

# Financial Sustainability of Travel Agencies in Batangas Province, Philippines

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**Received:** January 24, 2019; **Accepted:** January 31, 2019; **Published:** February 4, 2019

**Abstract:** Financial sustainability is an important factor for business survival and it would be a great help for every institution especially among travel agencies. In Batangas Province, these businesses are sprouting all over the province thus this study aimed to assess the financial sustainability of the travel agencies. The descriptive method was used with the 30 travel agencies as respondents of the study. Questionnaire was used to collect the needed data from the respondents. The data were interpreted using the following statistical tools; the frequency and percentage, weighted mean and composite mean and analysis of variance or ANOVA. Findings revealed that majority of travel agencies in the Batangas province are sole proprietorship, operating for 6-10 years having 1-9 employees and with the capital of 300,001 and above. Also, financial governance, financial planning and financial accountability were assessed as highly sustainable while financial management was evaluated as sustainable. The study proved that here is no significant difference on the assessed financial sustainability when grouped according to forms of business organization, number of years in operation, number of employees and estimated capitalization.

**Keywords:** Travel agencies, financial sustainability, financial governance, financial planning, financial management, financial accountability.

**Citation:** Mabel O. Lopez. 2019. Financial Sustainability of Travel Agencies in Batangas Province, Philippines. International Journal of Recent Innovations in Academic Research, 3(2): 30-44.

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## Introduction

Travel and tourism industry has been proven as growing industry in the world, many entrepreneurs had shown a keen interest in this kind of business. With the diverse demands on its services, the travel enterprises evolved into a high level. Travel agencies make easier for his or her customers to process travel planning and make certain they enjoy the best journey possible.

Travel agencies work directly with the public and converse with clients in order to determine the best possible travel destinations, transportation arrangements and accommodations for the client's particular needs which according to Aceron *et al.*, (2018), good customer service relation is important to travelers. Travel agencies may make suggestions to the client based on their experience or offer complete travel tour package. They are often restricted to a

budget, and must highly organize in order to offer their clients travel arrangements that suit their both financial limitations and leisure or business travel expectations. Thus, financial sustainability is an important factor for their survival.

Financial sustainability is one of the most important factors for the long-term survival of any organization. It is the capability to remain committed in providing services and absorb financial shocks without external financial assistance. As stated by Bowman (2011), it is the ability to obtain revenues in response to a demand and if an organization is not financially sustainable, its longevity might not be ensured. And for every institution, either for profit or non-for-profit, attaining financial sustainability is a goal they strive hard.

Khumalo (2003) developed the four pillars to achieve financial sustainability. These are financial governance, financial planning, financial management, and financial accountability. Financial governance talks about compliance with a legislative and regulatory framework, effectiveness in deriving efficient regulatory standards and rules and accountability in the decision making structure and chain of command. While financial planning is the process of estimating the capital required and determining its competition. It is the process of framing financial policies related to procurement, investment and administration of funds of an enterprise. On the other hand, financial management is the prudent allotment of company funds, to current and non-current assets. Lastly, financial accountability tells people what policies to adopt or have been adopted to meet the responsibility to ensure that the organization they govern is financially sound by reporting monthly, quarterly, mid-year, and annually.

Achieving financial sustainability would be a great help for every institution especially among travel agencies. In order for the travel agencies to be financially sustainable, the owner needs to recognize how to properly managed the available resources in the enterprise. A manager needs to understand different approaches on a way to generate income so that he can save the company from a financial crisis. He must be excellent in maintaining good internal control and client relationship.

The province of Batangas is a favorable place for any business due to its strategic location, given its proximity to Metro Manila and nearby developed provinces. Different travel agencies are sprouting all over the province. As of 2018, there are 55 registered travel agencies in the province from which majority are into operation for five years and above. Within this in mind, the researcher assessed the financial sustainability of those travel agencies. This study would be of great help to the travel agency owners and managers to assess their financial status and overcome financial concerns. Likewise, this research could guide them in choosing what financial strategies will help them to achieve the financial sustainability of their business and tread the sustainability path to success. Thus, this study aimed the following: (a) to determine the profile of travel agencies, (b) to assess their financial sustainability, (3) to test the significant difference on the travel agencies' financial sustainability when grouped according to profile.

