

The Efficiency of Cash Management Practices at Government Agencies in Melaka

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Abstract

The purpose of this study is to explore the efficiency of cash management practices at government agencies in Melaka. The case study was conducted mainly at the Melaka's Land and District Offices (Melaka Tengah, Alor Gajah and Jasin) and as well as the Melaka's Land and Mineral Office. A survey was carried out through a set of questionnaires. Out of 472 sample sizes, 215 responses have been obtained from the staff that is directly involved with the cash management practices in those four (4) agencies. Based on the findings, 97.2% of the respondents believed that the Green Cash Management (GCM) practices with the use of the e-SPEKS system have eased the top management to monitor and control the agencies' cash flows. The findings also recognized that most of the respondents believed the time consuming for transferring the cash has been reduced with the use of Cash in Transit (CIT) (95.4%). In terms of Physical Cash Management (PCM), 88.3% of participants agreed that the quality of services has steadily improved with the practice of physical cash management. Apart from that, based on the responses associated with Talent Management (TM), 98.6% of the respondents agreed that the main priority on talent management of cash management practices is to increase the quality service of the government agencies. The result also indicated that there was a positive relationship between GCM (.628), TM (.657) and PCM (.662) with the Implementation of Cash Management (ICM) practices. In fact, the result also showed that there was a strong positive relationship between CIT (.761) with the ICM practices. The hypothesis results are accepted because all variables which indicate the GCM, CIT, PCM and TM have yielded the positive effects on the ICM practices in government agencies. Acknowledgement of these recommendations is imperative since the cash management practices have the potential to thrive in Malaysia. It will also assist the organization in implementing cash management practices more efficiently including the effectiveness, accountability, transparency and quality.

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1. Introduction

1.1. Research Background

This research explores about the efficiency of practices on cash management for the government agencies in Melaka. This research focuses on the four (4) agencies that deal with the district and land matters in Melaka namely Melaka Tengah's Land and District Offices, Alor Gajah's Land and District Offices, Jasin's Land and District Offices and Melaka's Land and Mineral Office.

Cash management has various explanations in terms of definition and meaning. Cash management is involved with maximizing the costs of short-term cash policies of an organization. The focus and objective are on minimizing the costs. (Salas-Molina, F., 2018). The management of cash is having the appropriate sum of money in the appropriate location and situation to reach the government's requirements through a beneficial method.

Even though most of the government agencies in Melaka facing insufficient cash flow to achieve their routine requirements in the daily agencies' operations, the problem on cash management is still debated in terms of its creation, process, achievement or disappointment for government agencies.

This research is done to support existing awareness on exactly how the numerous cash management aspects are conducted at government agencies in Melaka.

1.2. Problem Statement

In accordance with today's technology, almost transactions are preferably done via the electronic (online) method and avoiding usage of papers. However, it appears that the government agencies in Melaka are still lacking in this green cash management practices.

Currently, cash still dominates most of the transactions, i.e. customers made payment at the counter for land taxes and office fees. According to Tania J. and Devansh S. (2017), the stakeholders are responsible in terms of policies, digital payment facilities as well as the mindsets of people. The government needs to ensure in promoting green cash management through digital payments will be more acceptable.

According to global CIT market analysis (2018), the reason of implementing the CIT services is because of the growth in crime rates that influence the outsourcing of cash handling services to specialist service providers that can implement in a more safe process. The continuous technology implementation is another reason to outsource the cash handling operation to CIT service provider.

In Melaka, as these agencies are responsible to manage disaster recovery in their respective district, payment via physical cash is unavoidable. It is because the agencies need to distribute the financial aids to the disaster victims by cash. Since the funds' distribution usually involved plenty amount of money, the security risk such as robbery or fraud from the agencies' employees itself is extremely high.

Ineffective distribution of cash resources results in a rise in debt repayment cost because the debt will be higher than expected, a wastage of government funds due to an end-of-year rush of spending that also been known in Malaysia as Christmas shopping as well as time and cost overruns in the development projects. Therefore, talent management on cash management is important for the employees with the intention of increasing their knowledge as well as the skills. Currently, talent management related to cash management practices in government agencies at Melaka is insufficient.

1.3. Research Questions

The research is focusing on this research question: What are the effects of the implementation of cash management practices at government agencies in Melaka?

Then, the above question is breakdown into several sub-questions which are:

1. What are the effects of Green Cash Management (GCM) practices in government agencies at Melaka?
2. What are the effects of Cash in Transit (CIT) practices in government agencies at Melaka?
3. What are the effects of Physical Cash Management (PCM) practices in government agencies at Melaka?
4. What are the effects of Talent Management (TM) on cash management practices in government agencies at Melaka?
5. What are the benefits on Implementation of Cash Management (ICM) practices in government agencies at Melaka?

1.4. Research Objectives

The research is to be accomplished by:

1. To identify the effects of Green Cash Management (GCM) practices in government agencies in Melaka.
2. To determine the effects of Cash in Transit (CIT) practices in government agencies at Melaka.
3. To establish the effects of Physical Cash Management (PCM) practices in government agencies at Melaka.
4. To highlights the effects of Talent Management (TM) on cash management practices in government agencies at Melaka.
5. To identify the benefits on Implementation of Cash Management (ICM) practices in government agencies at Melaka.

1.5. Scope of the Research

The scope of research will concentrate on the employees who directly involved in the cash management process. The total number of land and district office and land and mineral office employees are 472 and about 45 percent of them are directly involved in the cash management process in their respective offices.

