Archives of Business Research – Vol. 11, No. 2
Publication Date: February 25, 2023
DOI:10.14738/abr.112.13984.
Awad, S. A. (2023). The Impact of Financial Accounting for the Hospitality Industry on the Financial Statements: Afield Study on Sample of Hotels in the of KSA (2021- 2010). Archives of Business Research, 11(2). 103-111.

The Impact of Financial Accounting for the Hospitality Industry on the Financial Statements: Afield Study on Sample of Hotels in the of KSA (2021- 2010)

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ABSTRACT

This study aimed at the importance of financial accounting for hospitality industry how they apply to the hospitality industry, and the responsibilities of a hospitality property's accounting department, advantages and drawbacks of various types of income statements, and the role of inventory in calculating profit .to research and greater cooperation among hospitality and other researchers the contribution to hospitality accounting and the broader accounting field could be significantly improved with amore in depth approach and greater, collaboration among hospitality and other researchers the contribution to hospitality accounting and the broader accounting field could be significantly improved. A significant hospitality accounting development over many years has been industry, notably hotels, restaurants and clubs in the United States where their first appearance, for hotels, was in 1926. In 1969 the UK produced the first of two uniform systems for the hotel and catering sectors through. The study was conducted at the sample of hotels and it adopted the descriptive and historical approaches to collect literature review. It concludes that, Despite the increase in tourism revenues, management in the hospitality industry faces constant challenges for profit.

Keywords: Financial accounting practices; hospitality industry

INTRODUCTION

Recently, tourism has reached historic levels of development and is considered one of the world's biggest industries Foris (2019) .and systems to assist in the implementation of financial accounting control strategies and reporting. Lima Santos et al (2016).

However, research on hotel accounting started later because, according to Paiva et al. (2016). The Uniform system of Accounts for the Hospitality Industry (USALI), ischaracterized by decision support through the various operational and financial statement that it presents, such as budgeting and variance analysis (Hanyc Campos 2014)

HOSPITALITY INDUSTRY OVERVIEW

Encompasses businesses that provide products and services, usually to both the traveling public and to local residents. And examples include hotels, motels, restaurants of all kinds, resorts , country and city clubs, .

STATEMENT OF THE PROBLEM

The following study questions sum up the problem of the study:
1- What practices are identified in financial accounting affecting to the hospitality industry?
2- Does financial accounting affect hospitality industry statements?
3- How for does financial accounting affect the hospitality industry?

OBJECTIVES

1. To identify the most used practices in financial accounting to hospitality industry.
2. To determine the most prominent topics research in financial accounting applied to the hospitality industry.
3. To compare the evolution of research on applied to the hospitality industry and its positioning in relation to the global level.

HYPOTHESES

1. There is a statistically significant relation between the financial accounting of hospitality industry and financial statements.
2. There is a statistically significant relation between the financial accounting of hospitality industry and financial decision-takers
3. There is a statistically significant relation between the financial accounting and hospitality industry.

SIGNIFICANCE OF THE STUDY

The research paper is significant as it services, hospitality industry and reports to help decision-taker

CONCEPTS

Principal Financial Statements

We focus on the hotels four financial statements and the supplementary information.
Including the following:
1. Balance sheet or statement of financial position at specified time.
2. Income statement or statement of profit and loss for a specified time period.
3. statement of cash flows.
4. statement of shareholders ' equity.
5. Notes to the financial statement including various supporting schedules.

Balance Sheet

The balance Sheet, also called the statement financial position, provides information, at a point in time, on the firm's productive resources and the financing used pay for those.

Number of Reporting Periods

To assist users of financial reports in making over – time comparisons, both of Us, GAAP and IFRS require firms must include two balance sheets describing the beginning periods in each report, Firms must include two balance sheets describing the beginning.

Concept, Significance and Characteristics for Income Statement

Management needs realistic, accurate and timely accounting information that helps to make good decisions. Data are abstract facts that have neither meaning nor significance. Whereas

information is data processed to give the meaning that assists the user in the future processes of decision making (AbdAlrazek, 2004). It is also data processed to make sense for its users (Ahmed, 2004).

Accounting information has to be appropriate with the department's requirements. It also should be properly processed, accurate, comprehensive, and available.

Profit and Loss Statement

The profit and loss statement, printed as the statement of income, organizes revenue and expenses into single document. This document provides to management with financial information about hotel.

LITERATURE REVIEW

Ahmed Elbadawy Bajomy &Marwa Tarek (2017)This study aims to examine the influence of service quality dimensions on behavioral intentions and using customer satisfaction as mediator in such .

