Business Fora: Business and Allied Industries International Journal
2026, Vol. 7, No.1, 1 – 20 | ISSN Online: 3028-1326 | ISSN Print: 3028-1334
DOI: https://doi.org/10.62718/vmca.bf-baiij.7.1.SC-1125-040

Working Capital Management (WCM) Practices of EEI Subsidiaries

Article History:

Initial submission:	10 September 2025
First decision:	13 September 2025
Revision received:	22 March 2026
Accepted for publication:	25 March 2026
Online release:	28 March 2026

Antonette G. Belago[1], DBA, CLSSYB, MRITax, CRS, ORCID No. 0009-0009-3477-0883
Allan A. Calderon[2], DBA, PDDQM, ORCID No. 0009-0002-2764-0801

[1]Assistant Professor, Polytechnic University of the Philippines, Sta. Mesa, Manila, Philippines
[2]DFM Research and Extension Coordinator, Polytechnic University of the Philippines, Sta. Mesa, Manila, Philippines

Abstract

Working Capital Management (WCM) is a critical aspect of financial management, ensuring liquidity, operational efficiency, and profitability. In diversified corporations, particularly in emerging economies, WCM practices face unique challenges due to varied industry structures and financial constraints. This study investigates the effectiveness of WCM practices among EEI subsidiaries in the Philippines. A descriptive research design was employed, combining financial statement analysis with survey data from 234 proportionately selected employees across EEI subsidiaries. The study assessed WCM practices in terms of financial planning, cash management, accounts receivable (AR) management, inventory management, and accounts payable (AP) management. Statistical tools such as weighted mean, t-test, and ANOVA were applied to evaluate differences across firm and respondent profiles. Findings revealed that EEI subsidiaries generally implement WCM practices effectively. Financial planning achieved a high effectiveness rating (grand mean = 4.18), while cash management (4.54), AR management (4.31), inventory management (4.34), and AP management (4.43) were rated very effective. Respondents highlighted strong control mechanisms, including safeguarding cash, prompt invoicing, and strict verification of payables. However, financial data indicated inefficiencies in receivable collections and inventory turnover, particularly in subsidiaries with long-term contracts or real estate operations. Significant differences in WCM practices were observed when grouped by capitalization, years in operation, and employee training exposure. The study concludes that EEI subsidiaries demonstrate robust WCM practices, contributing to financial stability and operational efficiency. Nonetheless, improvements in receivable collection and payable management are recommended to optimize liquidity. This research provides empirical evidence on WCM effectiveness in diversified corporations, offering insights for policy refinement and sustainable financial performance.

Keywords: accounts payable management, accounts receivable management, cash management, financial planning, inventory management

INTRODUCTION

Working Capital Management (WCM) is an essential part of financial management, as it ensures the firm's liquidity, operational efficiency, and profitability. Working Capital Management is the strategic management of current assets and liabilities such as cash, receivables, inventory, and payables to ensure the firm's liquidity, operational efficiency, and profitability. Effective WCM minimizes the volume and duration of capital tied up in operations, shortens the recovery process of assets, and reduces financial risk, thereby enhancing overall firm value. Cash management involves maintaining a balance between obligations and earning revenues; inventory management involves minimizing holding costs and losses without affecting production; managing debtors involves maintaining a balance between granting credit and earning it as quickly as possible; managing creditors involves utilizing supplier credits through timely payment.

Literature has uniformly emphasized the importance of WCM in the optimization of the operating cycle and the management of

industry-specific factors like credit terms and inventory management (Uguru, Chukwu, & Elom, 2018; Dinku, 2013; Mansoori & Muhammad, 2012; Abuzayed, 2012). Literature also shows that poor WCM practices have a detrimental effect on the solvency and profitability of the company, whereas good WCM practices add strength to the company (Rawat & Dave, 2017; Kosgey & Njiru, 2016; Runyora, 2012). Nevertheless, there still exist many unknown aspects of WCM practices in diversified corporations, especially in the context of emerging economies. Earlier research on WCM practices has focused on single-industry companies, which have generated very little useful information on diversified corporations that have operations in the construction industry, manpower supply, real estate, power generation, marine services, and equipment trading (Koralun-Bereźnicka, 2014; Tauringana & Afrifa, 2013; Baños-Caballero et al., 2014).

This research aims to bridge the knowledge gap on the effectiveness of WCM practices through the study of the effectiveness of WCM practices of the EEI Corporation, which is the leading construction company in the Philippines, and its subsidiaries that have operations in many industries and face many financial challenges. The objectives of this research are to assess the effectiveness of WCM practices, to assess the effectiveness of WCM on the liquidity, solvency, and profitability of the company, and to identify the industry-specific challenges faced by the company in the management of cash, receivables, inventory, and payables.

LITERATURE REVIEW

Working Capital Management (WCM) has been extensively studied as a factor that affects the performance, liquidity, and profitability of firms. Early research has emphasized the importance of WCM in the long-run maintenance of operational efficiency through the management of current assets and current liabilities (Mansoori & Muhammad, 2012; Abuzayed, 2012). Uguru et al. (2018) and Dinku (2013) highlighted that good WCM helps firms to manage their short-term obligations while ensuring long-run growth. Similarly, Rawat & Dave (2017) and Kosgey & Njiru (2016) have also stated that poor WCM practices affect the solvency and profitability of firms, and hence the need to regularly keep an eye on the WCM aspects of the firms.

Recent studies have further enriched the subject of WCM through the exploration of the effect of WCM on the overall value of the firms and the risk management of the firms. Baños-Caballero et al. (2014) have shown that the profitability of the firms is significantly affected by the investment and finance decisions related to the working capital of the firms, while the difference in the WCM of the firms of the same industry was emphasized by Tauringana & Afrifa (2013). Koralun-Bereźnicka (2014) also found that there was a difference between the management of the balance between liquidity and profitability, which showed that the best WCM practices may not be the same everywhere. Similarly, the efficiency-based approaches have also been followed to explore the importance of the operating cycle and the cash conversion cycle of the firms as the most important factor of WCM (Pramila & Kumar, 2018).

In the case of emerging markets, WCM research has identified some specific issues, such as limited access to credit, unstable supply chains, and diversified industry structures. Research carried out in Asia and African countries has found that, in most cases, firms face difficulties in integrating the collection of receivables, inventory management, and the management of payables with global best practice due to institutional and environmental factors (Runyora, 2012; Academia.edu, 2019). Nevertheless, there is an existing gap in the understanding of the role of WCM in diversified corporations, especially when the corporation has multiple subsidiaries across different industries. The majority of the existing literature has concentrated on single-industry firms, while the role of WCM in diversified firms is not yet understood, especially regarding the ways in which diversified firms achieve financial resilience.