The research attention is on defining the efficiency of daily practices in managing the cash at government agencies in Melaka which specifically dealt with cash management procedures that presently in use, the aspects of cash management practices that have been influencing the nature of works, the effect on agencies work performance and recognizing obstacles that agencies are facing in implementing effective cash management practices.

The research will focus on the employees who in charge of purchasing, processing payment, issuing local orders, dealing with the supplier, getting quotations and other related. The respondents will be from the upper level, middle level and support employees of land and district office as well as land and mineral office. This study will ensure that the employees involved in responding to the questionnaire which aligned to the objective of the study.

1.6. Significance of Study

The significance of this research is to analyse on the efficiency of practices in cash management at government agencies in Melaka. This study could benefit the government agencies in identifying any other areas of management and practices that can be improved. Delivering quality services, low-cost operation,

filling customer need on-time delivery considered as the top competitive priorities in the current competitive environment.

Government staff especially the finance and administration department which frequently involved directly with the cash management practices need to have a basic understanding of the whole objectives of cash management as well as their roles and duties in promoting efficient cash management practices within their own organization. Talent management and training program should be delivered via a consistent roster of a program coordinated to provide early training for new staff and in-service training for existing staff.

Frontlines staff especially at counter, transaction as well as operational processing need to be given talent management training and courses to support the organization's efficiency in cash management practices.

This study contributes to the understanding of the efficiency of cash management practices at government agencies in Melaka. Hence, a better view and style of cash management practices is expected. The findings can be used as the preliminary findings and as a basis for advanced research in cash management practices of the Melaka's government.

Furthermore, government agencies can improve its services and performances to meet its variety of internal and external customer expectations. The benefits gained from the implementation of cash management to government as it offers an effective and efficient cash management practices in line with the country transformation to digitalization.

1.7. Definition of Terms

1.7.1. Green Cash Management

In general, green cash management can be defined as the process of managing, collecting and (short-term) investing the cash without using physical money. It also can be defined as the inflows and outflows of cash that has been managed by an agency using an electronic methods such as online transactions and paperless documentation.

1.7.2. Cash in Transit (CIT)

Cash in transit (CIT) is a method of transferring physical cash from a place to another place. The places are such as financial centres and branches, auto teller machine (ATM) locations, large merchants and premises that have huge sums of money.

1.7.3. Physical Cash

Physical cash typically refers to money in hand. It is highly generally recognized and trustworthy method of making a payment. This is one of the reasons why a lot of transactions in businesses just take the hard cash. Cheques have the possibility to bounce back and credit cards can be rejected. It is different from using the physical cash in hand that does not have other processing. Nevertheless, bulky physical cash can trigger great security issues such as robbery, theft and fraud.

1.7.4. Talent Management

Talent management or training offering the main chance in increasing all employee's knowledge base. However, a lot of employers currently perceived the opportunities in training development as costly. When employees attending the course for particular training, they will skip the work time that might slow down the task completion relating to their work.

2. Literature Review

2.1. Practices of Green Cash Management

According to Boopathy, A.V. (2020), a paperless and cashless transaction is the major slogan of digital payment. There are various approaches to paperless and cashless transactions such as internet banking and card payment practices. E-wallet is additionally a vital payment example in actual practice for green cash management. The future range of digital payment is wide-ranging to developing countries the socio-economy relationship between enterprises and organizations and end-users in the direction of a paperless and cashless transaction.

According to Sveriges, R. (2017), it is unsurprising to see the sign “no cash accepted” in Swedish shops and some banks are no longer managing cash. Cash payment is only 15 percent of retail sales in Sweden and Sweden has been the example for current cashless society. Consumers are generally pleased with this condition but the poor and elderly still struggling with the electronic world.

2.2. Cash in Transit (CIT)

According to Beroe Inc. (2018), the worldwide cash in transit (CIT) service market in 2018 was valued at \$18.12 billion. CIT industry progress is promising markets projected to surpass global market growth, anticipated to expand three times more than in Europe and North America. The demand for CIT services around the world is driven by some factors such as growing auto-teller machine (ATM) installations, rigid banking procedures and additional crime rates.

At any time, CIT is when cash departed from the first location, however still not reached the second location. Simply imaging CIT like real money for example during CIT services take the cash from the cash registers, then bring the cash to the bank. Actually, most transactions of CIT occur at the back of the acts, for example, the payment which is at the midpoint as it gets cleared by the bank. Around 80 to 85 percent of consumer transactions worldwide are still been done using cash. Financial institutions, banks, governments and big retailers are the main buyers and users of CIT services (Beroe Inc., 2018).

Belgian CIT rules of 2003 are the most stringent CIT rules of all European Countries because it focuses on a situational crime preventive point of view in order to prepare suggestions as the existing authorized structure is due to be reviewed (Hardyns, W., Cools, M. & Maes, O., 2019).

2.3. Physical Cash Management

Physical cash management is described as the practice of collecting and controlling cash in an organization for using its short-term or long-term activities as well as investing (Kenton, 2017). Physical cash management includes the process of cash collection, supervising of cash and its function in investment activities. This is one of the main factors for guaranteeing financial strength and wealth (Hansen, 2015).

An effective physical cash management practice in any organization is crucial due to complexities that come with evaluating credits at any time an organization is encountering cash flow limitations (Kenton, 2017).

