

Verification of a causal factors correlation model: report quality and financial success of medium and small-sized hotels in Thailand

Asst. Prof. Yupa Saruno^a, Dr. Prawet Penawutkun^b

^{a,b} School of Accountancy of Sripatum University, Thailand.

^a yupasaruno@gmail.com, ^b Pravasyz248@gmail.com

Article History: Received: 11 January 2021; Revised: 12 February 2021; Accepted: 27 March 2021; Published online: 23 May 2021

Abstract: The objective of this article is to examine the relationship, causal and quality factors of financial reports and financial success of Thai small hotel businesses. This was a qualitative research using in-depth interviews. To find out the relationship patterns that affect the quality of financial reports and financial success. The research area was hotel business in 12 cities. The sample group was accounting and finance executives. The hotel business owner and the specific method using in-depth interview form for data analysis. The research found that professional accounting skills were associated with the quality of financial reporting and the financial success of the hotel business. And the ethics of the accounting profession relate to the quality of financial reports and the financial success of the hotel business. The management of the accounting department is concerned with the quality of the financial reports and the financial success of the hotel business. The quality of financial reports is related to the financial success of the hotel business. The financial success of the hotel business is profit, revenue, cost, indicators of cost success should take into account the use of resources. The cost of the time reduced and the cost of the investment to be recovered in comparison with the results.

Keywords: Consistency, financial reporting quality, financial success

1. Introduction

The tourism industry plays an important role in driving Thailand's economy. The tourism industry also plays a role in encouraging widespread utilization of the country's resources, helping to promote the recovery of art and culture. The culture is unique, attractive, diverse and beautiful, with each year generating more income for the country as the number of tourists increases, resulting in the continued growth of tourism and hospitality-related businesses. (Ministry of Tourism and Sports, 2018) resulting in increased employment and income distribution, increasing economic turnover. The tourism industry is also a major source of income in foreign currencies, which can help stabilize the country's balance of payments. Especially the hotel business, which is the main business in promoting the tourism industry and influencing the country's economy (Puttachard Lunka, 2019), which the Ministry of Tourism and Sports has continuously promoted the tourism sector of the country. The launch of the Year of the Thai Tourism Project, which aims at using Thai identity, attracts foreigners to Thailand, and encourages Thais to travel in the country more by making tourism expenses to be deducted. 100% tax deduction (Tourism Authority of Thailand, 2018), especially in the 12 must-see cities, including Trat, Nakhon Si Thammarat, Phetchabun, Trang, Chumphon, Chanthaburi, Loei, Nan, Buriram, Lampang, Ratchaburi and Samut Songkhram. Overall, the average occupancy rate was 58%, in which Trat province had the highest occupancy rate equal to 71% overall, the occupancy rate increased by 5.6%, which was promoted through various media fields. In organizing marketing promotion activities on an ongoing basis (Department of Tourism, 2015).

Currently, the hotel business has been expanding more and more due to the expansion of the large hotel business, expanding the business base to small and medium-sized hotels. This is because it can be more profitable than the large hotel business, as well as the behavior of tourists who do not prefer to stay in the large hotel business because of the reduction in the cost of accommodation and shopping for more economical products. Including a younger group of tourists from government policies that focus on promoting the tourism industry with a focus on strengthening communities to have a better quality of life and sustainable growth and competitiveness. Therefore, it is important to verify consistency, relationship patterns, factors affecting the quality of financial reports and financial success of small and medium-sized hotel businesses in Thailand, it is important to measure whether performance is achieved or not.

It depends on the quality of work the employees (Thanyaporn Naphasfangsom, 2013). And the business performance reporting is the duty of the accounting department to reflect the facts about the performance despite monetary and non-monetary in the form of reporting results in financial statements (Franco & Bourne, 2003) which must be reliable, accurate, complete, and can be used in planning. Determined (Nopadon Rompho and Monwika Phadungsit, 2014). The objective of this research was to develop a relationship model, causal factors affecting the quality of financial reports and financial success of small hotel businesses in Thailand. Developed according to theoretical concepts with empirical data in order for the executives to be able to use the information to plan the hotel business to be more successful.