This review has identified the need for further research on working capital management (WCM) in multi-subsidiary corporations, with special reference to emerging economies. The present study has thus contributed to the existing body of scholarly work by taking the analysis of WCM beyond the single-industry firm paradigm and into the realm of diversified firms such as EEI Corporation and its subsidiaries.

METHODOLOGY

Research Design. This study employed a descriptive research design to evaluate the working capital management practices of EEI subsidiaries. As noted by Nassaji (2015), this approach focuses on describing the specific characteristics and status of a phenomenon to understand how or why it occurs. By prioritizing factual representation, descriptive research provides meaningful insights into the systems, conditions, and experiences within a specific group or organization.

Population and Sample Size. Table 1 shows the distribution of population and the computed sample of respondents. The sample size was calculated using Cochran's Formula. The target identified population in this study covers employees of EEI Subsidiaries. From the total population of 589, each EEI subsidiary was proportionately allocated a specific number of respondents to be included as follows:

Table 1
Distribution of Population and Sample Size of the Respondents

EEI Subsidiaries	Population	Proportion (%)
Equipment Engineers, Inc.	114	19
EEI Power Corporation	40	7
EEI Realty Corporation	38	6
JP Systems Asia, Inc.	35	6
EEI Construction & Marine Inc.	292	50
Gulf Asia International Corporation	27	5
GAIC Manpower Services Inc.	43	7
Total	589	100

The sample size was computed manually using Cochran's formula with finite population correction. This method was applied to the total population of 589 employees across EEI subsidiaries to ensure representativeness. The formula is expressed as:

Using the Raosoft sample size calculator the computed sample size was 234 respondents, which was proportionately distributed across subsidiaries based on their respective employee populations. By employing manual computation, the study ensured methodological transparency and accuracy in determining the appropriate sample size. Thus, from 234 samples the respondents from each subsidiary were distributed as follows:

Table 2

EEI Subsidiaries	Proportion (%)	Respondents
Equipment Engineers, Inc.	0.19	45
EEI Power Corporation	0.07	16
EEI Realty Corporation	0.06	14
JP Systems Asia, Inc.	0.06	14
EEI Construction & Marine Inc.	0.50	117
Gulf Asia International Corporation	0.05	12
GAIC Manpower Services Inc.	0.07	16
Total	1.00	234

The actual target number of 234 respondents was achieved. Accordingly, a sample size with a return of 70-80 percent is considered ideal by statistical standards.

Instruments. A Working Capital Management (WCM) questionnaire, as applied in the various companies, was developed. To prove its reliability, it was pilot-tested with managers of other companies engaged in the industry.

Part I of the questionnaire contained respondent's profile in terms of profiles of respondents composed of (1) profile of the firm:, forms of the organization, capitalization, years in operation and number of employees; and (2) individual respondents as to age, sex, highest educational attainment, job position level and

relevant trainings in working capital management practices attended in last 5 years. Part II of the questionnaire contained the respondents' assessment of the Working Capital Management Practices of EEI Subsidiaries using a scale as shown below:

Table 3
Effectiveness Rating Scale and Interpretation

Scale	Range	Verbal Interpretation
5	4.20 – 5.00	Very Effective
4	3.40 – 4.19	Effective
3	2.60 – 3.39	Somewhat Effective
2	1.80 – 2.59	Less Effective
1	1.00 – 1.79	Not Effective

Data Gathering Procedure. The survey questionnaires were randomly distributed to the employees of EEI Subsidiaries. The researchers considered all employees across selected departments in the EEI Subsidiaries Main Office located in Quezon City, Metro Manila. Afterwards, results were collated, tabulated, analyzed, and interpreted.

Ethical Considerations. Informed consent was secured from all respondents, who were fully briefed on the study's purpose and their right to withdraw. Anonymity and confidentiality were strictly maintained, ensuring no personal identification and secure storage of all data on password-protected devices. Participation was entirely voluntary, with the research designed for beneficence and transparent reporting, causing no harm to participants.

Statistical Treatment of Data. The researchers employed various statistical techniques according to the research questions and hypothesis. Frequency and percentage were used to determine the percentage of the respondents in accordance with their demographic profile. Weighted mean was used to interpret the data obtained from the respondents' assessment on the working capital management practices of EEI Subsidiaries.

Independent Samples T-test is used to compare the means of two populations. This technique was used to determine if there is a significant difference between the respondents' assessment of the working capital management practices of EEI Subsidiaries when grouped according to sex.

One-Way Analysis of Variance (ANOVA) is a statistical technique that is used to compare the means of more than two populations. For instance, ANOVA was used in this study to determine if any significant difference in the respondents' assessment on the working capital management practices of EEI Subsidiaries exist considering the firm and individual profiles.

The gathered data was tallied, tabulated, and prepared for statistical calculations, analysis, and interpretation using statistical software SPSS 25.

RESULTS

Profile of the Respondents. Table 3 shows that all 234 respondents (100%) identified the firm as a corporation, with none indicating it is a partnership. The organization is a closed corporation, where shares are held by a limited group and decisions are made by appointed officers and the Board of Directors of EEI. Monthly Management Committee Meetings address key areas such as financial performance, compliance, strategy, and employee benefits. This supports Ocasio (2011), which highlights the forward-looking role of top management in organizational decision-making.

Table 3
Frequency and Percent Distribution of the Respondents in Terms of Form of Organization

Form of Organization	Frequency	Percentage
Partnership	0	0.00
Corporation	234	100.00
Total	**234**	**100.00**

Table 4 shows that 192 respondents (82.06%) classified the company as a Large Firm (₱100,000,000 and above), 40 (17.09%) as Medium (₱15,000,000–₱100,000,000), and 2 (0.85%) as

Small (₱3,000,001–₱15,000,000), indicating that most EEI subsidiaries operate as large corporations.

Table 4
Frequency and Percent Distribution of the Respondents in Terms of Capitalization

Capitalization	Frequency	Percentage
3,000,001-15,000,000 (Small)	2	0.85
15,000,000-100,000,000 (Medium)	40	17.09
100,000,000 above (Large)	192	82.06
Total	**234**	**100.00**

Effective Working Capital Management (WCM) is essential regardless of size. Nyabwanga (2011) linked weak cash management to poor financial performance, while Aravindan and Ramanathan (2013) stressed considering opportunity costs in determining optimal working capital levels.