### Methods and Procedures

Descriptive research design was used to analyze and interpret all the data gathered and to attain more precise conclusion. Additionally, the study employed a quantitative method of research because the researchers made used of systematic investigation via statistical, mathematical or computational techniques. The researchers targeted the total population of travel agencies from three key cities of Batangas.

A letter of request was addressed to the Business Permit and Licensing Office (BPLO) of the three (3) key cities of Batangas Province to obtain the list of the travel agencies operating within the cities. Based on the data gathered from Business Permit and Licensing Office of each city, there are 56 registered businesses. Of these, 19 are from Batangas City, 33 are from Lipa City and only four (4) are from Tanauan City. However, due to unwillingness of the other travel owners to participate, the researchers manage to have 30 respondents only or 55 percent of the total population. From the 30 respondents, 18 are from Lipa City, 4 are from Tanauan City and 8 are from Batangas City.

In order to obtain all the necessary information for the study, the researcher used the questionnaire as the primary tool. The instrument was divided to two parts: the first part focused on the profile of the business, which is form of business organization, number of years in operation, number of employees and estimated capitalization. The second part contained the pillars to achieve financial sustainability which is composed of financial governance, financial planning, financial management, and financial accountability. The second part of the questionnaire was score based on the Likert type 4Point scale where 4 is the highest and 1 is the lowest score.

Options	Responses
4	Strongly Agree
3	Agree
2	Moderately Agree
1	Disagree

Moreover, the computed mean for each item's response was verbally interpreted based on the following values and interpretation.

Mean Ranges	Verbal Interpretation
3.50-4.00	Highly Sustainable
2.50-3.49	Sustainable
1.50-2.49	Moderately Sustainable
1.00-1.49	Not Sustainable

For the actual survey, a letter of request was addressed to the travel owners or managers to ask for their support and cooperation by answering the questionnaire. The respondents were requested to answer at their own conveniences. From the responses obtained, the researchers interpreted the data through the use of frequency and percentage, mean, Analysis of Variance (ANOVA) and T-test.

## Results and Discussion

The data collected through various research instruments were presented and discussed comprehensively in this section. The inputs contained profile of the respondents, assessment on the financial sustainability, significant difference on the assessment when grouped according to profile and the proposed financial strategies.

### 1. Profile of the Travel agencies

#### Forms of Business Organization

The distribution of the travel agencies in terms of forms of business organization in the table below was determined and interpreted using frequency and percentage.

**Table 1. Distribution of the Travel Agencies in terms of Forms of Business Organization**

Forms of Business Organization	Frequency	Percentage
Sole Proprietorship	26	87
Partnership	1	3
Corporation	3	10
<b>Total</b>	<b>30</b>	<b>100%</b>

The table shows that majority of the travel agencies belonged to sole proprietorship having a frequency of 26 and a percentage of 87. It was then followed by corporation, having a frequency of three (3) and a percentage of 10. However, only one (1) out of 30 travel agencies are under partnership with a percentage of three (3). This implies that the travel agencies in Batangas Province are mostly managed by a sole owner due to the simplicity in the decision making, ease of management as well as low organizational and operating cost of business.

The result of the study is supported by Lopez (2019) which she stated that majority of the businesses are sole proprietorship because, it is easy to start and does not use a high capitalization. Being a sole proprietor, the owner will carry all the profits and will pay only minimal tax. In addition, the result is also supported by Anastacio *et al.*, (2011), according to them, a sole proprietorship is a type of entity that offers a number of benefits. First which is simplicity in decision making, since only one person makes all the major decisions.

