RUNNING HEAD: RESEARCH PROPOSAL

Research Proposal

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**Abstract**

Today, the growing application of managerial accounting can be observed in many different forms and in case of different sectors. It is crucial to indicate that the practical prospect of managerial accounting can also be greatly witnessed in the scenario of the hospitality industry as hotel owners are interested to use different techniques of managerial accounting. The primary objective of this growing trend is to successfully blend financial parameters with non-financial domains to achieve better performance indicators as the success of hotel organisations. This exploratory research work focuses to identify and critically examine the implications of different managerial accounting practices in the scenario of the hospitality sector. It is crucial to indicate that the scenario of managerial accounting in case of the hospitality sector is examined specifically for the country of Australia. The sector of the hotel industry is selected because, in recent times, there are much evidence shows that the trend of using managerial accounting in the hospitality industry is growing with time. A comprehensive procedure of identifying and synthesising literature review is considered by the researcher to examine the overall existing scenario of accounting practices in case of hotel industry of Australia. The practical prospect of analysing existing literature is useful to determine the outcomes of other research studies on the following research issue. Detailed research design and methodology perspective are considered to find out a suitable answer to the research question that developed as the influence of managerial accounting. An exploratory research domain is considered to perform the overall facet of the research process for this research study. Furthermore, it is also important to mention that qualitative research design is considered to identify and explain the existing concept in the practical scenario of its organisational domain. The type of data utilised for this research study is secondary research data to obtain desired information from the other research studies and assimilate this information to explain the research objective in a comprehensive manner.

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Research Proposal

Implications of Managerial Accounting in the Hospitality Industry in Australia

# Research Background

           Today, the hospitality industry is recognised as one major corporate sector that established its broad position within the service industry. Business organisations associated with the hospitality sector at national and international levels are greatly focusing to adopt different and profitable strategic measures (Makrigiannakis and Soteriades, 2007). The hospitality sector also has great importance in the geographical scenario of Australia. Different governmental and private-owned organisations are committed to adopting different competitive measures to provide better hospitality services to their customers.

## *Introduction*

           The hospitality industry is one of the crucial business domain functioning over the globe and it is also an important sector operating in Australia. It is noteworthy to mention that this sector is established its position as the fastest-growing sector that has the potential of a great profitability level. The application of proper financial management is characterised as the key approach for the successful operation of the hospitality sector in Australia. There is a need for developing and implementing a well-organised accounting system to expand the scenario of the hospitality industry in the country (Burgess, 2007). It is observed that business organisations are interested to adopt suitable and specialized accounting management systems to ensure appropriate financial management. Undoubtedly, it is interesting to examine how the correct delivery of the idea of managerial accounting can be viable for the hospitality industry operating in Australia. It is imperative to consider that the broader perspective of accounting management in the hospitality industry closely linked with various practical activities. These practices under the domain of accounting management are mainly identified as the proper recording of all the transactions, properly accommodating guests, analysing profitability levels, reporting total sales, and the approach of employees’ scenario (Guilding et al., 2001). A critical examination of all these aspects is an integral condition to successfully evaluate the implications of managerial accounting in the hospitality industry in Australia.

## *Research Problem*

           The growing implications of accounting management in the hospitality sector made it important to examine the practical applications of this scenario in the case of Australia. The real problem is to figure out how contemporary forms of managerial accounting and interdisciplinary finance such as behavioural finance, human resource management, market finance interface, and other accounting practices impact the overall growth of hotels and tourism in Australia.

The existing research gap in the context of managerial accounting for the hospitality industry made it essential to conduct comprehensive research on this issue to propose better practical options. The existence of little evidence in the context of the development of managerial accounting requires the adoption of an extensive research approach. The growing operations of the industry of hospitality can never completely apprehend without focusing its financial domains. The central focus of this research proposal is to critically examine the influence of various forms of managerial accounting on the development of the hospitality industry specifically in the case of Australia.

##  *Outline the Proposal’s Structure*

The overall structure of this research proposal consisted of four major parts of research background, research question and research objectives, theoretical background/literature review, and research design and methodology in a systematic manner. The first section focuses to provide concise information on the research topic proposed for this study by describing the main research problem. The focus of the second section of this research proposal is to illustrate the main research question and research objectives of this proposal to convey the main aim of this research. The central purpose of a section of theoretical background/literature review is to examine the influence of existing research work in case of implications of managerial accounting in the context of the hospitality sector (Janković, 2012). Different scholarly research articles will be considered to successfully established the perspective of the literature review in this research proposal. The last section of this research proposal comprised of the proposed approach of suitable research design and methodology.

# Research Questions and Research Objectives

  The research problem for this research proposal is to critically examine the performance of modern managerial accounting and interdisciplinary in the scenario of the hospitality industry of Australia.