In the public sector, physical cash management is a duty which constantly has to be perceived in a critical perspective or else even the employee may go without charges due to the nature of cash accounting (World Bank, 2018). The accounting model implemented in the public sector, to a particular level helps in handling the issue to deal with physical cash management since most of the taxes are paid at the end of the period they are spent.

Uwalomwa & Egbide (2016), claims that cash management mechanisation involves bringing the necessary cautionary processes to make sure that ample cash levels are retained in the government so that the working obligations could be met.

Nkeobuna & Ugoani (2017), did a research on the implementation of IT in the government and recognized that the majority of financial transaction has transferred to an integrated program. The core purpose of the research was to evaluate the extent of financial integration in the country with a vision of upgrading physical cash management.

Mugambi (2018), did a research on the impact of the implementation of IS on financial management. This research has shown that there were numerous systems in use to handle financial issues. From the respondents who were questioned, there was a common agreement that positive financial controls with the effect of ICT have been accomplished.

2.4. Talent Management on Cash Management

In various TM research in public and private sector organizations, the organizational perspective is taken for granted and researchers fail to use the external and internal organizational perspective to describe how organizations conceptualize and implement TM (Gallardo-Gallardo & Thunnissen, 2016). According to Thunnissen, M. and Buttiens, D. (2017), the research intends to explain how public sector organizations conceptualize TM and factor influence the management approach in the public sector. The finding shows that TM is highly contextual and affect the intended TM strategy. This research studies conceptually and empirically the influence factors on different aspects of the TM approach and offers new routes for the next TM research.

TM is handled as the acknowledgment and acceptance that all employees have talent, jointly with the continuing assessment and placement of employees in positions that give the best fit and prospect through involvement for employees to use those talents (Swales, Downs, & Orr, 2014). The existing TM literature mostly highlighting economic organizational objectives such as flexibility, efficiency and competitive advantage (Thunnissen et al., 2013), even though some scholars emphasize the significance of a less independent view on TM goals and practices (Collings, 2014; Farndale, Pai, Sparrow, & Scullion, 2014; Thunnissen et al., 2013).

2.5. Theoretical Framework

Below are the independent and dependent variables in the theoretical framework for the purpose of this research.

2.6. Research Hypotheses

Below is the hypothesis for the purpose of this research:

- H1:** Practices of Green Cash Management with regards Efficiency of Cash Management Practices will have a positive impact on Implementation of Cash Management Practices
- H2:** Cash in Transit (CIT) with regards Efficiency of Cash Management Practices will have a positive impact on Implementation of Cash Management Practices
- H3:** Physical Cash Management with regards Efficiency of Cash Management Practices will have a positive impact on Implementation of Cash Management Practices
- H4:** Talent Management on Cash Management regards Efficiency of Cash Management Practices will have a positive impact on Implementation of Cash Management Practices

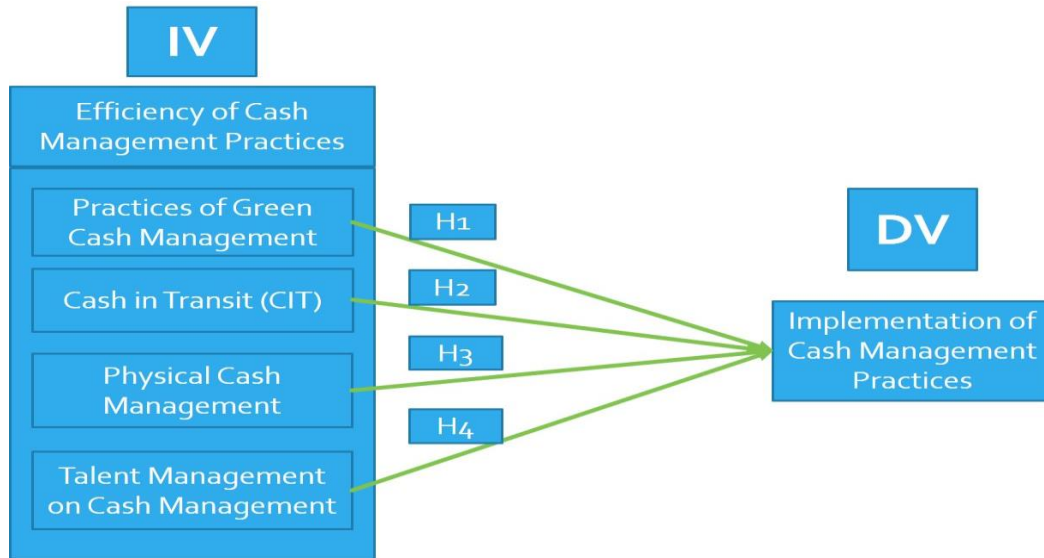


Figure 2.1: Theoretical Framework for Efficiency of Cash Management Practices

3. Research Methodology

3.1. Research Design

This study using the survey research design. The explanatory survey research design using a quantitative approach allows me to illustrate, clarify and portray attributes of an occasion or people as it happens.

3.2. Data collection

The initial stage to get the primary data were to collect a questionnaire using a Google form from the respondents. Then, I will proceed to get the secondary data from the respondents which all questions were derived from the primary data for scrutiny. Because the total respondents who participated in this research was not huge, the link of the questionnaires is sent to respondents by e-mail and WhatsApp application. Upon receiving the link, the respondents are needed to fill up the questionnaires anytime within seven days. After three days, the follow-up has been done to get in touch with the respondents that still not answering that questionnaire.

