical area of this study was Tagum City from the entire population of 280 selected manufacturing firms, comprising 146 water refilling stations, 128 bakeries/cakes and pastries, and 6 'ice cream makers. The researchers used Raosoft to calculate the sample size of 179 respondents by its margin of error, confidence level, and response distribution.

Furthermore, a random sampling technique was employed using a research randomizer tool to select respondents. This sampling technique allows everyone to represent the whole population, resulting in an equal chance of being selected. Since the selection is random, it will be inherent fairness and provide more data accuracy during collection (Gaille, 2017, para. 2). The chosen respondents can withdraw from participating in the survey at any time.

Instrument

This study utilized the research questionnaire in a written form adapted from Sewakilyanga, A. (2018, para. 1) for cost management and Kazimoto, P. (2016, p. 62) for financial performance. A written survey questionnaire was utilized to measure the variables since researchers could not observe the respondents' views or perspectives relevant to the study. The questionnaires were subjected to review by the adviser and validation by the panel to ensure the validity and reliability of the data. As a result, only the pertinent questions were incorporated into the material. To determine the level of cost management, researchers used the questionnaire of Sewakilyanga, A. (2018, para. 1), which consists of 18 questions divided into three (3) indicators: *Material Costing, Labor Costing, and Overhead Costing.* Furthermore, to identify the level of financial performance over the years of business, the questionnaire of Kazimoto (2016, pp. 54-67) will also be utilized, which consists of 16 questions divided into three indicators: *Profitability, Liquidity, and Sales Volume.*

The researchers utilized the Five Point Likert Scale to measure selected manufacturing businesses' cost management strategies and financial performance. The descriptive equivalents for the measurement of variables were very low, low, moderate, high, and very high, corresponding to mean scores ranging from 1.00-1.80, 1.81-2.60, 2.61-3.40, 3.41-4.20, 4.21-5.00, respectively.

Design and Procedure

Concerning its design and procedure, the researchers sought to determine the relationship between cost management strategies and financial performance using the quantitative, non-experimental research design and descriptive-correlational research method. The main point of non-experimental research is that it does not include modifications of independent variables. Instead of manipulating the variables, researchers assess them as they naturally occur. Correlational research analyzes the level to which two or more variables are connected or related (Creswell, 2008, p. 98). Hence, this approach highlights the importance of the identified relationships and allows predictions to be made based on the variables involved and the type of engagement that took place.

The researchers distributed and administered research questionnaires to the managers of manufacturing businesses. Afterward, researchers organized and prepared to identify the relationship between cost management and financial performance to understand better how firms dwell on a specific concept. The survey occurred in the First Semester of the Academic Year 2024- 2025. After the respondents answered all the questions, the researchers began tabulating the data using statistical tools. The statistical tools utilized in this study are the mean, Pearson r, and multiple regression analysis.

The mean is used to identify the level of cost management and financial performance based on profitability, liquidity, and sales volume. Pearson-r was used to determine the relationship between independent and dependent variables. In addition, the use of multiple regression analysis determined if there was a domain in cost management strategies that significantly influenced the financial performance of manufacturing firms. Furthermore, the basis of the probability level is 0.05 to determine the degree of significance of the research findings.

Result and Discussion

This section presents the results and discussions from the collected data. The findings are organized according to the study's research objectives and presented in tabular and textual formats. Additionally, the discussion is grounded in the conclusion of the gathered data.

Level of Cost Management Strategies

Table 1. Level of Cost Management Strategies

Indicators	SD	Mean	Descriptive Equivalent
Material Costing	4.44	0.53	Very High
Labor Costing	4.27	0.62	Very High
Overhead Costing	4.26	0.65	Very High
Overall	**4.32**	**0.53**	**Very High**

As shown in Table 1, the overall mean score is calculated based on the following individual mean scores: 4.44 for *material costing*, with a standard deviation of 0.53, indicated as very high; 4.27 for *labor costing*, with a standard deviation of 0.62, indicated as very high; and 4.26 for *overhead costing*, with a standard deviation of 0.65, indicated as very high. These individual mean scores signified that respondents strongly agreed with the embodied statements, confirming that each indicator was always observed within their organization. Hence, the level of Cost Management Strategies was very high, which signified that it was consistently observed in selected manufacturing businesses with a 4.32 overall mean score and a corresponding standard deviation of 0.53.

