RUNNING HEAD: FINANCE, ACCOUNTING, AND BANKING

Applied Business Research

Name of Student

[Name of the Institution]

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1. **Managerial Accounting**

 The practice of identifying, measuring, analyzing, interpreting, and communicating financial information to the managers is called accounting. American Institute of Certified and Public Accountants (AICPA) defined accounting as: *“the art of recording, classifying, and summarizing, in a significant manner and in terms of money, transactions and events which are in part at least, of a financial character, and interpreting the results thereof”*. It has two kinds one of which is Managerial Accounting which is related to the internal environment of a firm. The purpose of Managerial Accounting is to help the managers to make useful strategies in the pursuance of the firm’s goals. It is different from Financial Accounting in the sense that Financial Accounting targets parties outside the organization for the provision of information whereas Managerial Accounting delivers its information to the managers within the organization. The origin of Managerial Accounting is in the Industrial Revolution of the 19th century when most firms were controlled by a few managers who themselves were the owners of their firms and the sole authority within companies belonged to them. They used to use their own capital for their business or it was borrowed by their relatives or friends (El-Shishini, 2017). The industrial revolution boosted many industries like textile, steel, and food production which caused many complications. More capital was required for the business and there appeared a need to watch the movement of capital within and outside the firms. According to Johnson and Kaplan many firms required to raise funds from increasingly widespread and detached suppliers of capital. There appeared the need for Managerial Accounting department which helped the owners to make strategies for raising funds, using them productively, and payback the funds with profit to the investors in a sophisticated organizational structure.

1. **Managerial Implication of the Articles**
2. **The Use of Management Accounting Techniques at Hotels in Bahrain by Hatem Mohamed El-Shishini**

This researcher performed a practical research applying management accounting in 37 different hotels of Bahrain to explore the relationship between contextual variables and the use of management techniques in hotels. The article gives a brief overview of the past researches and categorizes them into three classes. One class explained the theory in a descriptive manner whereas the second class analyzed the application of the theory comparatively in different industries. The third group aimed to explain or interpret the observed studies using Contingency theory. El-Shishini applied this approach to thirty-seven different hotels and analyzed if the size, the intensity of competition, or the quality level of a hotel has any relationship with the application of the management theory (Garrison, R.H., Noreen, Brewer, and McGowan, 2010). Paper surveys were performed where the respondents were supposed to answer short questions or attempt multiple choice questions choosing one among the mentioned options. The study found that the only important thing which has a significant relationship with the managerial theory is the intensity of competition. This sophisticated approach is needed where there are many rivals who struggle to win over one another and they use management techniques to allure more customers. The other factors like high quality or a larger size of a hotel does not matter because no hotel (company) would consider using such approaches if there is an abundance of customers and no rivals.

1. **Factors Affecting Sales Employee Turnover in Hotel &Travel Industry: A Literature Review by Suganya Manuel**

This paper was written by S. Manuel who reviews literature written about the Travel Agents and Operators of the hotel industry in Sri Lanka in an attempt to explore the factors which influence employee turnover. The study is delimited to Sri Lanka and focus only on the factors which influence employee turnover examining theories like Maslow’s Hierarchy of Needs, and Two Factor Theory (Manuel, 2019). The researcher set three independent variables to complete the study. The variables are as: Remuneration, Working Environment, and Career Development. Two more variables were set like Job Satisfaction variable as a Mediatory variable and Sales Employee turnover as a Dependent variable. This study was guided by multiple hypotheses. Three hypotheses were proposed: (i) whether or not there is exist any relationship between remuneration and the sales employee turnover to retain/resign, (ii) whether are not career development and the sales employee turnover decision to retain/resign are related to each other, (iii) whether or not there exists any relationship between working environment and the sales employee turnover decision to resign/retain a job, (iv) do the Job Satisfaction and the sales employee turnover have any relationship. This article is an interesting and comprehensive research study on the subject of managerial accounting that is useful for scholars as well as parties related to travel agencies and operator segments in Sri Lanka and worldwide.

1. **Basic Management Accounting for the Hospitality Industry by Michael N. Chibili**

This research article was originally published in 2011 whereas the second edition of the article appeared in 2015. It is an interesting study that is useful to understand the introduction and the purpose of Management Accounting. Moreover, it attempts to explain the Hospitality Industry. This is a kind of short-book which gives a detailed theoretical description of managerial theory, its purpose, and the way it works (Chibili, 2016). After giving the introduction to the theory Chibili quotes American Accounting Principles Board which clarified the practical purpose of the theory in the following words: *“Its function is to provide quantitative information primarily financial in nature, about economic entities that are intended to be useful in making economic decisions and in making reasoned choices among alternative courses of actions*” in 1970. Furthermore, the details about the implication of the theory follow with the description of the challenges the approach faces when applied practically. This is an informative book to do a detailed study of the approach and to learn the techniques to apply it.

1. **Higher Dissatisfaction Higher Turnover in the Hospitality Industry by Ahmad Rasmi AlBattat and Co-researchers**

Like the article written by Suganya Manuel, this article is also related to the issue of employee turnover in the hospitality sector. The authors claim that hospitality is one of the fastest emerging retail industries of the world and it is important to imply the managerial theory in this industry help it improve. The research attempt to explore what are the important factors which oblige employees in the hospitality industry to quit job. This research was performed in the light of Mobley’s model (1977) to explore those factors. Mobley’s model claims that it is the dissatisfaction with the current job which obliges the employees to consider quitting the job and shifting to another job that looks more suitable one. This factor finally leads to job turnover. AlBattat and his co-researchers have named the factors which cause job dissatisfaction, the root cause of job turnover. The identified factors were exploitation at the hands of managers, low wages, and long durations at workplace with little or no breaks. The researchers claim that employee turnover issue is addressable if these issues are addressed by the manager/policymakers in the industry. It is an informative research about the implication of managerial theory in the hospitality industry.

1. **IMPLICATIONS OF MANAGERIAL ACCOUNTING PRACTICES IN HOSPITALITY INDUSTRY IN AUSTRALIA**

All the previous articles have much in common with this paper in the sense that all the articles including this one focus mainly on hospitality industry and they consider it a potential emerging industry worldwide, but this paper is different from the other articles in the way that they examine the application of managerial theory but this paper is a research proposal with the same objective (Hilton, and Platt, 2013). The research problem that will be explored in the research reveals that the focus of the research study will be on finding out the way modern managerial accounting and interdisciplinary finance such as behavioural finance, and human resources management some other practices of this field of study have contributed to the growth of hotels and tourism and the study is delimited to Australia.

1. **Conclusion**

Managerial Accounting approach is used in an industry to gather statistics about the forward or backward progress of the industry, to analyze the information, to make the strategies for future, and to deliver those strategies and suggestions to the managers for the enactment of those suggestions. The managerial accounting department plays the role of a guide in an industry. Four articles have been reviewed on the same subject that has been taken from different part of the world. The book by Michael N. Chibili is a detailed introduction to the theory and a guide book to learn the implication of the theory in industry. Hatem Mohamed El-Shishini’s article is a practical research study of hotels in Bahrain. This article finds that the competitiveness in a market oblige a firm to apply managerial accounting approach in business to survive and grow in the market. Suganya Manuel reviews all the previous literature written on the subject of managerial accounting and performs research to analyzes the hotels in Sri Lanka in the light of the previous literature. My previous paper is a research proposal to study the approach with reference to the business of hospitality in Australia.

***References***

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