3.3. Survey Instrument

In this study, the form of the questionnaire will be used as the survey instrument. This questionnaire is created using English and Malay versions to accommodate a few respondents to understand the terms that been used better with their preferred language. For this research, primary data will be collected using questionnaire which is adapted from a modified survey.

According to Nurul N. (2016), the cash management practice can be explained in the range of very high to very low based on the following legend in Table 3.1:

Table 3.1: Extent of Cash Management Practice

Mean range	Response mode	Interpretation
3.26 – 4.00	Strongly agree	Very high
2.51 – 3.25	Agree	High
1.76 – 2.50	Disagree	Low
1.00 – 1.75	Strongly disagree	Very Low

3.4. Sampling Method

This study was done at three (3) Melaka's District and Land Office which are Melaka Tengah, Alor Gajah and Jasin as well as at Melaka's Land and Mineral Office. The total number of these four (4) agencies staff as a target population for this research is 472. About 45 percent of them are directly involved in the cash management process in their respective office. The sample size has using the technique introduced by Krejcie and Morgan (1970). Therefore, the sample size needed for this study is at least 214 respondents.

3.5. Pilot Test

In order to determine the reliability of the questionnaires, I have organized a pilot study for my research questionnaires directing it to a few staff which that particular information will not be collected and used at the real period of time when the research been performed.

3.6. Normality Test

The objective of the normality test is to reveal whether the data achieved the normality assumption by evaluating all the variables in the suggested framework. For this research, skewness and kurtosis values have been applied for this test. The normal data can be accepted if the skewness value is between -2 to +2, where the kurtosis value is between -7 to +7 (Hair et al., 2010; Kline, 1998).

3.7. Validity and Reliability

The validity and reliability of the modified instrument have been assessing as to verify the precision. Precision is related with the term legitimacy as constancy is related with the term dependability.

3.8. Validity of the Research Instrument

For the testing of reliability and consistency, the Cronbach's alpha will be calculated to suggest how perfectly the variables in a set are positively correlated to another. The nearer Cronbach's alpha to one (1), the better the inside consistency reliability. Reliability refers to the consistency or repeatability of test results. A test may be reliable even though it is not valid. However, for a test to be valid, it must be reliable (Best & Khan, 1998). In addition, reliability determines how much alike items are on the test.

3.9. Reliability of the Research Instruments

In order to determine the reliability of the questionnaires, I have performed a pilot test using the questionnaires by managing it to some staff where the data will not gather for the duration of the real-time of carrying out the research.

Table 3.2: Reliability of Variables

Variables	Cronbach's Alpha	No of Items
a) Green Cash Management	.816	1-4
b) Cash in Transit	.891	1-4
c) Physical Cash Management	.967	1-4
d) Talent Management	.936	1-4

3.10. Procedure Data Analysis

The data has been organized, then analysed by applying descriptive and inferential statistics with the assist of Google Form Analysis. Descriptive statistics including the usage of weighted averages and percentages. Inferential statistics have been applied in order to determine the causal relationship between the dependent and independent variables.

4. Result and Analysis

4.1. Rate of Response

Because the total respondents who participated in this research were not huge, the link of the questionnaires is sent to respondents using the online platform by e-mail and WhatsApp application. A total of 215 data were collected at the end of the data collection process.

4.2. Frequency Analysis

There are nine (9) items and information which are working department, position, gender, age, education level, years of service, the status of the position, level of authority and location of works. There are distributed based on the four (4) agencies in Ayer Keroh, Melaka Tengah, Alor Gajah and Jasin.

4.3. Descriptive Analysis for Independent Variables

In this section, descriptive statistics will be used to analyse and show how exactly the dimensions in the variables are examined. The value of mean and standard deviation will show how exactly the statistics are broadly dispersed nearby the mean value.

4.3.1. The Benefits of Green Cash Management Practices to Organization

Mean for all items ranging from 3.2279 to 3.4930. From the mean value, it can be concluded that most of the respondents are agrees with the items in the green cash management practices and the interpretation is high.

4.3.2. The Efficiency of Cash in Transit (CIT) Services to Organization

Mean for all items ranging from 3.2884 to 3.4930. From the mean value, it can be concluded that most of the respondents are strongly agrees with the items in the Cash in Transit (CIT) services and the interpretation are very high.

4.3.3. The Efficiency of Physical Cash Management Practices to Organization

Mean for all items ranging from 3.1953 to 3.2558. From the mean value, it can be concluded that most of the respondents are agrees with the items in the physical cash management practices and the interpretation is high.

4.3.4. The Need of Talent Management to Enhance Service Performance

Mean for all items ranging from 3.4512 to 3.5302. From the mean value, it can be concluded that most of the respondents are agrees with the items in talent management and the interpretation is very high.