It implies that the ratings for these three indicators—material costing, labor costing, and overhead costing—reflect a general concurrence among respondents that cost management strategies were actively observed and overseen within their organizations. Also, respondents believed these cost management practices are integral to their company's operations and have a noticeable impact on the efficiency and effectiveness of its financial management.

The most commonly observed strategy in manufacturing businesses is material costing, as it had the highest mean score among the indicators. It implies that companies acquire affordable yet high-quality products to ensure they are well-manufactured. They keep comprehensive documentation to track material costs easily. An integrated material management system is also employed to manage purchasing, delivery, and handling/storage properly. It is incorporated into Julina's (2021, p. 52) statement that effective management of material costs contributes to cost-efficiency by delivering material goods, fixed suppliers at a low price, and sourcing suppliers for the materials needed. Manufacturing industries can benefit from cost strategies to stay competitive in the global market. These strategies include reducing material, labor, and overhead costs. Companies can increase their chances of survival and maintain their market position by focusing on these areas. Cost strategies in manufacturing industries include minimizing material, labor, and overhead costs, which can help them survive and maintain competitiveness in an increasingly global marketplace. (Udaya, 2024, p. 386).

In addition, labor costing, which had the second-highest mean score, is widely recognized by respondents as an essential practice in manufacturing businesses. It implies that manufacturing companies have adequate policies for managing direct and indirect costs. Additionally, companies employ a costing system to allocate indirect costs to track and correctly calculate expenses easily. Also, businesses offer bonuses to motivate employees and encourage better performance, ensuring workers focus on doing their best. Effective cost management can lead to higher profitability, as efficiently managing labor costs could increase output and revenue. Managing these rising costs increases labor productivity, and investing in technology enhances business operations without compromising effectiveness. (Ramesh, Prabakaran, Kumar, Balamurungan, 2024, pp. 119-120).

On the other hand, although overhead costing had the lowest mean score, respondents still confirmed that it is present in their organizations. It highlights the importance of policy in allocating all indirect costs. Overhead costs include equipment depreciation, factory space rent, factory tools and supplies, insurance premiums, licensing fees, and other ongoing expenses necessary to keep the business running.

Furthermore, they pointed out that overhead costs make up a part of their total expenses. Hence, according to Irsa and Csaba (2021, p. 29), allocating indirect costs is the primary objective of managing overhead costs in different business areas. The more significant overhead requires a more careful allocation process. This costing has a relatively high impact on management as it serves as a blueprint for managers that guides them in making decisions and allocation of resources (Accounting Insight Team, 2023, par. 8). By regularly reviewing the overhead costs incurred and adjusting its rates, this ensures it will create comprehensive budgets that account for both indirect and indirect costs.

Level of Financial Performance

Table 2. Level of Financial Performance

Indicators	SD	Mean	Descriptive Equivalent
Liquidity	4.32	0.57	Very High
Profitability	4.22	0.65	Very High
Sales Volume	4.07	0.69	High
Overall	**4.21**	**0.53**	**Very High**

As presented in Table 2, the results were calculated based on these individual mean scores: 4.32 with a standard deviation of 0.57 for *liquidity*, denoted as very high; 4.22 with a standard deviation of 0.65 for *profitability*, indicated as very high; and 4.07 with a standard deviation of 0.69 for *sales volume* corresponded as high. Both profitability and liquidity results are defined as always observed. Meanwhile, the sales volume was usually observed. Thus, the level of financial performance was very high, with an overall mean score of 4.21 and 0.53 standard deviation, defined as always observed in selected manufacturing businesses.

Liquidity, profitability, and sales volume are evident and consistently observed within their organization. Respondents believed there was progress in their financial performance, noting improvements in their cash flows, increased profitability, and higher sales that collectively contributed to the success of their companies.

Among the three indicators that contributed to the financial performance of manufacturing businesses, liquidity had the highest mean, indicating it was consistently observed in the manufacturing businesses. The respondents concurred that their company ensures they have enough cash for operational costs, purchased equipment that can contribute to the business's progress, and opted for short-term borrowings to pay suppliers on time. Implementing an efficient strategy for managing liquidity enhances financial performance by preserving adequate funds (Agbana, et.al, 2022, p 61).