2. Research Objectives

The objectives of this research article were to examine the consistency, patterns, relationships, causal factors affecting the quality of financial reports and financial success of small and medium-sized hotel businesses in Thailand developed in theory with empirical data.

3. Research Methods

3.1 Research Design

The researcher conducted the study using qualitative research with an in-depth interview to examine the relationship model of causal factors affecting the quality of financial reports and the success of the research. Small and medium-sized hotel finance in Thailand developed according to theory and empirical data. By means of in-depth interviews with executives in accounting and finance. Hotel business owners Small and medium-sized hotel business partnerships in Thailand and analyze the content by collecting data from in-depth interviews. By selecting experts who have work experience in accounting and finance. Or tourism and hotel management, both public or private sector, for at least 5 years in order for those who are involved to express their opinions and consider issues relating to the examination of the relationship model, causal factors affecting quality the financial reports and financial success of small and medium hotel businesses in Thailand developed according to theory and empirical data. The researcher selected a qualitative study of the hotel business in both small and medium-sized hotel businesses, each of which consisted of 4 small and four medium to represent the quantitative confirmation of the research results. Use they exchange information and share their views on the broader picture of the quality of financial reports and the financial success that has been achieved. The method of operation can be described as follows.

3.2 Research Process

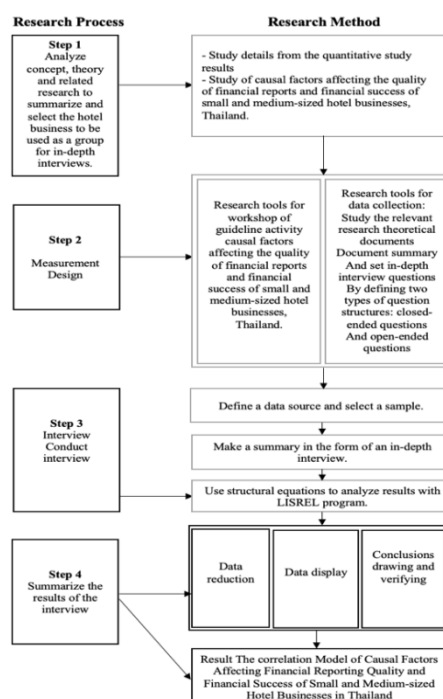


Fig.1 Research process for acausal factors correlation model: report quality and financial success of Medium and Small-Sized Hotels in Thailand.

4. Results

The Qualitative Data Study The researcher examines the issues, questions and their relationship patterns, causal factors, the quality of financial reports and the financial success of small and medium-sized hotel businesses in Thailand developed according to the theoretical concept. Based on empirical data using the interview form, analyzing data from the interview, it was found that opinions about causal factors influence the quality of financial reports and financial success of small and medium-sized hotel businesses in Thailand developed according to the theoretical concepts and empirical data, namely professional accounting skills that affect the quality of financial reports and the financial success of small and medium-sized hotel businesses in Thailand.

It was found that most of them gave opinions on the quality of financial reports that were reliable the information had to be accurate and able used in planning decision-making emphasizing on the job problem solving skills requiring intelligence able to resolve cases. It is urgent to make decisions to have knowledge and understanding to be able to connect the information that is generated and to be used in planning to decide how it affects the organization and have a positive work attitude. This includes the exchange of information to others to understand about the information contained in the earnings report that affects the organization.

Summarize information from confirmation interviews. The accounting department have professional accounting skills correlating to the quality of financial reports and financial success. Cognitive skills Numeracy skills Individual skills Interaction and communication skills Information Technology Skills. The ethics of accounting profession that affect the quality of financial reporting and financial success of small and medium-sized hotel businesses in Thailand developed according to the theoretical concept and empirical data.