4.3.5. Suggestion to Improve the Cash Management Practices in Organization

No.	Suggestions
R6	Change to accrual accounting
R14	Consistent maintenance to avoid sudden difficulties
R28	Current practices can be maintained
R33	Introducing system that user friendly between management and customer
R34	Increase and continuously keep on training to all the government staff
R45	Provide more on job training
R56	Use e-pay
R60	To take experiences from other countries
R65	Expand the usage of cashless for example e-wallet, boost, duitnow
R66	Go cashless and improve workflow and documentation
R73	Cash free is something good and practical. It should be practiced at all government agencies n departments.
R79	Incentives (rebate) for customers to encourage cashless transactions in government agencies
R81	Offer some sort of reward to those customers who opt to use cashless transaction
R97	Client also can view status application
R102	Improving the cash management system by proper workflow and reduce processing time
R104	Transparent, accountable and integrity
R114	All system good by having everyone have knowledge
R121	The practice of cash management in every organization in crucial to establishing a level of integrity and sincerity in improving service quality
R125	Online Practices
R126	Cash management is better
R137	I highly recommend improving the system easier

*R stands for Respondent

4.4. Descriptive Analysis for Dependent Variables

The mean value ranges from 3.2465 to 3.4930. The highest mean goes to G-ii; “Easier tracking and monitoring status of cash transferring with the use of Cash in Transit (CIT).” and the lowest mean goes to G-iii; “Transparency of management reporting processes regarding cash increase with Physical Cash Management”. From the mean value, it can be concluded that most of the respondents are agrees with the items in the implementation of cash management practices and the interpretation is high.

4.5. Normality Test

The purpose of the normality test is to show whether the data reached the normality assumption by assessing all the variables in the proposed framework. Two main values, skewness and kurtosis have been used for this test. The normal data can be assumed if the skewness is between -2 to +2 and kurtosis is between -7 to +7 (Hair et al., 2010; Kline, 1998).

All the variables have got an acceptable range for skewness and kurtosis. The skewness values for the variables were between -1.360 and -0.536. The kurtosis values for the variables were between -0.029 to 4.412. In this case, all the variables items are appropriate and have a normal distribution with the sample of the research.

4.6. Factor Analysis

To test the factorability, the statistical measures that can be used in the SPSS are Kaiser-Meyer-Olkin (KMO) that measure of sampling adequacy where proper value is an index 0 to 1 is considered acceptable and Bartlett’s test of Sphericity of ($p > 0.05$) (Pallant, 2011). KMO test shows the proportion of variance in items that might be accounted for by underlying factors while Bartlett’s test of Sphericity shows that items have uneven variability and therefore factorable.

Based on the rule, the KMO value should be greater than 0.70. KMO value is 0.869. Therefore, the value has fulfilled the sampling acceptability requirement for factor analysis. Likewise, Bartlett’s test of Sphericity was found significant with $p < 0.001$ where adequate correlation among the components. All factor loadings were mostly high, with the lowest loading is 0.478.

4.7. Reliability Analysis Result

To measure the scale’s internal consistency, the reliability of the sample has been tested (Pallant, 2011). This describes the degree of each item in the construct that set collectively. The common method used to check reliability is Cronbach’s Alpha coefficient. Cronbach Alpha coefficient is preferably accepted for a scale of more than 0.7. Therefore, all the reliability values in this research were above the acceptable standard, which is more than 0.7. The Cronbach’s Alpha for all components were shown in Table 4.1:

Table 4.1: Reliability Result

Variable	Cronbach’s Alpha	Number of Items
a) Green Cash Management (GCM)	0.700	4
b) Cash in Transit (CIT)	0.796	4
c) Physical Cash Management (PCM)	0.836	4
d) Talent Management (TM)	0.788	4

4.8. Relationship between Independent Variables and Dependent Variable

4.8.1. Correlation Analysis

In this research, the correlation analysis discovered the association of each independent variable, which are green cash management, cash in transit, physical cash management and talent management as well as the dependent variable, which is the benefits on implementation of cash management practices. The correlation coefficient can output the value of either -1 or +1 (Pallant, 2011).

The results show the strength of the relationship between the variables also indicated a high correlation where r values are from 0.50 to 1.00. Cash in transit (CIT) has the highest positive correlation with the implementation of cash management (ICM) with 0.761, while the lowest correlation is green cash management (GCM) with 0.628.

Table 4.2: Pearson's Correlation

	GCM	CIT	PCM	TM	ICM
GCM	1				
CIT	.528**	1			
PCM	.330**	.538**	1		
TM	.535**	.618**	.399**	1	
ICM	.628**	.761**	.662**	.657**	1

** Correlation is significant at the 0.01 level (2-tailed).

4.8.2. Multiple Linear Regression Analysis

R² reveals the percentage of the independent variable that can be explained by the dependent variables. The model summary in Table 4.20 indicates that the R² is 0.750 which shows that 75.0% of the variation in the green cash management can be explained by the four independent variables analyzed in this research.

Table 4.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.866 ^a	.750	.745	.21311	1.705

a. Predictors: (Constant), TM, PCM, GCM, CIT

b. Dependent Variable: ICM

The outcomes of ANOVA is enough verification determined to guarantee that at least of the independent variables may possibly predict the dependent variable. This indicated that there is a model fit when the p-value is equal to 0.000.

This research has also analysed in terms of coefficient analysis of independent variables and dependent variables. Based on the results, all variables are positively significant determinants that influence the implementation of cash management practices ($p < 0.05$). Cash in Transit (CIT) is the highest beta values with $\beta = 0.345$ which suggests the CIT has the highest benefits towards the implementation of cash management practices. Second highest is the physical cash management (PCM) with $\beta = 0.323$, third is the green cash management (GCM) with $\beta = 0.240$ and fourth is talent management (TM) where $\beta = 0.187$.