Table 5
Frequency and Percent Distribution of Respondents in Terms of Number of Years in Operation

Number of Years in Operation	Frequency	Percentage
1-5 years	22	9.40
6-10 years	6	2.56
11 years above	206	88.04
Total	**234**	**100.00**

Data shows that 88.04% (206) of respondents identify the firm as operating for 11 years or more, while 9.40% (22) cite 1–5 years and 2.56% (6) cite 6–10 years. This majority consensus highlights the longevity of EEI Corporation and its subsidiaries, which have evolved significantly in size, product range, and structure since their founding.

According to Etiennot et al. (2015), proper Working Capital Management (WCM) is critical for a firm's market performance and survival. Furthermore, Fundin & Elg (2017) argue that quality management serves as a bridge between short-term efficiency and long-term effectiveness. For EEI, this stability and growth have translated into industry credibility and sustained stakeholder trust.

Table 6
Frequency and Percent Distribution of the Respondents in Terms of Number of Employees

Number of Employees	Frequency	Percentage
1-50 Employees	72	30.77
51-100 Employees	5	2.14
101-200 Employees	51	21.79
201-500 Employees	102	43.59
500 Employees Above	4	1.71
Total	**234**	**100.00**

Table 6 reveals that 43.59% (102) of respondents believe the company employs 201–500 people, followed by 30.77% (72) citing 1–50 employees, 21.79% (51) citing 101–200, 2.14% (5) citing 51–100, and 1.71% (4) citing over 500. This workforce size reflects the subsidiaries' large capital base and operational scale.

Manpower significantly influences a firm's ability to meet project deadlines and objectives, a relationship supported by Ishikawa et al. (2016). Their study of nearly one million financial records in Japan and France (2004–2013) identified consistent growth patterns, noting that while both sales and employee numbers grow over time, sales figures typically expand at a higher rate than the number of representatives.

Table 7
Frequency and Percent Distribution of the Respondents in Terms of Age

Age	Frequency	Percentage
18 - 25 years old	55	23.50
26 - 30 years old	77	32.91
31 - 35 years old	53	22.65
36 - 40 years old	39	16.67
41 years old above	10	4.27
Total	**234**	**100.00**

Table 7 shows that the majority of respondents are young adults, with 32.91% (77) aged 26–30. This is followed by 23.50% (55) aged 18–25,

22.65% (53) aged 31–35, 16.67% (39) aged 36–40, and 4.27% (10) aged 41 and above.

This demographic profile suggests that EEI Subsidiaries' workforce values work-life equilibrium. This aligns with the findings of Pathak et al. (2019), who emphasize that organizational productivity and profitability depend on employee commitment. Their research notes that because balancing personal and professional lives is challenging, companies seeking higher performance must ensure their staff remains satisfied and committed.

Table 8
Frequency and Percent Distribution of the Respondents in Terms of Sex

Sex	Frequency	Percentage
Male	135	57.69
Female	99	42.31
Total	**234**	**100.00**

Table 8 indicates that 57.69% (135) of the respondents are male and 42.31% (99) are female. This male majority suggests that EEI Subsidiaries prioritize physical capabilities and strength, which are often prerequisites for project-based work. This aligns with an investigation by Ariani (2013) in Yogyakarta, Indonesia, which found that male workers in service industries are often perceived as "better soldiers" than female workers, noting that males may also display higher levels of courageous or even deviant behavior within the workplace.

Table 9
Frequency and Percent Distribution of the Respondents in Terms of Highest Educational Attainment

Highest Educational Attainment	Frequency	Percentage
College Graduate	225	96.15
Post Graduate	8	3.42
Others	1	0.43
Total	**234**	**100.00**

Table 9 reveals that an overwhelming 96.15% (225) of respondents are college graduates, with 3.42% (8) holding postgraduate degrees and 0.43% (1) selecting other options. This concentration of degree holders reflects EEI Subsidiaries' preference for specialized technical knowledge and professional expertise.

As noted by Akinwunmi and Adeyanju (2011), educational attainment is a critical marker of an individual's aptitude and efficiency, particularly in financial or technical roles. For organizations requiring specialized skills, such as accounting, formal credentials serve as a necessary benchmark for professionalism and operational capability.

Table 10
Frequency and Percent Distribution of the Respondents in Terms of Job Position Level

Job Position Level	Frequency	Percentage
Rank and File	29	12.39
Staff	155	66.24
Supervisor	33	14.10
Manager	11	4.70
Top Level Management	6	2.56
Total	**234**	**100.00**

Table 10 shows that 66.24% (155) of respondents hold staff-level positions, followed by supervisors (14.10%), rank-and-file (12.39%), managers (4.70%), and top-level management (2.56%). This staff majority includes diverse roles such as engineers, accountants, and operations personnel who are directly involved in EEI Subsidiaries' WCM practices.

According to He (2015), the specialized knowledge of finance and operational staff enhances judgment quality and the ability to navigate complex procedures. This professionalism, combined with years of experience, is vital for effective decision-making and project execution within the organization.

Table 11
Frequency and Percent Distribution of the Respondents in Terms of Number of Relevant Training in Working Capital Management Practices attended in the last 5 years

Number of Relevant Training Attended in the Last 5 Years	Frequency	Percentage
0-1	166	70.94
2-5	55	23.50
5 and above	13	5.56
Total	**234**	**100.00**

Table 11 reveals a significant training gap at EEI Subsidiaries, with 70.94% (166) of respondents attending only 0–1 Working Capital Management (WCM) training sessions in the last five years. Only 23.50% (55) attended 2–5 sessions, while a mere 5.56% (13) attended five or more.

This lack of specialized training hinders the effective implementation of WCM policies. It is aligned to Human Capital Theory, education and training are investments that drive higher productivity. While "general" training provides transferable skills across sectors, "customized" or company-specific training—such as specialized accounting or finance education—directly benefits the organization's operational efficiency, even if the primary gains accrue to the firm rather than the individual laborer.

Working Capital Management Practices of EEI Subsidiaries in terms of Financial Planning, Cash Management, Accounts Receivable Management, Inventory Management, and Accounts Payable Management. The subsequent tables display the respondents' assessment of the Working Capital Management Practices of EEI Subsidiaries in terms of Financial Planning, Cash Management, Accounts Receivable Management, Inventory Management, and Accounts Payable Management.

Table 12 indicates that EEI Subsidiaries' financial planning practices are highly effective, with a grand mean of 4.18. The highest-rated practices include "Setting Goals and Objectives" (4.58) and "Preparation of Financial Budgets" (4.43), while "Accruing Expenses" (4.00) and "Bank Loans" (4.04) received the lowest scores, as these are handled exclusively by the Finance Group.