Another indicator that is continuously observed in manufacturing businesses is profitability. It is implied that manufacturing businesses in Tagum City have been able to meet annual financial objectives, pay payables on time, and fund their business growth from their profits. Furthermore, as per Aprilyani, Hidayat, & Kusworo (2024, p.14), when assessing a company's financial management, profitability is significant as a key factor directly impacting the company's overall economic well-being. Companies that consistently generate profits usually have higher market capitalization, the capacity to pay dividends, and create more opportunities for reinvestment and growth. Moreover, companies with high profitability have also improved their cash flow, reduced their financial risk, and effectively managed their long-term obligations, including debts. These ultimately contribute to sustained growth and the long- term success of a company.

Lastly, sales volume is an indicator with the lowest mean, which managers have acknowledged is usually observed in businesses. This statement indicates that selected manufacturing businesses in Tagum City have increased their sales and deliveries over the last year and have achieved sales objectives. Also, it is supported by Ningsih, Zakaria, and Yulianti (2022,

p. 153), which implied that net sales volume positively impacts manufacturing companies primarily in the consumer goods sector. As sales volume increases, manufacturing companies tend to earn high profit.

Significant Relationship between Cost Management Strategies and Financial Performance

Table 3. Significant Relationship between Cost Management Strategies and Financial Performance

Variables	r-value	r-square	p-value	Decision
Cost Management Strategies Financial Performance	0.668	0.4462	0.001	Reject H0

Significant Level 0.05

Another significant purpose of this study is to determine whether the Cost Management Strategies have a substantial relationship with Financial Performance among selected manufacturing businesses in Tagum City. The correlation between the two variables was determined using Pearson r. As shown in Table 3, the analysis results demonstrated that cost management strategies and financial performance generated an r-value of 0.668*. The correlational value ranges from ±0.41 to ±0.70, indicating a moderately strong positive correlation between the independent and dependent variables. As selected manufacturing businesses in Tagum City improve their cost management strategies, their financial performance also tends to improve.

Furthermore, the p-value of 0.001, which is lower than the 0.05 significance level, led to the decision to reject the null hypothesis, which initially stated that there is no significant relationship between cost management strategies and financial performance. It is further suggested that as the two variables correlated, they are both highly substantial. Therefore, the correlation results demonstrate a positive relationship between cost management strategies and financial performance. For example, manufacturing companies in the United States have seen improved financial performance due to better cost management (Akeem, 2017; Oluwayemesi et al., 2023, p. 174). According to the study of Rougnahi, Jarrar, and Dana (2021, p.7), better financial decisions happen when businesses carefully manage their costs. It indicated that when tracking how much they have spent, they can keep both startup costs and ongoing expenses low. By doing this, a business can maintain its overall financial wellness

Regression Analysis on the influence of the domains of Cost Management Strategies on Financial Performance

Table 4. Regression Analysis on the influence of the domains of Cost Management Strategies on Financial Performance

Independent Variable	Unstandardized Coefficient		Standardized Coefficient	t-value	p-value	Decision
	B	SE	Beta			
(Constant)	1.145	0.260				
Material Costing	0.336	0.076	0.333*	4.402	0.001	Reject H0
Labor Costing	0.247	0.070	0.289*	3.549	0.001	Reject H0
Overhead Costing	0.121	0.067	0.148	1.795	0.074	Do not Reject H0
Dependent Variable: Financial Performance						
R = 0.676*			R^2 = 0.457		Significant Level = 0.05	
F-ratio = 49.047			P-value = 0.001			

Table 4 revealed the data of the regression coefficients to test whether there are domains that significantly influence financial performance among selected manufacturing businesses in Tagum City. Using the Regression Analysis, the T-value of material, labor, and overhead costing is 4.402, 3.549, and 1.795, respectively. Material and labor costing has a P-value of 0.001, which means the null hypothesis is rejected. The material costing got the highest domain among the three indicators with a beta of 0.333. Since its p- value is less than 0.05, this means that material costing has a significant influence on the financial performance of selected manufacturing businesses in Tagum City. Following Unam (2012, as cited in Dzomonda & Fotoka, 2021, pp. 11-12), material cost accounts for a significant amount of costs in manufacturing firms by utilizing materials efficiently, using alternative materials, or purchasing affordable yet quality materials it is inevitable that firms can achieve not just production efficiency but also increases in profitability leading to better financial performance.