4.8.3. Summary of Hypotheses Testing

The whole hypotheses have been tested. It was discovered that all variables which are H1, H2, H3 and H4 are accepted. This indicates that green cash management, cash in transit, physical cash management and talent management have positive effects on the implementation of cash management practices in government agencies.

4.9. Discussion of Findings

The general findings in Chapter 4 indicate the objectives of the research are to find the benefits of green cash management, cash in transit, physical cash management and talent management on the implementation of cash management practices at government agencies in Melaka.

The results indicate through the response on green cash management, cash in transit, physical cash management and talent management has benefited the practices on cash management at government agencies in Melaka. The results indicated in hypotheses testing prove that there is a high association of green cash management, cash in transit, physical cash management and talent management with the implementation of cash management practices. It shows that the results of the hypotheses testing are acceptable and meaningful.

H1: Green Cash Management (GCM) has a positive effect on implementation of cash management practices in government agencies

According to Tania J. and Devansh S. (2017), the stakeholders are responsible in terms of policies, digital payment facilities as well as the mindsets of people.

Therefore, to improve the implementation of cash management practices, green cash management practices should also improve. The latest payment versions are the quickest and secure payment approaches which diminish the use of paperwork and time for peoples and enriches the scope of digital countries. It also would make the transaction free from defenceless merchant attacks (Boopathy, A.V., 2020).

H2: Cash in Transit (CIT) has a positive effect on implementation of cash management practices in government agencies

In this research, the outcome indicates that cash in transit has a positively significant relationship with the implementation of cash management practices. The result is aligned with the research of Beroe Inc. (2018), CIT Market Analysis (2018) and Hardyns, W., Cools, M. & Maes, O. (2019). Since the transactions normally involve a bulk amount of money, the agencies have to consider the best solution to move the cash from the office to the bank.

Thus, Cash in Transit (CIT) services are chosen considering it can provide the utmost protection. Additionally, cash in transit has the highest benefit or impact on the implementation of cash management practices.

H3: Physical Cash Management (PCM) has a positive effect on implementation of cash management practices in government agencies

From the analysis, it indicates that physical cash management is positively significant to the implementation of cash management practices. The result from this study is similar by previous authors such as World Bank (2018), Mugambi (2018), Kenton (2017), Nkeobuna & Ugoani (2017), Uwalomwa & Egbide (2016), Aliet (2014),

In nowadays world of digitalization, almost the whole thing can be searched electronically such as grocery and clothes shopping, learning, films, songs as well as books. Even if we are not really catch up with the recent trends of technology, we realize and aware that currently, digitalization has enhanced the world. The enhancement has getting the personal live simpler as well as creating efficiency in business.

The reality is physical cash will remain available and relevant. Businesses that are participating with cryptocurrencies will still have to involved in handling the regular payment alternatives efficiently such as

invoices, cheques and money in order to ensure the businesses remain in front of the competitors as well as remain in the competitions when this currency trends obsolete in the end.

H4: Talent Management (TM) has a positive effect on implementation of cash management practices in government agencies

In managerial concern, the most crucial for this decade is to find talented people (Ulrich & Allen, 2014). The outcome of this research reveals that talent management is positively significant to the implementation of cash management practices.

Nevertheless, talent management has the lowest benefit or impact on the implementation of cash management practices. The result is in line with the result by previous authors (Gallardo-Gallardo & Thunnissen, 2016) where, in various TM research in public and private sector organizations, the organizational perspective is taken for granted and researchers fail to use the external and internal organizational perspective to describe how organizations conceptualize and implement TM.

Even though the impact is lowest, the implementation of cash management practices still can be increased if the talent management practices are enhancing and increasing. Even with the growing interest of TM in the academic literature (Gallardo-Gallardo & Thunnissen, 2016), TM in the public sector is an underexplored area of research. Hence, in the perspective to increase the implementation of cash management practices, more programs in terms of talent management and training development should be done in government agencies in Melaka.