Professionals are measure of the quality of performance to be in good criteria especially corporate confidentiality as it is a strategy to make a difference in doing business and indicate loyalty in the workplace. Since it is a department that knows the real numbers it must act with accuracy transparency not misrepresentation in order to find personal interest and can prove the origin of numbers. The accounting department should be flexible. High tolerance and responsibility for the work load sacrifice to ensure the quality of work and the organization to achieve its goals. Accounting department must have professional ethics in transparency independence integrity fairness confidentiality Responsibility towards peers

The management of accounting work affecting the quality of financial reporting and financial success of small and medium-sized hotel businesses in Thailand, developed according to the theoretical concept and empirical data, found that the organization could be successful. It arises from the knowledge and ability to manage the work according to the goals set. The good management must have a human management system and work management. There must be a management strategy daring to think differently from the previous model emphasizing the reverse performance to see the impact in order to learn and develop making the organization successful and efficiency The quality of financial reporting that affects the financial success of small and medium-sized hotel businesses in Thailand developed based on theoretical concepts and empirical data, it was found that bookkeepers were expected from organizations about financial reporting in Thailand. The reported information must be reliable, impartial, and free from errors that will not affect the use of the information in planning decisions. The information must be accurate. Completely able to compare and assess past events with plans for the future from the reporting of results, there is a need for audit evidence to be clear.

The financial success of small and medium-sized hotel businesses in Thailand developed based on theory and empirical data. Found that the measurement of the success of the organization is measured from the goals that are set. Profit and income are clear indicators of operations, but when considering revenue, revenue is looked after after fixed costs. Management that should be addressed is the costs incurred must be the lowest, either monetary or non monetary costs such as resource sharing costs. Reduced cost of working time Comparison of the work process with the target value achieved or not the cost of the investment that will be recovered against the outcome.

| Description | Agree | Not Agree |
|--|--------------|--------------|
| Professional Accounting Skills | 82.50 | 17.50 |
| Cognitive skills | 100.00 | 0.00 |
| Numeracy skills | 75.00 | 25.00 |
| Individual skills | 87.50 | 12.50 |
| Information technology skills | 50.00 | 50.00 |
| Interaction and communication skills | 100.00 | 0.00 |
| Ethics for professional accountants | 87.50 | 12.50 |
| Independent transparency | 87.50 | 12.50 |
| Confidentiality | 100.00 | 0.00 |
| Responsibility towards peers | 75.00 | 25.00 |
| Accounting management | 84.38 | 15.63 |
| Building shared values | 100.00 | 0.00 |
| Performance style | 62.50 | 37.50 |
| Operational strategy | 75.00 | 25.00 |
| Person management | 100.00 | 0.00 |
| Financial report quality | 96.88 | 3.13 |
| Completeness | 100.00 | 0.00 |
| Impartiality | 87.50 | 12.50 |
| Relevance to decision making | 100.00 | 0.00 |
| Report error | 100.00 | 0.00 |
| Financial success | 95.83 | 4.17 |
| profit | 100.00 | 0.00 |
| Income | 100.00 | 0.00 |
| Cost | 87.50 | 12.50 |
| Total | 89.42 | 10.59 |

Fig.1 Summary of interviews, patterns, quality of financial reports and financial success.

From Table 1, it was found that most of them agreed on the pattern, quality of financial reports and financial success. Which can be explained from the data of the interview found that Patterns quality financial reports and financial success. Summary of the development of a causal factor relationship model to affect the quality of the clinical report. The financial and financial success of a small hotel business in Thailand developed according to the theory and empirical data showed that the majority of the informants were female, aged 35-56. 12 - 33 years 3 Chief Accounting and Finance 2 Accounting Managers 3 Tourism and Hospitality 4 small hotels with less than 30 rooms and 4 mid-size hotels with guest rooms. More than 30 rooms, total 4 places and professional accounting skills are directly related to the quality of financial reporting and are indirectly related to the financial success of small and medium-sized hotel businesses in Thailand.