Table 12
Working Capital Management Practices of EEI Subsidiaries in terms of Financial Planning

Working Capital Management Practices	Weighted Mean	Verbal Interpretation
2.1 Financial Planning	4.18	Effective
2.1.1 Setting Goals, Objectives, Plan, and Direction every year	4.58	Very Effective
2.1.2 Preparation of Financial Forecast	4.40	Very Effective
2.1.3 Modification of Financial Forecast in response to changes in operating plans, goals, target, and programs during the year	4.26	Very Effective
2.1.4 Preparation of Financial Budget	4.43	Very Effective
2.1.5 Accruing of expenses	4.00	Effective
2.1.6 Availing of Bank Loans as a source of financing	4.04	Effective
2.1.7 Use Trade Credit as a source of financing	4.03	Effective

Prior to COVID-19, the firms experienced significant growth; however, the pandemic forced a shift from expansion to survival. While most subsidiaries, such as Equipment Engineers Inc. and Gulf Asia Inc., saw net incomes turn into losses in 2020, EEI Power Corporation remained resilient due to renewable energy investments. In response to these unforeseen disruptions, the Finance Group prioritized modifying forecasts and budgets to sustain essential costs like payroll and utilities. As noted by Charitou et al. (2012), such strategic financial planning is vital for investors and creditors, especially following global crises and organizational collapses.

Table 13 demonstrates that EEI Subsidiaries' financial planning practices are highly effective, earning a grand mean of 4.18. Top-rated activities include "Setting Goals and Direction" (4.58) and "Budget Preparation" (4.43), while technical financing tasks like "Accruing Expenses" (4.00) scored lowest, as these are specialized functions handled exclusively by the Finance Group.

Table 13
Working Capital Management Practices of EEI Subsidiaries in terms of Cash Management

Working Capital Management Practices	Weighted Mean	Verbal Interpretation
2.2 Cash Management	4.54	Very Effective
2.2.1 Maintaining Optimum Cash Balance	4.62	Very Effective
2.2.2 Preparing Cash Flow Forecast	4.57	Very Effective
2.2.3 Monitoring of Cash Inflows and outflows to hold low cash balance	4.58	Very Effective
2.2.4 Regularly monitor the cash receipt, keeping track of all voided transactions, overages, and shortages and regularly conduct cash count for petty cash	4.67	Very Effective
2.2.5 Safeguarding Cash and Keys of Vault	4.68	Very Effective
2.2.6 Using Electronic Bank System to ease the deposit and payment transaction	4.55	Very Effective
2.2.7 Extra Cash is invested in any money market, short-term marketable securities, or any investment instrument that can earn additional income	4.40	Very Effective

While 2019 was a period of high revenue and successful bidding, the COVID-19 pandemic forced a shift from growth to liquidity preservation. Most subsidiaries experienced significant net losses in 2020—such as Equipment Engineers Inc. and Gulf Asia Inc.—requiring the Finance Group to modify forecasts and prioritize essential costs like payroll. In contrast, EEI Power Corporation saw growth due to strategic renewable energy investments. This adaptability in budgeting and forecasting mirrors the findings of Charitou et al. (2012), who emphasize that robust financial planning is vital for maintaining stakeholder trust during global economic crises.

It can be gleaned from Table 14 that Cash management practices at EEI Subsidiaries are rated as Very Effective, with a grand mean of 4.54. The highest-rated practices involve physical security, such as "Safeguarding Cash and Keys" (4.68) and "Regular Cash Monitoring" (4.67). These findings align with Osasuyi et al. (2017), who emphasize that separating the responsibilities of receiving and recording assets is essential to prevent loss.

Table 14
Working Capital Management Practices of EEI Subsidiaries in terms of Cash Management

Working Capital Management Practices	Weighted Mean	Verbal Interpretation
2.2 Cash Management	4.54	Very Effective
2.2.1 Maintaining Optimum Cash Balance	4.62	Very Effective
2.2.2 Preparing Cash Flow Forecast	4.57	Very Effective
2.2.3 Monitoring of Cash Inflows and outflows to hold low cash balance	4.58	Very Effective
2.2.4 Regularly monitor the cash receipt, keeping track of all voided transactions, overages, and shortages and regularly conduct cash count for petty cash	4.67	Very Effective
2.2.5 Safeguarding Cash and Keys of Vault	4.68	Very Effective
2.2.6 Using Electronic Bank System to ease the deposit and payment transaction	4.55	Very Effective
2.2.7 Extra Cash is invested in any money market, short-term marketable securities, or any investment instrument that can earn additional income	4.40	Very Effective

While most subsidiaries maintained healthy liquidity in 2020, "Investment of Extra Cash" (4.40) and "Electronic Banking" (4.55) received the lowest scores. This is because EEI Construction and Marine, Inc.—the source of most respondents—lacks the diverse investment portfolios held by entities like EEI Power Corp. Additionally, while the parent company uses advanced e-banking, subsidiaries are still in the early stages of adoption. Despite these gaps, the overall focus on current assets remains vital; as noted by Brealey et al. (2013) and Kieschnick et al. (2013), managing these assets is crucial as they often represent a major portion of a company's total value.

Accounts Receivable (AR) management at EEI Subsidiaries (Table 15) is rated as Very Effective with a grand mean of 4.31. The highest-rated practice is "Forwarding Invoices and Billing" (4.67), reflecting the corporate mandate for prompt customer billing. Conversely, "Lengthening Credit Periods" (4.17) and "Promoting Incentives" (4.26) are least prioritized, as the company rarely offers early-payment discounts.

Table 15
Working Capital Management Practices of EEI Subsidiaries in terms of Accounts Receivable Management

Working Capital Management Practices	Weighted Mean	Verbal Interpretation
2.3 Accounts Receivable Management	4.31	Very Effective
2.3.1 Use credit on billing services	4.33	Very Effective
2.3.2 Implementation of credit policy including credit period, credit limit, discount rate, and interest for overdue payment	4.43	Very Effective
2.3.3 Promoting Incentives for early payment	4.26	Very Effective
2.3.4 Considering lengthening the credit period to clients	4.17	Effective
2.3.5 Forwarding Invoices and Billing to clients	4.67	Very Effective
2.3.6 Monitoring aging of receivables and sending statements to debtors and reminders to those with past due account	4.45	Very Effective
2.3.7 Reconciliation of collections received with accounts receivable	4.38	Very Effective

Despite these positive perceptions, financial statements reveal significant collection inefficiencies across most subsidiaries. For instance, EEI Power Corporation averages 792 days to collect, while Equipment Engineers Inc. takes 209 days—both far exceeding their 30-to-60-day terms. Only EEI Realty Corporation shows efficiency, as its 590-day turnover aligns with its long-term installment contracts. These delays highlight a gap between policy and practice; as Johnson (2013) notes, collection is an active process initiated by the firm, not just a passive receipt of funds. While Arshad and Gondal (2013) suggest that longer receivable periods can relate to increased profitability, the widespread failure to meet term-based goals remains a critical issue for EEI's liquidity.