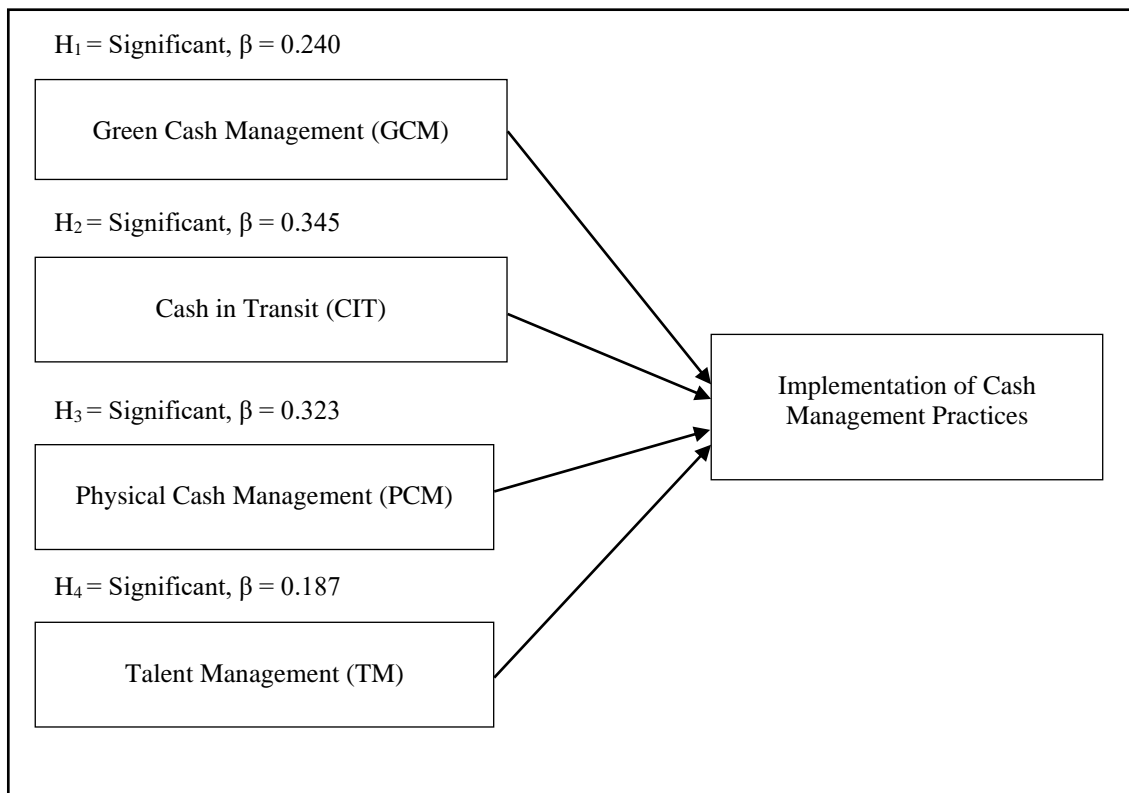


Figure 4.1: Hypotheses Result

5. Summary, Discussion and Conclusion

5.1. Discussion

5.1.1. Green Cash Management (GCM)

Based on the outcomes, 97.2% of the respondents believed that green cash management practices with the use of the e-SPEKS system have eased the top management to monitor and control the financial. The system also helps to make the tracking and monitoring procurement document status easier.

This has been supported by Tania J. and Devansh S. (2017) where the stakeholders are responsible in terms of policies, digital payment facilities as well as the mindsets of people. The government needs to ensure that promoting green cash management through digital payments will be more acceptable. The information technology accessible nowadays is capable to handle the relocation and storage of procurement data in digital structure. Compared to the earlier conventional method, the procurement process needs to be updated time by time and produce with a larger quantity of hard copy documentation.

5.1.2. Cash in Transit (CIT)

The second objective is to assess the efficiency of Cash in Transit (CIT) in government agencies at Melaka. Based on the findings, 95.4% of the respondents agreed that the time consuming for transferring the cash has reduced with the use of Cash

in Transit (CIT). It is because the speed, reliability and efficiency in using CIT services has made less time needed to perform the service operations. This has been aligned with the Indonesian Ministry of Finance (2014), where the responsibility of governments including in Malaysia growing in the direction of practicing and providing efficient services. Although this service may have a slight saving in terms of cost, the performance improvement in handling the cash would have substantial overall impacts on cash management practices in government agencies.

5.1.3. Physical Cash Management (PCM)

The third objective is to analyse the efficiency of physical cash management in government agencies. In this research, it has learned that 88.3% agreed that the quality of services improves with the practice of physical cash management. With proper practices in handling the physical cash, the staff can deliver better services to the customers. This is aligned with Joseph O. O., (2016) where cash managers use techniques, products and services to efficiently manage cash resources and reasonably resolve cash shortage or surpluses.

5.1.4. Talent Management (TM)

According to the fourth objective which is to identify the need for talent management in cash management practices, it can be noticed that talent management has positive correlation on the implementation of cash management practices in government agencies at Melaka.

98.6% of the respondents agree that the main priority on talent management of cash management practices is to increase the quality service of the government agencies. With proper and adequate training on talent management, the quality of delivery service has been improved. This is aligned according to the Indonesian Ministry of Finance (2014) that regular training and talent management programs for staff in the area of cash management practices are crucial to guarantee sustainability.

5.2. Conclusion

On the benefits of green cash management practices to organizations, the implementation of the e-SPEKS system has eased the top management to monitor and control the organization financial. Therefore, the management can have a better, accurate, and real-time view about the status related to the financial, budgeting, income as well as expenses of the organization. This also makes the organization have better and precise information processing related to cash management. Furthermore, with the use of the e-SPEKS system, the organization can reduce the use of papers and printed documents because all the transactions can be done online through the system. Thus, there is less staff needed to handle the cash management process with the use of e-SPEKS system.

For the efficiency of Cash in Transit (CIT) services to the organization, it has reduced the time needed for transferring the cash from the organization to the bank. These secured services have also increased the organization's transparency, reliability and safety in handling the cash and implementing cash management practices. Furthermore, these services have reduced the bureaucracy and administrative tasks needed in the previous conventional way such as paperwork, manual filing, etc. Thus, these services also indirectly have reduced the cost of labour needed in handling the cash in transferring the physical money the organization received to the respective bank on a daily basis. This proves the objective that uses Cash in Transit (CIT) services has been efficient to the organization in a more secure way of handling the cash as well as implementing better cash management practices.

For the efficiency of physical cash management practices to the organization, the outcomes show there are improvements in terms of quality of services. It indicates that the quality of services has influenced the efficiency of the organization in handling physical cash management. The research also showed that the organization has increased its productivity in cash handling through the proper physical cash management. This efficiency of physical cash management by the organization has also met the customer's expectations towards their services. These also have positively improved the organization delivery services system to their respective customers.