Individual skills Interaction skills and communication computational skills and information technology skills From the interview is Problem solving skills Intelligence and work management skills can motivate, transfer, assign work to employees or subordinates to accomplish their objectives, linking performance with the performance. Professional accounting ethics have a direct correlation to the quality of financial reporting and have an indirect correlation to the financial success of small and medium sized hotel businesses in Thailand comprising transparency and independence. Responsibility towards peers Confidentiality. The summary of information from the interview is Ethics and sacrifices in work Code of work ethics not to be detrimental. The management of the accounting department has a direct correlation to the financial reporting quality and financial success of small and medium-sized hotel businesses in Thailand. Operational strategy Personnel management and the creation of shared values.

The summary of information from the interview is Management of work to feedback the performance of the organization to employees. Should focus the management of work. Rotate or learn different areas of work in other departments to understand other departments' work barriers to gain knowledge skills. Positive attitude towards co-workers Thought-provoking management to create works by using awards as work inspiration Management with a focus on change, fostering a good atmosphere in solving problems by using Kalayanamit. Encourage people in the organization to feel valued and part of the organization's success. Organizing the work structure by arranging people to suit the job to reduce problems in the work and make the job most efficient. Management is flexible but up to standard. Differentiation strategies to generate new knowledge or methods by switching pages to learn jobs link with documents or evidence in reporting results. The quality of financial reports has a direct correlation to the financial success of small and medium-sized hotel businesses in Thailand. Report error. The summary of the information from the interview is careful consideration of the documents and information that will be reported. The financial success of small and medium-sized hotel businesses in Thailand consists of profit, revenues, costs. Summary of information from the interview Indicators of cost success sharing resources and take into account the reduced operating time costs, the cost of the investment that will be recovered against that outcome.

5. Discussions

The results of the investigation consistency correlation patterns causal factors affecting the quality of financial reports and financial success of small and medium-sized hotel businesses in Thailand developed according to the theory and empirical data. It was found that most of them agreed that professional accounting skills factors were related to financial reporting quality and financial success of small and medium-sized hotel businesses in Thailand.

Especially problemsolving skills in critical situations need to make urgent decisions. Must have courage to make decisions. Lso be et al.(2008) studied the relationship between knowledge and competence and performance of accountants and found that Professional accounting skills are associated with a high level of performance that impacts job quality to be credible. Kavanagha & Drennan (2008) Professional accounting skills are a part of the success of an organization. Law if bookkeepers. Understanding the accounting system will provide reliable quality information and use financial information in planning making business growth and profitability. Found that most of them agree on professional ethical factors. Accounting correlates to the quality of financial reports and the financial success of small and medium-sized hotel businesses in Thailand. Bookkeepers must be honest that they will not disclosure, damage, or do it for personal gain There is loyalty in the organization to the performance of the report. The numbers are not concealed, misrepresenting the facts. relate to Vincent K. Chong (2004) investigated the uncertainty of the work of the management accounting system on the management efficiency. In a matter of honesty about performing a lot. The bankruptcy issue of publicly traded companies is due to internal corruption and a lack of effective administrative control planning as Church (2012) explains that bookkeepers must not disclose information about their performance. Without authorization, most agree on the quality factor of financial reports correlate with the financial success of small and medium-sized hotel businesses in Thailand developed based on theoretical concepts with empirical data. This is because the information in the financial reports is prepared to be used in planning decisions. The information displayed must be reliable and not contrary to the facts as required by law. The reports can be used to assess events that happened in the past to be

adapted in the future. Including the financial reports that are disclosed must be complete, impartial and free from errors.

Able to reasonably assess the resulting information. Verify information financial reports and use the information in financial reports to plan management of the organization to be more successful. Ames (2013) studied the impact of the application of international financial reporting standards on the accounting quality of listed companies in South Africa. This will affect performance if the quality of financial reports is accurate, complete and reliable. In line with Arifur (2014) management can use the information to plan a successful corporate decision. The data quality of accountants in the Australian Accounting Firm found that the information was accurate and complete. It is impartial free from errors can prove the facts. From the perspective of the data user planning the business decisions that make the business more successful.