This study recommends giving more attention to the quality of staff behavior attributes because of its strongest negative influence on customer satisfaction and in turn their behavioral intentions towards the hotel selection The present study reviewed various relevant studies from different approaches.

Shawky (2008) aimed at defining whether all the financial and essential information facilitating the comprehension of financial statements, was disclosed or not, determining the minimum amount of information that has to be disclosed in the financial statements, and revealing the impact of disclosure standards on the accounting policies of the foundation as well as their impact on the efficiency of decisions and beneficiaries' service.

Hmaidan (2010) aimed at clarifying the concept of the international accounting and financial reporting standards as well as their applications. He also aimed at exploring and analyzing the compatibility between the provisions of law of the Jordanian Industrial Estates Corporation and the requirements of the international accounting standards, as well as evaluating its compliance with applying the international standards.

Campos (2020); in the scorecard m and benchmarking study m applying the analysis at global level , the authors concluded that the practice of hotel ratios and indicators was considered the second most studied worldwide another specific .

A HISTORICAL BACKGROUND OF THE LE MERIDIEN JEDDAH

Meridien Jeddah Hotel is located in the city center, 10 minutes form Jeddah Corniche, and with astay at Le Meridien Jeddah. This 5- star Hotel is 2.1 mi (3.4 km) from Saudi Center for Fine Art and 3.3 mi (5.3 Km) form Jeddah Mall.

POPULAR HOTEL AMENITIES AND FEATURES

It contains a health club, an outdoor pool, and outdoortennis court, Additional amenities at this hotel include complimentary wireless Internet access, concierge services.

URL: http://dx.doi.org/10.14738/abr.112.13984

FIELD STUDY PROCEDURES

The author describes the method, procedures, population, and sample. The sample was randomly selected from the population by distributing 120 questionnaires on the targeted people who responeded 100%. The questionnaire contained two main parts. The first part included personal information: gender, age, years of experience, qualification, job title, and major. The second part included three items analyzed in terms of the 5-point Likert scale which involves five levels (Strongly agree, Agree, Undecided, Disagree, and Strongly disagree). These items were distributed on the three study hypotheses.

Describing and Analyzing Personal Information

1- Age:

Table (1) Distributing age according to the sample

Age	Frequency	Rate
Less than 30 years old	10	8.4%
30- 35 years old	31	25.8%
35- 40 years old	55	45.8%
More than 40 years old	24	20%
Total	120	100%

Source: Prepared by the author using the field study 2021

Table (1) indicates that the number of the respondents aged from 35 to 40 was 55 (45.8%). Those aged from 30 to 35 were 30 individuals. Those aged less than 25 were 28 individuals (25.8%). Those aged 40 and more were 24 individuals (20%).

2- Major:

Table (2) Distributing majors according to the sample

Major	Number	Percentage
Accounting	62	51.7%
Business Administration	15	12.5%
Economy	14	11.6%
Accounting Information System	12	10%
Financial and Banking Studies	12	10%
Others	5	4.2%
Total	120	100%

Source: Prepared by the author using the field study, SPSS, 2021

Table (2) indicates that the majors of the respondents is distributed as: accounting 62 (51.7%), business administration 15 (12.5%), economy and financial and banking studies 12 each (10%), and accounting information system 12 (10%).

3- Qualification:

Table (3) Distributing qualifications according to the sample

Qualification:	Number	Percentage
Bachelor's degree	50	41.7%
Higher Diploma	34	28.3%
Master's degree	25	20.8%
Ph. D.	8	6.7%
Others	3	2.5%
Total	120	100%

Source: Prepared by the author using the field study, SPSS, 2021

Table (3) indicates that the qualifications of the respondents are distributed as: a bachelor's degree 50 (41.7%), a master's degree 25 (20.8%), and a higher diploma 34 (28.3%).

4- Professional Qualification:

Table (4) Distributing professional qualifications according to the sample

Professional Qualifications:	Number	Percentage
The Sudanese Association of Certified Accountants (SACA) certificate	55	45.8%
The International Arab Certified Public Accountant (IACPA) certificate	6	5%
The Association of Chartered Certified Accountants (ACCA) certificate	2	1.7%
The Association of International Certified Professional Accountants (AICPA) certificate	3	2.5%
Others	35	29.1%
None	19	15.9%
Total	120	100%

Source: Prepared by the author using the field study, SPSS, 2021

Table (4) indicates that the qualifications of the respondents are distributed as: SACA certificate 55 (45.8%), others 35 (29.1%), none 19.