For the need of talent management to enhance service performance, the findings stated that the main priority on talent management of cash management practices is to increase the quality service of the government agencies. With adequate talent management, it has assisted in increasing service performance and improving the quality of service from the staff. Talent management regarding cash management practices is also needed in order to accelerate the flow of important information between the organization and supplier as well as the customers. Thus, it has benefited greatly in terms of delivering service quality of work from the staff that had been given the talent management on cash management practices. Furthermore, the talent management on cash management practices also has enhanced the service performance amongst staff in the organization.

For the implementation of cash management practices, the research proves that talent management on cash management practices can be beneficial and can be utilized at any time of the day in the staff daily basis work in an organization. The staff in an organization also have justified that Cash in Transit (CIT) service has eased their job in tracking and monitoring the status of cash transferring from the office to the bank. There is also an agreement that the management cost has reduced by implementing the e-SPEKS system into the organization in handling the cash via online transactions. Whenever the organization needs to handle the cash physically, it is shown that there is high transparency of management reporting processes regarding cash that must be handled in a conventional way because efficient physical cash management has been implanted in the organization.

In a conclusion, the benefits of green cash management, the efficiency of cash in transit, efficiency of physical cash management and the need for talent management will enhance service performance in the

implementation of cash management practices. The data analysis has demonstrated a positive relationship between variables. Thus, this supports the research of the efficiency of cash management practices in government agencies at Melaka.

5.3. Recommendation

Additional research is required as nowadays digitalization of the cash management process as the organization facing challenging and demanding customers. There are some recommendations that can be utilized to expand and acquire more exciting findings based on this research.

1. The researcher can enlarge the study in other government agencies in Melaka such as the local council to find out whether the implementation of cash management practices can benefit the organization by applying the green cash management, cash in transit service, physical cash management as well as talent management.
2. The outcome of this research is that the implementation of cash management practices has been beneficial to the government agencies. Cash management practices can be practised broader as one of the strategies in implementing the Malaysian e-government towards digitalization not only on cash related transactions but also into a daily basis working environment.
3. The result of this research had a considerable agreement between the staff and the customer that the e-SPEKS system will become an essential management instrument to enhance service performance, particularly in the government agencies. It will be anticipated that the other government agencies in Melaka such as from the local council and Melaka's subsidiary company will take the chance and benefit from this initiative.
4. The internet-based purchasing and transaction system has enabled to reduce the government costs. This research will assist the Melaka government to implement more efficient cash management practices. For further research, the state survey of organizations that have implemented the cash management practices can be conducted. This will consist of the whole government department and agencies in Melaka. Hopefully, there is a grant and funding for this research.
5. The government agencies who have implemented the cash management practices should reveal their encouraging experiences to the other government agencies in Melaka. The government should propose supportive methods to inspire the implementation of cash management practices. Hence, the government should regulate and improve the telecommunication structure in Melaka particularly and in our country generally.
6. There are also some recommendations from the respondent that can be considered in terms of improving the implementation of cash management practices in government agencies at Melaka. For example, respondent number 6 has suggested the change to accrual accounting. These changes actually are still in the Melaka government progress in order to ensure the income and expenses of state revenue can be reported accurately within the real-time. Respondent number 14 suggests consistent maintenance to avoid sudden difficulties, which means system maintenance as well as the software, hardware and server system need to be checked regularly.
7. After all, in the e-SPEKS system, when the organization and supplier are eager to implement the electronic system, the organization is willing to embrace another electronic and online basis in the organization. Therefore, the organization can appreciate the advantages of adopting the technology on a daily basis work. The outcome of this research, from the perspective of the implementation of e-SPEKS system indicates that green cash management is positively significant to the implementation of cash management practices. The result is similar to the study by Boopathy, A.V. (2020), Justin, P. (2020), Kumari, A. (2018) and Sveriges, R. (2017).

8. With the current global and worldwide situation facing the pandemic of Corona Virus Disease 2019 (COVID-19), this online platform will be very essential and crucial to the organization in continuing its operation electronically as the world nowadays need to adapt with the 'new normal' of life. The impact on the COVID-19 outbreak in Malaysia has given the government a prospect to implement a speedy digitalization process, not only for the economic sector, but for all aspects including the government administration.
9. The outcome of this research discovered that the government agencies have implemented good cash management practices. The findings of this research from the perspective of having efficiency in cash management practices can be recommended to be implemented in other company such as in the private sector or Small and Medium Enterprise (SME) businesses.

This is important to enable the organizations to assess their existing cash management practices. It is also essential to make sure the organizations are aware of the advantages of cash management such as boosting organizations efficiency, enhancing the performance as well as ensuring the long-term existence of the organizations.

In conclusion, acknowledgement of these recommendations is imperative since cash management practices can grow in Malaysia and also assist the organization in implementing cash management practices more efficiently, as we are viewing the entire picture including the effectiveness, accountability, transparency and quality.

5.4. Limitations of Study

This research has limitations of circumstances. One of it, is the time restrictions that not under control because for me as a part-time student, I need to focus and give a commitment to my job especially during the normal working hours. Additionally, I also have events, programs and seminars that need to be managed or attend during after office hours and weekends. There is also a family commitment that needs to be considered during my daily time.

Finally, it is wished that this research will deliver a useful and adequate report of findings to the efficiency of the implementation of cash management practices in order to enhance service performance and quality of delivering the system on government agencies in Melaka.

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