## *Research Questions*

* What are the contemporary accounting and management practices practically associated with Australian hospitality firms, and how they can be further enhanced according to future demands of the industry?
* How successfully the previous research studies contributed to positive approaches that eventually improved the overall growth level of the hospitality industry in Australia?
* What are the contributions of the hospitality industry in the overall scenario of the development aims of Australia?

## *Research Objectives*

* To examine the contribution of behavioural finance, human resource management, market finance in the overall success of the hotel industry in the case of Australia.
* To critically determine how the utilisation of previous accounting practices can cause the emergence of new feasible accounting domains.
* To find out the impact of better accounting practices in the changing scenario of massive economic development of Australia.

# Theoretical Background/Literature Review

           A detailed examination of former research studies related to the impact of managerial accounting is an effective step to better understand this perspective. This form of consideration is vital to figure out what is practically done in the form of accounting practices to improve the performance of the hospitality industry. A proper examination of previous research articles is also a suitable approach to propose better managerial accounting practices according to the changing requirements of the industry of hospitality. The implications of management accounting systems in the context of hotels are critically discussed by Lokman Mia and Anoop Patiar (2001) in their exploratory study. The central aim of this research study is to determine the usefulness of overall management accounting systems in the case of the hospitality sector. It is assessed by the researchers that usually the focus of general managers in the scenario of luxury hotels is towards the examination of different financial and non-financial performance indicators. It is established by the researchers that the management accounting system (MAS) is eventually associated with enhanced satisfaction at the organisational level (Mia and Patiar, 2001). Undoubtedly, the practical perspective of MAS played an important role to successfully determine the implications of organisational decision-making.

           The aspects of customer accounting and marketing performance are considered by Lisa McManus (2013) as the independent determinants to examine their influence in the hotel industry. The implications of these factors are explored specifically for the hospitality industry of Australia. The survey method in the case of 165 Australian hotel managers provided evidence that improved the form of managerial accounting is a necessary condition to successfully deals with the competitive environment in the scenario of the hotel industry of the country (McManus, 2013). The crucial significance of managerial accounting in the context of the hospitality industry is also critically examined by Gregory Laing and fellow researchers (2010) by considering one different perspective of VAIC model. It is another crucial domain of consideration to evaluate the paradigm of accounting in the organisational scenario of Australian hotels. It is established by researchers that the factor of intellectual capital (IC) has the capacity to increase overall value to a domain of service provider (Laing et al., 2010). The results of this study explicitly indicated that the accounting instrument of VAIC can be used as a useful model to assess the overall organisational performance.

The practical domain of management accounting practices also comprehensively examined by Odysseas Pavlatos and Ioannis Paggios (2008) in the scenario of the hospitality industry of Greece. This piece of knowledge can be helpful to examine the practical idea of managerial accounting in the case of international operations of the hospitality industry. The central focus of this exploratory research work is to analyse the level of adoption considered by the hospitality industry to replace traditional accounting aspects with the modern domain of management accounting practices (Pavlatos and Paggios, 2008). The implications of this research study indicated that the managerial accounting techniques of budgeting practices, profitability measures, product profitability analysis, and costing are greatly adopted by the hospitality sector to increase the overall accounting performance level of the industry. The practical implications of accounting practices also discussed by AlBattat and fellow researchers (2014) in their exploratory research study. The growing concern of increasing employees’ dissatisfaction and higher turnover were characterised as the major complications in the hospitality industry due to inadequate or improper perspective of managerial accounting (AlBattat et al., 2014). The basic practical perspective of management accounting in case of hospitality sector also critically examined by Chibili (2019) in his research work. A critical consideration of Chibili’s research work is important because it provides theoretical grounds to understand the application of managerial accounting in the practical scenario of the hospitality industry. According to the researcher, it is important to consider the economic entities of the sector to make better inferences about the overall industrial performance (Chibili, 2019).

The practical applications of management accounting practices explored by El-Shishini (2017) in the case of hotels in Bahrain. The classification of management accounting helped the researcher to evaluate various domains of consideration. These aspects are relevant to the basic approaches of cost determination and financial control, appropriate management, suitable use of available resources, and ultimately the development of business value (El-Shishini, 2017). Different and crucial dynamics of managerial accounting in the context of business environment are comprehensively discussed by Hilton and Platt (2013) in their book, “managerial accounting: creating value in a dynamic business environment.” The central focus is to assess the realistic business perspective concerning practices of accounting management. It is established that the performance of business organisations can better be examined through the adoption of suitable criteria for managerial accounting (Hilton and Platt, 2013). The practical scenario of managerial accounting in the hospitality industry is also critically examined by Dittman and fellow researchers in their exploratory research study. It is observed that there is limited evidence available that mainly focuses on different issues of management accounting in the hospitality industry (Dittman et al., 2009). there is a need for enhanced research domains to enhance practical opportunities of accounting for the sector. The primary focus of Wadongo and fellow researchers is to explore potential performance indicators that define the perspective of managerial accounting in the scenario of the Kenyan hospitality sector. The survey research study indicates that different financial features have a great form of measurement when it comes to assessing organisational performance (Wadongo et al., 2010).