5- Job Title:

Table (5) distributing job titles according to the sample

Job Title	Number	Percentage
Accountant	60	50%
Financial Manager	8	6.7%
Internal Auditor	19	15.8%
External Auditor	22	18.4. %
Others	11	9.1%
Total	120	100%

Source: Prepared by the author using the field study, SPSS, 2021.

Table (5) indicates that the job titles of the respondents are distributed as: accountants 60 (50%), and external auditors 22 (18.4).

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6- Years of Experience:

Table (6) distributing years of experience according to the sample

Years of Experience	Number	Percentage
Less than 5 years	40	33.3%
6 - 10 years	66	55%
11- 15 years	10	8.4%
More than 15 years	4	3.3%
Total	120	100%

Source: Prepared by the author using the field study, SPSS, 2021

Table (6) indicates that the years of experience of the respondents are distributed as: 6-10 years 40 (33.3%), less than 5 years 66 (55%), and 11-15 years 10 (8.4%).

Descriptive Statistics of the First Hypothesis Items

1st There is a statistically significant relation between the financial accounting of hospitality industry and financial statements.

Section II: Analysis of Questionnaire Items and Hypotheses Test

Table (7) Frequency and percentages of the participants' responses to the items of the first hypothesis.

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total Frequency	Total Percentages
	No.	perc.	No	perc.	No.	perc.	No.	perc	No.	perc.		
hospitality industry 's interest in accounting helps in the quality of financial reports.	0	0	3	5	6	10	50	65	8	40	120	100%
results financial accounting positively affects performance of hospitality industry	3	5.0	0	0	18	30	40	60	9	25	120	100%
Compliance with accounting information control increases the effectiveness of financial performance as well as the development of hotels service	0	0	3	5.0	9	15	30	30	9	19	120	100%

Source: the author, field study, 2021 Table (7) indicates that the majority of participants agree with the items in the table; i.e. their responses are positive and reveal that there is There is a statistically significant relation between the financial accounting of hospitality industry and financial statements.

2nd There is a statistically significant relation between the financial accounting of hospitality industry and financial decision-takers

Table (8) Frequency and percentages of the participants' responses to the items of the second hypothesis.

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total Frequency	Total Percentages
	No.	perc.	No.	perc.	No.	perc.	No.	perc.	No.	perc.		
The quality of the hotels financial reports depends on the quality of hospitality service	3	5	0	0	15	20	18	95	24	40	120	100%
Adoption of hospitality industry rulesraises compliance with the ethics and rules of accounting information.	0	0	0	0	15	40	.	80	45	20	120	100%
Compliance with regulations of financial accounting provides more credible financial reports	0	0	3	5.0	15	25	24	70	18	20	120	100%

Source: the author, field study, 2021

Table (8) indicates that the majority of participants agree with the items in the table, i.e. their responses are positive and reveal that There is a statistically significant relation between the financial accounting of hospitality industry and financial decision-takers 3rd There is a statistically significant relation between the financial accounting and hospitality industry

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Table (9) Frequency and percentages of the participants' responses to the items of the third hypothesis.

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total Frequency	Total Percentages
	No.	perc	No.	perc	No.	perc	No.	perc	No.	perc		
Qualification and preparation of the Personnel in financial accounting Chamber creates the quality of financial performance	3	5	0	0	15	45	18	70	24	30	120	100%
Ongoing training on using Accounting Information in Hotels Chamber improves performance	0	0	0	0	15	25	0	90	45	75	120	100%
training delivered to hospitality industry helps in the accuracy and implementation of accounting information.	0	0	3	5.0	15	25	24	60	18	30	120	100%

Source: the author, field study, 2021

Table (9) indicates that the majority of participants agree with the items in the table, i.e. their responses are positive and reveal that there is a statistically significant relation between the financial accounting and hospitality industry**.**

RESULTS

The study concludes with the following results:

1. financial accounting applies some systems and regulations that contribute to accounting information control in hotels.
2. financial accounting system of the hospitality industry provides accurate accounting data and information as well as financial reports with high quality.
3. financial accounting system helps detect financial malfeasance and control accounting information in hotels.
4. financial accounting control system provides accurate, credible and transparent financial reports

RECOMMENDATIONS

1. Giving more concern to theadoption of financial accounting control to get accurate and transparent financial reports.
2. practices are Not identified in financial accounting affects hospitality industry
3. Compliance with bylaws, procedures and regulations financial accounting affect the hospitality industry

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URL: http://dx.doi.org/10.14738/abr.112.13984