Other advantages would be that it is easy and inexpensive to form, subject to few government regulations. An aspect of the “same entity” concept is that taxes on a sole proprietorship are determined at the personal income tax rate of the owner. In other words, a sole proprietorship does not pay taxes separately to the owners. According to Medina (2011), majority of the business are owned by sole proprietorship and this is an indication of the popularity of this particular form. Most business owners choose this form because of certain advantages unique to sole proprietorship.

### Number of Years in Operation

The distribution of the travel agencies in terms of number of years in operation in the table below was determined and interpreted using frequency and percentage.

**Table 2. Distribution of the Travel Agencies in terms of Number of Years in Operation**

Number of Years in Operation	Frequency	Percentage
0-2	5	17
3-5	4	13
6-10	14	47
10 years and above	7	23
<b>Total</b>	<b>30</b>	<b>100%</b>

As shown in the table above, majority of the travel agencies operated for 6-10 years with a frequency of 14 and a percentage of 47. While, some of the travel agencies existed for 10 years and above having a frequency of seven (7) and a percentage of 23. It is followed by travel agencies operating for 0-2 years which acquired a frequency of five (5) and a percentage of 17. Lastly, there are only four (4) travel agencies which have been in existence for 3-5 years garnered a percentage of 13. It is an indication that most of the travel agencies in the province of Batangas were mature in the stage of existence. They were able to sustain

their businesses for a long-run which implies that the province is an attractive place to establish a business. It can be associated with the concept of Hernandez *et al.*, (2012), where they stated that the number of years of operation of a business should be largely considered in determining the degree of its stability. The years of the time an establishment has been operating is just an implication of the effectiveness of the management and the application of strategies in the operation of the business.

However, short years in operation denote newly engaged establishments in the field of business. Only four (4) out of the 30 respondents were operating their business within the span of 3-5 years. This implies that only few agencies are new because it requires a large amount of capital and the owners must have enough knowledge on tourism industry and marketing before they could enter in that business.

### Number of Employees

The distribution of the travel agencies in terms of number of employees in the table below was determined and interpreted using frequency and percentage.

**Table 3. Distribution of the Travel Agencies in terms of Number of Employees**

Number of Employees	Frequency	Percentage
1-9	25	83
10-99	5	17
<b>Total</b>	<b>30</b>	<b>100%</b>

It is reflected in the table that majority of the travel agencies have 1-9 employees with a frequency of 25 which yield a percentage of 83. It was followed by the 10-99 employees with a frequency of five (5) and a percentage of 17. This means that travel agencies do not require a large number of staff in their operation. It is also an indication that majority of travel agencies employs a single organizational structure.

As stated by Peavler (2010), hiring small number of workers would be an advantage to the owners in the form of reducing labor cost and easy management. The result is similar with the study of De Guzman (2014) which stated that food and beverages services in Batangas City employs one (1) to four (4) workers only. One of the reasons is that small businesses do not require a large number of employees to reduce labor cost and they believe that minimum number of employees is enough to do a specific task.

### Estimated Capitalization

The distribution of the travel agencies in terms of estimated capitalization in the table below was determined and interpreted using frequency and percentage.

**Table 4. Distribution of the Travel Agencies in terms of Estimated Capitalization**

Estimated Capitalization	Frequency	Percentage
Php 50,000-100,000	5	17
Php 100,001-150,000	5	17
Php 150,001-200,000	2	7
Php 200,001-250,000	4	13
Php 250,001-300,000	2	7
Php 300,001 and above	12	40
<b>Total</b>	<b>30</b>	<b>100%</b>

As shown in the table above, a large number of travel agencies have a capitalization of Php 300,001 and above with a frequency of 12 and a percentage of 40. Meanwhile, some travel agencies invested an amount of Php 50,000-100,000 and Php 100,001-150,000 with a frequency of five (5) and a percentage of 17. However, only two travel agencies invested an amount of Php 150,001-200,000 and Php 250,001-300,000 having a frequency of two (2) with an equivalent percentage of 7.