Most of them agree on the financial success factor. This is because the success of running a business is a measure of the goals that are set by the income and costs generated, and the success of both monetary and non-monetary success. Such as managing the use of available resources for increased benefits or measuring less time to work on the same subject and the cost of capital to be recovered compared to that result. Operation to be reliable. It was found that the performance measurement of the organization was due to the quality of the performance reporting that was accurate and transparent. As with Aahmi (2014), it studies the success of the organization. Performance is measured in the form of financial information compared with the target value. Then analyze what happened to adjust the action plan, allowing the organization to benefit from the measurement of financial information directly to be used in planning decision-making.

6. Recommendations

6.1 Recommendations for Practices

1. Focus on the accounting department to attend meetings to convey knowledge about financial information in order to use the information in planning management personnel or to attend additional knowledge training in order to strengthen the operations.

2. To support & develop awareness of correct information and be aware of the changes in the deployment develop the organization to achieve the goals and create a competitive advantage for differentiation and sustainability.

6.2 Recommendations for Further Research

For the next study, this model should be applied to hotel businesses outside of the 12 must-see cities in order to confirm the correlation model causal factors affecting financial reporting quality and reliability. Financial success of the small and medium-sized hotel business in Thailand

7. Conclusion

Management can use the information to plan and develop the organization's operations by giving importance to the accounting department's information preparation process. To support planning control and decision making in the best interest of the organization. The aforementioned factors are taken into account in policy formulation and operational support in various areas such as professional skills. And professional ethics management aspects of work that affect the quality of financial reports and financial success of the organization

References

1. Abdel K. Halabi. (2010). Department of Accounting and Finance and Management. 7(2), p. 163-179. North America: Emerald Group Publishing Limited.
2. Ames, D. (2013). IFRS adoption and accounting quality: The case of South Africa. in Journal of Applied Economics and Business Research JAEBR, 3(3), p.154-165.
3. Bryan K. Church, (2012). Shared Interest and Honesty in Budget Reporting. Accounting, Organizations and Society. 37 : 155 - 167.
4. Cadez, Simon & Guilding, Chris. (2008). An exploratory investigation of an integrated contingency model of strategic management accounting. Accounting, Organizations and Society, 33, p.836-863.
5. Franco-Santos, M. and Bourne, M (2003). Factors that Play a Role in Managing through Measures. Management Decision, 41(8), p.698-710.
6. Gooderham, P. N., Tobiassen, A., Doving E., & Nordhaug, O. (2004). Accountants as sources of business advice for small firms. International Small Business Journal, 22(1), p. 5-22.
7. Kavanagh, Marie H. (2008). What skills and attributes does an accounting graduate need Evidence from student perceptions and employer expectations. University of Southern Queensland Australia.

8. Khan Arifur. (2014). Managerial share ownership and operating performance: Do Independent and executive directors have different incentives. Department of Accounting, Economics and Finance, Deakin University, Melbourne, VIC, Australia.
9. Lincoln, Y.S. & Guba, E.A. (1985). *Naturalistic inquiry*. Beverly hills, London, CA.sage.
10. Lsobe et al. (2008).Technological Capabilities and Firm Performance: The Case of Small Manufacturing Firms in Japan. *Asia Pacific Journal of Management*. 25(3), p. 413-428.
11. Lseri-Say, A. Toker, A. E. and Kantur, D. (2008). Do Popular Management Technique Improve Performance Evidence form Large Buxiness in Tukey. *Journal of Management Drvelopment*. 27(7), p. 660-667.
12. Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook* (2nd ed.). Thousand Oaks, CA: Sage.
13. Ramdhani, D. (2014). Contextual Factors, Management Accounting System of Design and Managerial Performance in Banten Province, Indonesia. *Jurnal Ekonomi*, 23(1), p. 63-93.
14. Rovinelli, R. J., & Hambleton, R. K. (1977). On the use of content specialists in the assessment of criterion-referenced test item validity. *Dutch Journal of Educational Research*,2, 49-60..