Inventory Management at EEI Subsidiaries (Table 16) is rated Very Effective, with a grand mean of 4.34. "Inventory Planning" (4.57) and "Maintaining Optimum Levels" (4.49) are the highest-rated practices, aligned with corporate policies requiring regular physical audits and reconciliation. However, "Reducing Holding Costs" (4.23) scored lowest, as specific cost-reduction mandates are less defined in the current policy manual.

Table 16
Working Capital Management Practices of EEI Subsidiaries in terms of Inventory Management

Working Capital Management Practices	Weighted Mean	Verbal Interpretation
2.4 Inventory Management	4.34	Very Effective
2.4.1 Make use of inventory planning	4.57	Very Effective
2.4.2 Proper Selection of Inventory system	4.42	Very Effective
2.4.3 Conducting inventory counts on a regular basis	4.39	Very Effective
2.4.4 Reconciling Inventory account on a regular basis	4.39	Very Effective
2.4.5 Maintaining optimum inventory level to be consumed in providing services	4.49	Very Effective
2.4.6 Monitoring orders and procurement costs	4.27	Very Effective
2.4.7 Reducing Inventory holding costs and other expenses	4.23	Very Effective

Financial data reveals sharp contrasts in inventory efficiency across subsidiaries. EEI Construction and Marine, Inc. maintains a lean 35-day turnover, whereas Equipment Engineers Inc. averages 197 days. EEI Realty Corporation reports an exceptionally long turnover of 10.5 years, reflecting the long-term nature of real estate development. While maintaining stock reduces the risk of delivery delays (Brealey et al., 2013), excessive inventory ties up non-interest-earning capital. Adopting advanced methods like Just-in-Time (JIT) or Economic Order Quantity (EOQ) could further improve profitability by reducing holding costs (Afrifa & Padachi, 2016; Autukaite & Molay, 2011).

Accounts Payable (AP) management (Table 17) at EEI Subsidiaries is rated Very Effective, with a grand mean of 4.43. The highest-rated practices focus on accuracy, such as "Avoiding Duplicate Payments" (4.75) and "Checking Invoice Completeness" (4.69). These align with corporate policy No. 4.1, which mandates strict verification of prices and quantities against purchase orders before payment. Conversely, "Lengthening Payments" (4.21) and "Availing Early Discounts" (4.36) are least practiced.

Table 17
Working Capital Management Practices of EEI Subsidiaries in terms of Accounts Payable Management

Working Capital Management Practices	Weighted Mean	Verbal Interpretation
2.5 Accounts Payable Management	4.43	Very Effective
2.5.1 Setting Credit limit on Accounts Payable	4.39	Very Effective
2.5.2 Monitoring and reviewing Accounts Payable	4.47	Very Effective
2.5.3 Checking the completeness of Invoices and Documents attached before paying	4.69	Very Effective
2.5.4 Availing Early payments to avail discounts from suppliers	4.36	Very Effective
2.5.5 On time Payment to avoid interest, charges and penalties	4.53	Very Effective
2.5.6 Considering lengthening payments of Accounts Payable on the last day on the last day when the accounts payable is due	4.21	Very Effective
2.5.7 Avoiding errors such as duplicate payments, pricing, etc.	4.75	Very Effective

Financial data indicates that while manpower services (Gulf Asia and GAIC) pay obligations quickly, other subsidiaries like JP Systems Asia and EEI Power have low turnover rates (0.44 and 0.68, respectively). As noted by Smith (2013), delaying payments acts as a form of short-term financing, allowing firms to utilize cash for a longer period. This strategy is supported by Arunkumar & Ramanan (2013), who emphasize that extending the payables period while shortening the asset conversion cycle is a key method for enhancing overall business performance.

Significant Difference in the Working Capital Management Practices of EEI Subsidiaries. Table 18 presents the significant differences in WCM practices based on company capitalization. Small-capitalization subsidiaries gave the highest ratings across all areas, including Financial Planning (4.93) and Accounts Receivable (4.86). Conversely, medium-capitalization firms gave the lowest ratings for most practices, while large-capitalization firms rated Inventory Management the lowest (4.28). Statistical testing revealed a significant difference in Financial Planning (F = 3.88, p= 0.02), leading to the rejection of the null hypothesis. However, no significant differences were found in Cash, Accounts Receivable, Inventory, or Accounts Payable management.

Table 18
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Capitalization

	Mean	F	Sig.	Decision	Interpretation
Capitalization					
Financial Planning					
3,000,001-15,000,000 (Small)	4.93	3.88**	0.02	Reject Ho	Significant
15,000,000-100,000,000 (Medium)	4.07				
100,000,000 above (Large)	4.14				
Cash Management					
3,000,001-15,000,000 (Small)	4.79	0.65	0.52	Accept Ho	Not Significant
15,000,000-100,000,000 (Medium)	4.50				
100,000,000 above (Large)	4.51				
Accounts Receivable Management					
3,000,001-15,000,000 (Small)	4.86	1.67	0.19	Accept Ho	Not Significant
15,000,000-100,000,000 (Medium)	4.19				
100,000,000 above (Large)	4.26				
Inventory Management					
3,000,001-15,000,000 (Small)	4.72	0.91	0.40	Accept Ho	Not Significant
15,000,000-100,000,000 (Medium)	4.32				
100,000,000 above (Large)	4.28				
Accounts Payable Management					
3,000,001-15,000,000 (Small)	4.65	0.59	0.56	Accept Ho	Not Significant
15,000,000-100,000,000 (Medium)	4.34				
100,000,000 above (Large)	4.39				

This suggests that while subsidiaries operate independently under their own boards, they maintain uniformity in most operational policies as mandated by the mother unit's Corporate Policy Manual. The divergence in Financial Planning is particularly evident in SMEs like JP Systems Asia, Inc. and GAIC Manpower Services, Inc., where uncollected receivables rose sharply in 2020. This aligns with Afrifa et al. (2015), who argue that WCM is more critical to the performance of small firms than medium ones. To improve profitability, SME managers should reduce cycles to an optimal threshold (Tran et al., 2017) and establish coherent goals that balance revenue growth with working capital stability (Douglas, 2012).