It is an indication that travel agency requires high capitalization since they want their customers to offer quality service through providing good ambiance and effective customer relation from decorations of their buildings. Asor (2009) discussed that capital serves as the fuel that keeps the business in its operation. The availability of funds should fit in the type of business to organize. Furthermore, capital pertains to machines, equipment, buildings, and other physical resources, which are used in the production of goods and services.

## 2. Assessment on the level of financial sustainability of travel agencies

The succeeding tables present the data gathered through the questionnaire accomplished by the respondents. The data presented herein is concern on the assessment on the level of financial sustainability of travel agencies.

### Financial Governance

Table 5 presents the assessment on the level of financial sustainability of travel agencies in terms of financial governance.

**Table 5. Level of Financial Sustainability of Travel Agencies in terms of Financial Governance**

Statements	Mean	Interpretation
Our travel agency...		
1. complies with the pertinent laws, rules, and regulations set by the governing bodies.	3.97	Strongly Agree
2. obtains business licenses and permit from municipality and city where the business located.	4.00	Strongly Agree
3. has registration of the business with DTI in case of Sole Proprietorship and with SEC in case of partnership and corporation.	3.97	Strongly Agree
4. pays appropriate business registration application and filling fees.	3.93	Strongly Agree
5. secures health sanitation, fire safety and building inspection permit to ensure that the place of work is safe and clean.	3.87	Strongly Agree
6. protects workers, promote their welfare and maintain industrial peace.	3.83	Strongly Agree
7. provides proper benefits and compensation of the employees according to the minimum wage rates set by the government.	3.67	Strongly Agree
8. provides the level of services based on affordability, community needs and	3.73	Strongly Agree

appropriate local government roles.		
9. acts according to the best interest of the stakeholders and in accordance with the business rules.	3.70	Strongly Agree
10. complies with the appropriate level of tax imposed by the municipality/ city where the business is located.	3.80	Strongly Agree
<b>Composite Mean</b>	<b>3.85</b>	<b>Highly Sustainable</b>

As shown in the table below, majority of the travel agencies *strongly agreed* that they obtain business licenses and permit from city which gained the highest mean of 4.00. This means that travel agencies follow government policies, rules and regulations before engaging or entering into a business. Moreover, according to Inigo (2010), the business company must follow all government rules and regulations for them to say that they are financially governed.

More so, it was evident that travel agencies comply with the pertinent laws, rules, and regulations set by the governing bodies and has registration of the business with DTI in case of Sole Proprietorship and with SEC in case of partnership and corporation. Both gained a weighted mean of 3.97 and interpreted as strongly agree. This only means that all travel agencies operate their businesses legally. Further, it is reflected that travel agencies *strongly agreed* that they pay appropriate business registration application and filing fees which were third to the highest with the mean score of 3.93. This only shows that travel agencies designate a portion of their capital for business regulations to operate in a legal way. As for Fajardo (2009), the business owners deal with the government when they pay their business licenses, permits, taxes while proprietorship and corporation are strictly registered and supervised by the government.

It could be gleaned in the table that the travel agencies *strongly agreed* that they act according to the best interest of the stakeholders and in accordance with the business rules. This implies that travel agencies are giving importance not only on the client's needs but also on the demands of the government, investors, community, their agents, etc. It was stated by Inigo (2010) that business operations are giving not only importance to government regulations and supervision, taxation and technological changes but also to the public and customer acceptance. Businesses has a direct relation to its owners, workers, customers, suppliers, government, community, labor union, and business association.