The research work presented by Lamminmaki (2008) is a suitable source of information to examine the implications of accounting and management of outsourcing specifically in the scenario of the hotel industry. The results of this study explicitly explained that the objective of accounting sophistication in hotel sector can be successfully achieved by ensuring the practical involvement of the accounting system. Additionally, the variable of hotel quality played a critical role that impacts accounting techniques. These accounting techniques can mainly be observed in the form of discounting of the future prospect of cash flows (Lamminmaki, 2008). The paradigm of managerial accounting in the specific form of capital budgeting procedure for the hotel industry is discussed by Guilding (2003) by focusing on different related factors. It is established by the researcher that operating structure in case of hotels played an important role to enhance the greater propensity for future investment under the wide-ranging domain of managerial accounting (Guilding, 2003). The practical enforcement of managerial accounting for the broader perspective of the hospitality sector is also discussed by Park and Jang (2014). The specific standard of hospitality finance/accounting (HFA) is used by the researchers to determine its overall utility in case of the hotel industry. It is declared by the researchers that there are restricted applications of managerial accounting by hotel owners. There is a need for offering better forms of behavioural finance, marketing-finance interface, and human resource management finance/accounting to enhance the horizon of managerial accounting (Park and Jang, 2014).

Management accounting and corporate management are characterised as two major practical domains by Mongiello and Harris (2006) in their research study. The applications of both these factors assessed by researchers in both theoretical and practical forms. It is established that managerial accounting can be successfully used as a viable instrument to monitor and manage the entire domain of hotel administration with its connection with corporate management paradigms (Mongiello and Harris, 2006). It is examined that suitable development of management accounting choices is an integral condition to achieve the desired performance indicators.

# Research Design and Methodology

           Development of research design and methodology plan is a critical part of the entire research work to examine the influence of the research problem. This specific phase is categorised as the mandatory framework to find out a possible answer to the research question. The overall domains of research designs and methodology comprised of different techniques and methods to conduct research work in a logical manner.

## *Type of Research*

           Exploratory research is the preferable type of research to examine the implications of managerial accounting in case of hospitality sector of Australia. The central aim of this form of consideration is to explore the practical scenario of managerial accounting practices. This type of research is specifically selected to discover various ideas and insights concerning the wide-ranging domain of managerial accounting.

## *Research Approach*

           The practical approach of qualitative research is considered to examine the basic research problem for this exploratory research work. The process of qualitative research work will be accomplished by focusing on the outcomes of fourteen former research studies conducted on the issue of managerial accounting. The scientific research method of qualitative research will allow the researcher to collect and observe non-numerical data related to the practical practices of managerial accounting in the scenario of the hospitality industry. This prospect refers to the critical consideration of meanings, concepts, definitions, and description of various domains of managerial accounting.

## *Type of Data*

           A secondary type of data is selected approach as the medium to consider relevant evidence. The objective of this form of consideration is to critically examine the arguments and evidence provided by other researchers on the issue of managerial accounting. The domain of secondary research permits to successfully apprehends the features of summary and proper synthesis of existing research work on the issue. The technique of secondary research work is suitable under the domain of qualitative research work that allows evaluating outcomes of existing research work on the issue of managerial accounting. This perspective can also be a helpful approach to make better inferences on the perspective of managerial accounting and its practical application specifically in the case of the hospitality sector of Australia.

## *Collection of Data*

           The particular technique of document analysis within the perspective of qualitative research is considered as a suitable option in order to collect suitable data. The primary focus of this form of consideration is to critically examine the influence of existing literature on the issue of managerial accounting. The assessment of existing research work on the issue will be helpful for the researcher to determine the practical use of different techniques of managerial accounting specifically in the scenario of the hospitality sector.

## *Analysis of Data*

           A comprehensive analysis of available data is a mandatory condition to make appropriate decisions about the primary research objective. It is important for the researcher to select the most technique or approach of data analysis according to the overall domain of the research design of this study. The theme-based analysis is the approach of analysis that will be considered to analyse the available data in order to answer the main question of this research work. This technique of data analysis is associated with the research design in the form of qualitative research work. The primary focus of this approach is to comprehensively explore, analysing, and successfully illustrating the correct patterns or themes of the data concerning to techniques of managerial accounting.

## *Consideration of Ethical Concern*

           Application of ethical perspectives is an essential condition for the researcher that needs to be considered during the entire phase of the research process. The domain of ethical concerns requires the researcher to remain unbiased and fair during the process of collecting and interpreting the information related to different techniques of managerial accounting. It requires equal treatment with all the relevant domains and illustrates the results in a fair manner. Research integrity is a basic requirement during the process of research to meet the fundamental objectives of the research.

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