Table 19 examines the significant differences in WCM practices based on the number of years in operation. Subsidiaries operating for 11 years or more provided the highest ratings for Accounts Receivable (4.26), Inventory (4.30), and Accounts Payable (4.41). In contrast, firms operating for 6–10 years gave the lowest ratings for most categories, while those in operation for 1–5 years rated Financial Planning the lowest (4.03).

Table 19
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Number of Years in Operation

	Mean	F	Sig.	Decision	Interpretation
Number of Years in Operation					
Financial Planning					
1-5 years	4.03	0.90	0.41	Accept Ho	Not Significant
6-10 years	4.24				
11 years above	4.14				
Cash Management					
1-5 years	4.46	0.47	0.63	Accept Ho	Not Significant
6-10 years	4.43				
11 years above	4.52				
Accounts Receivable Management					
1-5 years	4.21	0.16	0.86	Accept Ho	Not Significant
6-10 years	4.17				
11 years above	4.26				
Inventory Management					
1-5 years	4.27	0.37	0.69	Accept Ho	Not Significant
6-10 years	4.14				
11 years above	4.30				
Accounts Payable Management					
1-5 years	4.27	2.71	0.07	Accept Ho	Not Significant
6-10 years	4.05				
11 years above	4.41				

Despite these variations in means, the statistical analysis revealed no significant differences across all categories, as all S-values (p-values) exceeded the 0.05 significance level. Consequently, the study failed to reject the null hypothesis, indicating that the duration of a firm's operation does not significantly impact its working capital management practices.

This uniformity suggests that EEI Subsidiaries maintain a consistent approach to WCM regardless of their age. As noted by Fundin & Elg (2017), long-term stability and growth allow both the parent company and its subsidiaries to build market credibility, demonstrating that established corporate standards ensure operational alignment across the organization's lifecycle.

Table 20 examines WCM practices based on workforce size. The highest ratings for Financial Planning (4.25) and Cash Management (4.72) came from large subsidiaries (over 500 employees), while those with 201–500 employees rated Accounts Receivable (4.35) and Accounts Payable (4.49) the highest.

Table 20
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Number of Employees

	Mean	F	Sig.	Decision	Interpretation
Number of Employees					
Financial Planning					
1-50 Employees	4.05	1.17	0.33	Accept Ho	Not Significant
51-100 Employees	4.23				
101-200 Employees	4.13				
201-500 Employees	4.19				
500 Employees Above	4.25				
Cash Management					
1-50 Employees	4.42	2.17	0.07	Accept Ho	Not Significant
51-100 Employees	4.43				
101-200 Employees	4.58				
201-500 Employees	4.53				
500 Employees Above	4.72				
Accounts Receivable Management					
1-50 Employees	4.14	2.64**	0.03	Reject Ho	Significant
51-100 Employees	4.09				
101-200 Employees	4.26				
201-500 Employees	4.35				
500 Employees Above	3.86				
Inventory Management					
1-50 Employees	4.21	1.31	0.27	Accept Ho	Not Significant
51-100 Employees	4.37				
101-200 Employees	4.25				
201-500 Employees	4.36				
500 Employees Above	4.40				
Accounts Payable Management					
1-50 Employees	4.27	3.03**	0.02	Reject Ho	Significant
51-100 Employees	4.31				
101-200 Employees	4.36				
201-500 Employees	4.49				
500 Employees Above	4.14				

Statistical testing revealed a significant difference in Accounts Receivable ($F = 2.64$, $p = 0.03$) and Accounts Payable ($F = 3.03$, $p = 0.02$) when grouped by employee count, leading to the rejection of the null hypothesis for these categories. No significant differences were found for Financial Planning, Cash, or Inventory

Management. The significance in receivables and payables is most prominent in large subsidiaries like Equipment Engineers, Inc. and EEI Construction and Marine, Inc., which manage complex supply chains and large-scale fabrication. As supported by Ishikawa et al. (2016), firm growth, both in sales and employee numbers, typically follows specific power-law patterns. The findings suggest that while field workers may focus less on collections and payments, these functions remain critical specialized tasks for the finance and billing groups in larger organizational structures.

Table 21
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Age

	Mean	F	Sig.	Decision	Interpretation
Age					
Financial Planning					
18 - 25 years old	4.18				
26 - 30 years old	4.11				
31 - 35 years old	4.16	1.06	0.38	Accept Ho	Not Significant
36 - 40 years old	4.15				
41 years old above	3.89				
Cash Management					
18 - 25 years old	4.60				
26 - 30 years old	4.45				
31 - 35 years old	4.50	2.08	0.08	Accept Ho	Not Significant
36 - 40 years old	4.53				
41 years old above	4.39				
Accounts Receivable Management					
18 - 25 years old	4.31				
26 - 30 years old	4.25	0.79	0.53	Accept Ho	Not Significant
31 - 35 years old	4.28				
36 - 40 years old	4.21				
41 years old above	4.02				
Inventory Management					
18 - 25 years old	4.37				
26 - 30 years old	4.28	0.91	0.46	Accept Ho	Not Significant
31 - 35 years old	4.30				
36 - 40 years old	4.26				
41 years old above	4.09				
Accounts Payable Management					
18 - 25 years old	4.42				
26 - 30 years old	4.38	0.82	0.52	Accept Ho	Not Significant
31 - 35 years old	4.40				
36 - 40 years old	4.39				
41 years old above	4.14				

Table 21 reflects the Significant Difference in the Employee- Respondents of Working Capital Management Practices of EEI Subsidiaries when they are grouped by Age.

As shown in Table 20, the highest weighted mean were given by the EEI Subsidiaries aged 18-25 years old to Financial Planning (4.18), Cash Management (4.60), Accounts Receivable Management (4.31), Inventory Management (4.37) and Accounts Payable Management (4.42). The lowest weighted mean were given by the respondents aged 41 years old above to Financial Planning (3.89), Cash Management (4.39), Accounts Receivable Management (4.02), Inventory Management (4.09) and Accounts Payable Management (4.14).

The test of significant difference shows that Financial Planning attained an (F= 1.06, p=0.38), Cash Management (F=2.08, p=0.08), Accounts Receivable Management (F=0.79, p=0.53), Inventory Management (F=0.91, p=0.46) and Accounts Payable Management (F=0.82, p=0.52). Since all these S values are greater than the assumed level of significance of .05, the study failed to reject and null the hypothesis. This means that, when the respondents were grouped according to Age, their assessment on their Working Capital Management Practices of EEI Subsidiaries were Not Significant.

It can be deduced from the findings that one's age does not affect Working Capital Management Practices of EEI Subsidiaries. As Banham (2013) mentioned, more aspects shall have to be taken into consideration.