Lastly, the lowest weighted mean of 3.67 and interpreted as *strongly agree* was shown in the table which states that travel agencies provide proper benefits and compensation of the employees according to the minimum wage rates set by the government. This connotes that travel agencies first and foremost are looking on the welfare of their employees because they probably believe that a happy employees lead to happy clients. In fact, according to Medina (2010), the prime obligation of the management to help develop their employees' potential. On the part of the employees, it will make them highly productive which will mean commensurate increase their income. And on the part of the business, greater efficiency on the part of its employees has a desirable corollary result that will provide the foundation for the continuous stability of the firm and thus ensure its continued existence in the industry. To sum up, the composite mean of financial governance is 3.85 which is interpreted as Highly Sustainable. This means that the travel agencies operate their businesses in line with the

policies and rules mandated by the government. This proved that in most cases, businesses strictly implement financial governance practices in their day-to-day operation to ensure that they act in accordance with the code of ethics for Philippine business.

### Financial Planning

Table 6 presents the assessment on the level of financial sustainability of travel agencies in terms of financial planning.

**Table 6. Level of Financial Sustainability of Travel Agencies in terms of Financial Planning**

Statements	Mean	Interpretation
Our travel agency...		
1. sets financial goals and objectives.	3.63	Strongly Agree
2. constructs financial plan to implement the goals of the business.	3.57	Strongly Agree
3. prepares projections with regards to the business future.	3.67	Strongly Agree
4. uses strategies, plans, and policies to manage the business assets properly.	3.67	Strongly Agree
5. makes decisions in advance to minimize the risk of errors	3.80	Strongly Agree
6. identifies sources and uses of funds to ensure that enough funding is available at the right time to meet the needs of the business.	3.70	Strongly Agree
7. invests funds to other business to increase the value of the money.	3.40	Agree
8. develops short term (weekly, monthly) cash flow projections to help manage daily cash.	3.40	Agree
9. develops long term (annual, 3-5 years) cash flow projections to help develop the necessary capital strategy to meet business needs.	3.47	Agree
10. has pertinent data on current operations to track the performance of the business.	3.63	Strongly Agree
<b>Composite Mean</b>	<b>3.59</b>	<b>Highly Sustainable</b>

It can be reflected on the table that majority of the travel agencies *strongly agreed* that they make decisions in advance to minimize the risk of errors which obtained the highest mean of 3.80. This implies that financial planning is important for the long run survival of any business and most certainty for any business operating in hostile, competitive environment. It is also important to make decisions in advance because it contributes to the careful analysis of the plans that are going to be made.

According to Aliling *et al.*, (2010), in order for a business entity to thrive in a highly competitive environment, it is essential that a financial manager must be able to plan ahead because according to Lopez (2018), acquiring loyal customer is difficult. Management must be flexible and make adjustments in the company before relevant events. Furthermore, it was

evident that travel agencies identify sources and uses of funds to ensure that enough funding is available at the right time to meet the needs of the business which gained a weighted mean of 3.70 and interpreted as *strongly agree*. This means that both short term and long term cash flow projections are essential for the travel agencies.

Some businesses invest funds to other entities in order for them to earn additional income or source of money for their future operations. Moreover, according to Medina (2012), financial planning for small firms mean knowing the profit objectives of the firm; identifying the sources and uses of funds; and making decision on various financial alternatives. The preparation of a budget will satisfy most of the requirements for financial planning in small business. In addition, it is reflected that travel agencies *strongly agreed* that they prepare projections with regards to the business future and use strategies, plans, and policies to manage the business assets properly which was the third to the highest with the mean score of 3.67. This only shows that travel agencies use planning which are essential to a business success in case uncertainties arises. Because planning gives business direction and helps prepare for what they may need to overcome in the future.

The result of the study was supported by the research work of Como *et al.*, (2010), the researchers stated that the factor that needs to be learned by managers and/or owners is the financial performance of the business to which they should apply different strategies in the aspect of monitoring. The owners and managers of the business must know the proper implementation of strategies. By using strategy, a firm decides to pursue one course of action over the other. The firm's executives set priorities for the firm's competitive actions. Since strategies are organic in that they must be adopted over time as its external environment for the firm resource portfolio change. Furthermore, travel agencies *strongly agreed* that they invest funds to other business to increase the value of the money and develop short term (weekly, monthly) cash flow projections to help manage daily cash both garnered a weighted mean of 3.40. This means that because majority of the travel agencies are operating for six to ten years, they do not only focus on the daily survival of their business, but also on the long term financial planning that is necessary for the business to be profitable and financially sustainable. In contrast to those businesses operating less than six years which are more focused on the daily survival of the business.