In addition, due to its probability value of 0.01, the labor cost, with a beta of 0.289, significantly influenced the financial performance among selected manufacturing businesses in Tagum City. As expressed by Nguyen (2023, par. 2), as labor costs affect the competitive positioning and strategies of the companies, it is essential to effectively manage them to achieve financial success and sustainable growth in the industry.

On the other hand, overhead costing got the lowest domain with a beta of 0.148 and revealed 0.074 as the p-value. The null hypothesis was not rejected since the p-value was more than 0.05. The result implied no significant evidence to conclude that this domain influences financial performance. Hammelburger (2023, para. 12) indicated that this does not directly affect company revenues. However, it is necessary to monitor frequently to avoid improper management that can negatively influence businesses' financial performance.

Furthermore, the data demonstrated that cost management strategies' influence on financial performance among selected manufacturing businesses in Tagum City has an F-value of 49.047 and a corresponding p-value of 0.001. Since the probability value is less than 0.05, this result indicates that cost management strategies significantly influence financial performance.

Additionally, the R^2 value of 0.457 implies that 45.70% is a relatively significant portion of the variation of financial performance explained by the variation of cost management strategies among selected manufacturing businesses in Tagum City. In comparison, other factors influenced the remaining 54.3%.

The overall findings showed that these indicators are associated with improved financial performance in the selected manufacturing businesses in Tagum City. The researchers implied that when cost management strategies are implemented and observed in selected manufacturing businesses, there is also improvement in their financial performance.

Conclusion

Based on the research findings, the level of cost management strategies has a descriptive equivalent of very high with material, labor, and overhead costing. Additionally, the descriptive equivalent for the level of financial performance is very high for profitability and liquidity, while sales volume is high. This study concluded that the overall result for cost management strategies and financial performance is very high, indicating that these variables were always observed within selected manufacturing businesses.

Moreover, the study revealed a significant relationship between cost management strategies and financial performance. Hence, the indicators provided for both variables profoundly influence one another. Consequently, the researchers proved the resource-based theory anchored in this study. When resources like the materials and skills of employees are employed effectively, it will impact the business's financial progress.

Furthermore, material costing has the highest domain, followed by labor costing concerning the domains that influence financial performance. Both material and labor costs influenced the financial performance of the selected manufacturing businesses in Tagum City. Conversely, overhead costing had the lowest domain. While overhead costing was allocated and always observed in selected manufacturing businesses, its impact on financial performance was statistically insignificant since its null hypothesis was not rejected. It indicates that overhead costing does not have a statistically significant effect on financial performance. Instead, other indicators of cost management strategies, such as material and labor costing, have more influence on financial performance.

The overall results revealed that the domains of cost management strategies have something to do with the financial performance among selected manufacturing businesses in Tagum City. Therefore, this study concluded that effective cost-management strategies can improve financial performance.

Recommendations

This study suggests that manufacturing companies may maintain cost management strategies and continuously monitor their financial performance. Material costing was found to be significant in financial progress, so focusing on optimizing the acquisition, storage, and utilization of materials may be observed. In terms of labor costing, maintaining an appropriate allocation of salaries and wages is essential for ensuring efficient performance from employees. Thus, proper labor costing strategies can effectively allocate resources, optimize workforce efficiency, and enhance financial decisions. Although overhead costing did not significantly influence financial performance, it is also vital to regularly control and monitor this costing to avoid financial losses.

Furthermore, researchers suggest that managers review and update these strategies to ensure that costs incurred in their operations remain relevant and practical to avoid financial losses and risks. While cost management strategies positively impact financial performance, it is suggested that managers may not reach the optimum level of cost management because excessive cost reductions might compromise product qualities, which can lead to defects and rework.

Lastly, for future researchers, it is imperative to explore factors such as material costing, labor costing, or overhead costing strategy affecting the financial progress of the manufacturing business to broaden the scope of discussion. The researchers also recommend discovering evidence as to why overhead costing may not directly impact financial performance. Moreover, researchers acknowledged the limitation of the study, which only targeted selected manufacturing businesses; it is much better to include all different types of manufacturing to generalize the findings firmly. Also, this study focused on a specific geographical, and participants were limited in this area, which may not fully represent a broader scope; conducting a similar study in other locations will help obtain more comprehensive and widely applicable.

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