Table 22 examines whether sex influences the perception of WCM practices. Female respondents provided slightly higher weighted means across all categories, including Financial Planning (4.19) and Cash Management (4.53), compared to their male counterparts. However, the t-test for significant difference revealed that all S-values (p-values) exceeded the 0.05 significance level. Consequently, the study failed to reject the null hypothesis, indicating that sex does not significantly affect the assessment of WCM practices at EEI Subsidiaries.

Table 22
Significant Difference in the Employee-Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Sex

	Mean	t-statistic	Sig.	Decision	Interpretation
Sex					
Financial Planning					
Male	4.09	-1.74	0.08	Accept Ho	Not Significant
Female	4.19				
Cash Management					
Male	4.49	-0.84	0.40	Accept Ho	Not Significant
Female	4.53				
Accounts Receivable Management					
Male	4.24	-0.31	0.75	Accept Ho	Not Significant
Female	4.26				
Inventory Management					
Male	4.29	-0.14	0.89	Accept Ho	Not Significant
Female	4.30				
Accounts Payable Management					
Male	4.37	-0.56	0.58	Accept Ho	Not Significant
Female	4.40				

These findings suggest that both male and female employees are equally capable of understanding and implementing WCM policies. This aligns with research by Tabasuum et al. (2011), which posits that empowering both sexes equally yields a competitive advantage, increases job satisfaction, and drives the organization toward superior results through improved employee execution.

Table 23 examines WCM practices based on the respondents' highest educational attainment. College graduates provided the highest weighted means across all categories, while postgraduate respondents, primarily managers and top-level executives, gave significantly lower ratings to Financial Planning, Accounts Receivable, Inventory, and Accounts Payable management. Statistical testing revealed a significant difference in Accounts Receivable ($F=9.24, p=0.00) and Accounts Payable ($F=4.11, p=0.02), leading to the rejection of the null hypothesis for these areas. No significant difference was found for Financial Planning, Cash, or Inventory Management. The findings highlight that educational background significantly impacts perceptions of receivables and payables management. While bachelor's degree holders (such as engineers, sales, and buyers) are often closer to the daily operational billing and procurement processes, postgraduate managers focus less on these specific finance-group functions.

Table 23
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Highest Educational Attainment

	Mean	F	Sig.	Decision	Interpretation
Highest Educational Attainment					
Financial Planning					
College Graduate	4.15	2.91	0.06	Accept Ho	Not Significant
Post Graduate	3.79				
Others	3.86				
Cash Management					
College Graduate	4.51	1.21	0.30	Accept Ho	Not Significant
Post Graduate	4.45				
Others	4.00				
Accounts Receivable Management					
College Graduate	4.28	9.24**	0.00	Reject Ho	Significant
Post Graduate	3.52				
Others	4.00				
Inventory Management					
College Graduate	4.31	2.53	0.08	Accept Ho	Not Significant
Post Graduate	3.95				
Others	4.00				
Accounts Payable Management					
College Graduate	4.40	4.11**	0.02	Reject Ho	Significant
Post Graduate	3.96				
Others	4.00				

As noted by Akinwunmi and Adeyanju (2011), educational credentials serve as a critical marker of professional expertise and productivity, forming the foundation of specialized roles within the organization.

Table 24 examines WCM practices based on Job Position Level. Rank-and-file employees gave the highest ratings for Accounts Receivable (4.49), Inventory (4.33), and Accounts Payable (4.47), while Managers provided the lowest ratings across most categories, including a low of 3.90 for Accounts Payable. Statistical analysis revealed a significant difference in the assessment of Accounts Receivable (F=5.04, p=0.00) and Accounts Payable (F=3.75, p=0.01), leading to the rejection of the null hypothesis for these areas. Assessments of Financial Planning, Cash, and Inventory Management showed no significant differences. The results indicate that job level significantly influences perceptions of receivables and payables. These functions are viewed as the primary

responsibility of rank-and-file and finance staff, rather than upper management. As Ocasio (2011) explains, management attention is selective and limited; because top executives focus on high-level corporate strategy and goal-setting, they are less involved in the daily operational cycles of AR and AP, which are instead managed by specialized departments.

Table 24
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Job Position Level

	Mean	F	Sig.	Decision	Interpretation
Job Position Level					
Financial Planning					
Rank and File	4.09				
Staff	4.14	0.84	0.50	Accept Ho	Not Significant
Supervisor	4.21				
Manager	3.95				
Top Level Management	4.17				
Cash Management					
Rank and File	4.53				
Staff	4.51	0.63	0.64	Accept Ho	Not Significant
Supervisor	4.53				
Manager	4.36				
Top Level Management	4.60				
Accounts Receivable Management					
Rank and File	4.49				
Staff	4.25	5.04**	0.00	Reject Ho	Significant
Supervisor	4.27				
Manager	3.87				
Top Level Management	3.71				
Inventory Management					
Rank and File	4.33				
Staff	4.31	1.88	0.11	Accept Ho	Not Significant
Supervisor	4.29				
Manager	3.92				
Top Level Management	4.31				
Accounts Payable Management					
Rank and File	4.47				
Staff	4.40	3.75**	0.01	Reject Ho	Significant
Supervisor	4.42				
Manager	3.90				
Top Level Management	4.38				

Table 25 examines WCM practices based on the number of training sessions attended in the last five years. Respondents with 6 or more training sessions gave the highest ratings for Financial Planning (4.27) and Inventory Management (4.43), while those with 2–5 sessions rated Accounts Receivable (4.35) and Accounts Payable (4.44) the highest. The lowest ratings generally came from those with 0–1 training sessions.

Table 25
Significant Difference in the Employee- Respondents' Working Capital Management Practices of EEI Subsidiaries when they are grouped by Number of relevant trainings in Working Capital Management Practices attended in the last 5 years

	Mean	F	Sig.	Decision	Interpretation
Number of Relevant Training Attended in the Last 5 Years					
Financial Planning					
0-1	4.10				
2-5	4.22	2.29	0.10	Accept Ho	Not Significant
6 and above	4.27				
Cash Management					
0-1	4.50				
2-5	4.55	0.60	0.55	Accept Ho	Not Significant
6 and above	4.47				
Accounts Receivable Management					
0-1	4.23				
2-5	4.35	2.01	0.14	Accept Ho	Not Significant
6 and above	4.07				
Inventory Management					
0-1	4.25				
2-5	4.38	2.22	0.11	Accept Ho	Not Significant
6 and above	4.43				
Accounts Payable Management					
0-1	4.37				
2-5	4.44	0.63	0.54	Accept Ho	Not Significant
6 and above	4.37				

***Statistically significant at the 0.05 level.*

Despite these variations, the statistical analysis showed no significant difference across all categories, as all S-values exceeded the 0.05 threshold. Consequently, the study failed to reject the null hypothesis, indicating that the amount of training attended does not significantly alter how employees perceive current WCM practices. However, the findings suggest a need for more robust training programs to ensure all employees fully grasp the importance of these policies. As emphasized by Panda (2012), the long-term survival of a company depends on the efficient and effective management of working capital; therefore, consistent seminars are essential to align staff with the organization's financial health and strategic goals.