This was supported by the study of Gutierrez *et al.*, (2008), which they found out that the long term financial planning is important in the business operation because it improves productivity, simplifies the process of raising capital and provide for accurate evaluation of the strength and weaknesses of the business. It was also found out that the long term financial planning was indeed important to the travel business operations.

The findings indicate that the degree of importance of the long term financing plan could not be underestimated in the business operation and therefore essential in order to have a sustainable business. The findings of the study implicate that since long term financial planning is important in the sustainability of the business, it can also be deduced that the effective and efficient implementation of long term financial planning is also needed in order to have a profitable business. In summary, travel agencies garnered a composite mean of 3.59 which is interpreted as highly sustainable when it comes to financial planning. This means that some of travel agencies in Batangas Province were able to respond ahead against uncertainties and financial barriers that arise in every stage of business operation. As written in the Economics Time (2015), financial plan is important if the owners want to protect the finances from uncertainty.

### Financial Management

Table 7 presents the assessment on the level of financial sustainability of travel agencies in terms of financial management.

**Table 7. Level of Financial Sustainability of Travel Agencies in terms of Financial Management**

Statements	Mean	Interpretation
Our travel agency...		
1. ensures that all assets are in good shape, properly accounted for and being used efficiently.	3.67	Strongly Agree
2. maintains sufficient amount cash for current operations and paying obligations as they come due.	3.73	Strongly Agree
3. conducts asset management practices result in getting the best possible value from public funds .	3.40	Agree
4. has spending decisions that reflects good cash management practices.	3.57	Strongly Agree
5. borrows fund in banks in case of cash short fall.	2.33	Moderately Agree
6. determines credit standards and forms of credit to be offered as well as the development of an effective collection policy.	3.03	Agree
7. settles unpaid accounts when cash is available rather than on the due date to avail discounts.	3.73	Strongly Agree
8. prefers to use debt equity to finance the business operation.	2.67	Agree
9. increases the business capital through encouraging new investor/ partner.	2.70	Agree
10. evaluates capital structure before making decisions on investment.	3.47	Agree
<b>Composite Mean</b>	<b>3.23</b>	<b>Sustainable</b>

The table shows that majority of travel agencies settle unpaid accounts when cash is available rather than on the due date to avail discounts and maintain sufficient amount cash for current operations and paying obligations as they come due with a weighted mean of both 3.73 and interpreted as *strongly agree*. This means that travel agencies were able to manage their liabilities and do not let the time become due before settling off their obligations. Additionally, according to Fajardo (2009), financial manager must find the best sources of funds for the organization. He added that financial management begins with identification of the financial needs of the organization. Thus, funds should be adequate to meet such needs.

The result was followed by a weighted mean of 3.67 interpreted also as strongly agree that most of the travel agencies ensures that all assets are in good shape, properly accounted for and being used efficiently. This implies that through financial management, the the travel agency owners and managers can make sure that they have enough funds to be used in short term and long term operation of the business. This was supported by Leon (2008) which he mentioned that knowing how to manage the resources is essential to achieve financial sustainability as knowing how to generate income.

The third highest got a weighted mean of 3.57 which most of travel agencies has spending decisions that reflects good cash management practices and verbally interpreted as strongly agree. It implies that travel agencies do not just focus to its assets but as well as to its

liabilities and capital. The result of the study was supported by Aliling *et al.*, (2010) which states that financial management involves the prudent allotment and spreading of company funds to current assets and non-current assets.