DISCUSSION

This study assessed the Working Capital Management (WCM) Practices of EEI Subsidiaries using the descriptive method. A

researcher-made questionnaire was administered to 234 employees. Statistical tools used were Frequency, Percentage, t-Test, and One-Way ANOVA.

Results revealed that the majority of subsidiaries were large corporations with over 100 million in capitalization and more than a decade of operational experience. This organizational profile suggests financial maturity and stability, which aligns with the expectation that established firms are better positioned to implement effective WCM strategies. The demographic distribution of respondents, predominantly college-educated staff aged 26–30, indicates that the workforce is relatively young yet professionally qualified, which may influence the adaptability and efficiency of WCM practices.

In terms of specific practices, cash management emerged as the most effective area, with safeguarding cash and managing obligations rated highly. This supports prior findings by Rawat and Dave (2017) and Kosgey and Njiru (2016), who emphasized that strong cash management reduces solvency risks. Inventory management and accounts payable practices were also rated "very effective," reflecting the subsidiaries' ability to control costs and strategically manage supplier credit. Accounts receivable management, while effective, showed slightly lower ratings, particularly in extending credit periods, which suggests a cautious approach to customer financing. These results confirm earlier studies (Baños-Caballero et al., 2014; Tauringana & Afrifa, 2013) that highlight the delicate balance between liquidity and profitability in receivables management.

The statistical analysis further revealed significant differences in WCM practices when grouped by capitalization, number of employees, educational attainment, and job position. Larger firms and those with more employees demonstrated stronger receivables and payables management, consistent with Koralun-Bereźnicka's (2014) observation that firm size influences the ability to balance liquidity and profitability. Conversely, no significant differences were found when grouped by years in operation, age, sex, or training, suggesting that organizational scale and structure exert greater influence on WCM effectiveness than individual demographics or training exposure.

These findings carry important implications for both theory and practice. Theoretically, they extend prior research by demonstrating that WCM effectiveness is not uniform across organizational dimensions but varies significantly with firm size and employee structure. Practically, the results highlight the need for EEI subsidiaries to strengthen receivables management, particularly in balancing credit extension with cash inflow. Moreover, the study underscores the importance of continuous training programs to enhance staff competence in WCM, even though training did not emerge as a statistically significant differentiator in this case.

The study is not without limitations. The sample was restricted to 234 employees across EEI subsidiaries, which, while representative, may limit the generalizability of findings to other diversified corporations. The reliance on self-reported measures through questionnaires may also introduce response bias. Furthermore, the study focused on descriptive analysis, which, although useful for identifying patterns, does not establish causal relationships between WCM practices and firm performance.

Future research should explore WCM practices using longitudinal or mixed method approaches to capture causal effects and deeper insights into organizational behavior. Comparative studies across diversified corporations in other emerging markets would also enrich understanding of how industry differences shape WCM strategies. Additionally, integrating financial performance metrics with survey data could provide a more holistic view of WCM effectiveness

Conclusion. This study examined the Working Capital Management (WCM) practices of EEI

subsidiaries and assessed how these practices vary across selected organizational and employee characteristics. The findings indicate that the subsidiaries generally demonstrate strong and structured WCM practices, particularly in cash management, inventory management, and accounts payable management. These results suggest that financially mature firms with established operational systems are better positioned to maintain liquidity, control operational costs, and manage supplier obligations effectively. Accounts receivable management, while still effective, showed relatively lower ratings in credit extension practices, indicating a more cautious approach to balancing customer credit and cash inflows.

The analysis further reveals that organizational structure plays a significant role in shaping WCM effectiveness. Significant differences in financial planning, accounts receivable, and accounts payable practices were observed when firms were grouped by capitalization, number of employees, educational attainment, and job position. This finding implies that larger organizations and those with more developed internal structures tend to implement more systematic working capital policies. In contrast, the absence of significant differences across years in operation, age, sex, and training exposure suggests that institutional capacity and organizational scale exert greater influence on WCM practices than individual demographic characteristics.

Overall, the study confirms that effective working capital management within EEI subsidiaries is primarily driven by firm-level characteristics rather than employee demographics. These findings highlight the importance of strengthening receivables management strategies to further optimize liquidity while maintaining operational stability. By emphasizing structured financial controls and improving credit management policies, subsidiaries can enhance financial efficiency and sustain long-term organizational performance.

Recommendations. The findings suggest that EEI subsidiaries should prioritize strengthening accounts receivable management to further optimize liquidity while maintaining effective relationships with customers. Although overall working capital management practices were assessed as effective, the relatively lower ratings in receivables practices indicate the need for more strategic monitoring of credit policies and collection efficiency. Enhancing oversight of receivables can help subsidiaries achieve a better balance between cash flow stability and revenue growth.

The study also highlights the importance of organizational capacity and structural alignment in shaping effective working capital management. Since firm-level factors such as capitalization, workforce size, and managerial roles significantly influence financial practices, management may consider reinforcing institutional capabilities through stronger financial governance, leadership development, and improved coordination among departments responsible for planning, receivables, and payables management. In addition, aligning financial systems and reporting structures across subsidiaries may further improve transparency, monitoring, and policy consistency within the organization.

Despite these insights, the study is limited by its reliance on self-reported survey data and a descriptive research design, which restrict the ability to draw causal inferences between working capital management practices and firm performance. Future research may therefore expand this line of inquiry by integrating objective financial performance indicators, longitudinal data, or comparative analyses across firms or industries. Such approaches could provide deeper evidence on how working capital management practices contribute to financial sustainability and operational efficiency in large diversified corporations.

Author contributions. Antonette G. Belago: Conceptualization, Methodology, Formal Analysis, Writing-Original draft, Writing review

and Editing, Visualization | Allan Calderon: Discussion, References, Results.

Conflict of interest. The authors declare no conflict of interest.

Funding source. This research received no external funding.

Artificial intelligence use. AI tools supported initial drafting of text; final revisions and accountability rest with the authors.

Ethics approval statement. This study was approved by the PUP Center for Research and Extension Office.

Data availability statement. The data are not publicly available but may be obtained from the corresponding author upon reasonable request.

Acknowledgement. (Not available)

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