It could be seen in the table that the second to the lowest got a weighted mean of 2.70, and a verbal interpretation of agree. Which says that most of travel agencies do not increase the business capital through encouraging new investor/ partner. This implies that the businesses do not prefer encouraging new investors or partners since they believed that their current capital is enough for their business operation. Lastly, the lowest weighted mean of 2.57 with an interpretation of agree states that not all travel agencies prefer to use debt equity to finance the business operation. They do not also borrow funds from banks for the reason that it will cost more because of the interest that it will incur, thus, they prefer to use the profit of the business or the money of the owners or borrowing from their relatives.

All in all, the result gained a composite mean of 3.23 which is interpreted as sustainable which implies that travel agencies obtain payment promptly. It is shown that most of the travel agencies have lack of knowledge about the proper usage of the financial resources. According to Meredith (2008), financial management is concerned with all areas of management from the basic up to the complicated ones like the financial implications of investment, production, marketing, personal decisions, and total performance of enterprises.

### Financial Accountability

Table 8 presents the assessment on the level of financial sustainability of travel agencies in terms of financial accountability.

**Table 8. Level of Financial Sustainability of Travel Agencies in terms of Financial Accountability**

Statements	Mean	Interpretation
Our travel agency...		
1. makes employees aware of the importance of managing the resources well.	3.83	Strongly Agree
2. discloses all pertinent information's regarding the business operations.	3.30	Agree
3. takes full responsibility with regards to firm's actions and behaviors.	3.57	Strongly Agree
4. uses official receipts in daily transaction.	3.77	Strongly Agree
5. records rates and expenses promptly.	3.83	Strongly Agree
6. monitors daily transactions to make sure that there is no fraudulent action.	3.83	Strongly Agree
7. exhibits integrity and transparency to the public.	3.77	Strongly Agree
8. makes sure that businesses actions are in with line with its stated objectives and plan.	3.63	Strongly Agree
9. involves employee with regards to the decision making of the business.	3.53	Strongly Agree
10. maintains accurate and clear financial records.	3.80	Strongly Agree
<b>Composite Mean</b>	<b>3.69</b>	<b>Highly Sustainable</b>

It can be reflected from the table above that when it comes to the financial accountability of travel agencies, respondents strongly agreed on the three statements: “makes employees aware of the importance of managing the resources well”, “records rates and expenses promptly”, and “monitors daily transactions to make sure that there is no fraudulent action” having the highest mean score of 3.83.

This implies that owners and managers are attentive to financial issues to avoid problems from occurring. They are competent enough to serve as a guide in promoting stability for their economic development. They are aware of the importance of their financial performance as an indicator of success. In addition, according to Megginson (2008), financial accountability is necessary because of the number and variation of people who are affected by the behaviors and actions of the businesses. Employee deserves to know what is going in upper management and with the company as a whole. The statement “maintains accurate and clear financial records” has the second highest mean score of 3.80 and interpreted as strongly agree. This means travel agencies are using appropriate financial planning measure in evaluating the financial performance of their business. Probably, they have the proper and most effective tool in analyzing their financial data for them to know if they are earning enough. This was supported by Leon (2008) in which he stated that business owners and managers are responsible for setting financial objectives, making plans based on those objectives, obtaining the finance needed to achieve their plans, and generally safeguarding all the financial resources of the entity.

And the statement “uses official receipts in daily transaction”, and “exhibits integrity and transparency to the public.” got the third to the highest mean of 3.77 with a verbal interpretation of strongly agree. Findings may be linked to the fact that all travel agencies are registered businesses which are obliged to provide official receipt to their clients.

The item with the second to the lowest mean of 3.53 and interpreted as strongly agree was gained by the statement, “involves employee with regards to the decision making of the business”. This implies that the travel agency owners and managers involve their workers in their financial decisions. As stated by Fajardo (2009), an employee who participates in planning and decision-making within his competence gets the feeling of importance and a sense of achievement. He tends to perform well because he is an important part of the activity. The employee should have participatory element so that the knowledge, experience and creativity of all who work in the enterprise may contribute to the decision-making process.

And the statement wherein the respondents disagreed that they “discloses all pertinent information’s regarding the business operations” which was ranked lowest with a mean of 3.30. and interpreted as agree. This shows that managers or owners do not often reveal all the information that they have regarding their business because according to Medina (2012), the owner-operator will take responsibility for whatever happens to the business. If the certain information was leaked to competitors, then he suffers and carries whatever burden or penalty is imposed by authorities. The owner must be careful of disclosing confidential information.

### **Difference analysis on the assessed Financial Sustainability when grouped according to Business Profile**

Table 9 presents the significant difference on respondents’ assessment when they are grouped according to their profile. The table includes the computed P-values at 5% level of significance and the corresponding f-values.

**Table 9. Difference analysis on the assessed Financial Sustainability when grouped according to Business Profile**

<b>Respondents' Assessment when Grouped According to Business Profile</b>	<b>Computed F-values</b>	<b>p-values</b>	<b>Decision H<sub>o</sub></b>	<b>Interpretation</b>
Forms of Business Organization	.162	.851	Failed to Reject	Not Significant
Number of Years in Operation	.701	.560	Failed to Reject	Not Significant
Number of Employees	.164	.856	Failed to Reject	Not Significant
Estimated Capitalization	.254	.933	Failed to Reject	Not Significant
Services Offered	.408	.624	Failed to Reject	Not Significant

It can be gleaned from the table that when the assessment of respondents was grouped according to forms of business organization, the p-value of .851 was found greater than the level of significance of 0.05, with computed F-values of .162, thus the null hypotheses was failed to reject and there is no significant difference on the assessed financial sustainability when grouped according to forms of business organization.

Also, in terms of number of years in operation, the responses got the p-value of .560 having of computed F-values of .701 and were found greater than the level of significance of 0.05, thus the null hypotheses was failed to reject and there is no significant difference on the assessed financial sustainability when grouped according to years of operation.

In addition, when the respondents' assessment was compared when they were grouped according to number of employees, the p-value of .856 was greater than 0.05 level of significance with computed F-values of .164 which direct the researchers to fail to reject the null hypothesis declaring that there is no significant difference on the assessed financial sustainability when grouped according to number of employees.

Lastly, when financial sustainability was compared in terms of the estimated capitalization, results got a p-value of .933 which is greater than 0.05 level of significance with computed F-values of .254, therefore, the researchers failed to reject the null hypothesis and lead to not significant interpretation. This explains that there is no significant difference on the assessed financial sustainability when grouped according to estimated capitalization.

The findings indicates that whether the travel agencies are small or big, young or new, with limited or huge amount of capital, they were still able to manage financial risks and to start, grow and maintain their long-term financial stability. Thus, achieving financial sustainability must be the goal of every business.

### **Conclusions and Recommendations**

Majority of travel agencies in the Batangas province are sole proprietorship, operating for 6-10 years having 1-9 employees and with the capital of 300,001 and above. Financial governance, financial planning and financial accountability were assessed as highly sustainable while financial management was evaluated as sustainable. There is no significant difference on the assessed financial sustainability when grouped according to forms of

business organization, number of years in operation, number of employees and estimated capitalization.

To maintain the financial sustainability of travel agencies they are advised to have an ongoing financial planning to address future financial obstacles. Keep track of all expenses because this may help in reducing costs. They may also formulate adequate and effective financial objectives, policies, procedures and budgets regarding the operation of the business in order to ensure a reasonable balance between inflow and outflow of funds so that stability is maintained. Travel agency owners or managers may adopt good financial management system because it makes the operation more profitable and efficient. It will help the business to know their financial status as well as the primary reason for such results. Future researchers may do further research on the same topic in other places to verify, amplify, or negate the findings of the study. If the findings are the same, generalizations of wider application can be formulated.

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