The impact of accounting on business decision-making: A case study of the hotel industry in Kosovo

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Abstract This academic study examines the evolving hospitality sector in Kosovo to identify the significant impact of accounting on complex business decisions. By adopting a multifaceted approach that includes financial analysis, evaluation of financial reports and extensive interviews, it reveals how accounting serves not only as a regulatory tool but also as a strategic partner in pricing, investment and long-term planning. The report highlights the importance of accounting and reporting systems in increasing transparency, building investor confidence and managing risk in the hospitality sector in Kosovo. The findings contribute to improvements in accounting practices and a better understanding of the role of accounting in a dynamic business environment.

Keywords: accounting data, business decision-making, hotel industry, strategic decisions, operational decisions, investment decisions, financial decisions

1. Introduction

In the contemporary business world, the complex interaction between accounting and business decision making has emerged as a central focus of this research. While accounting has traditionally been perceived as a tool for recording financial data, it has evolved beyond its traditional role to become a multifaceted tool that significantly influences and guides strategic and operational decision making in organizations (Eisenhardt, 1989; Simons, 2000). This evolution reflects a broader transformation in the business paradigm, with companies increasingly relying on data-driven financial insights to navigate the complexities of the global marketplace (Kaplan and Norton, 1996).

This study focuses on the dynamic Kosovo hospitality sector and explores in depth the important role that accounting practices play in shaping corporate decision-making. As an emerging and vibrant region, Kosovo presents both unique opportunities and complex challenges for companies operating within its borders (Meyer & Peng, 2016). In the highly competitive hospitality industry, characterized by financial constraints and the search for sustainable profitability, it is clear that smart, data-driven decision making is essential (Hayes & Miller, 2011). The complexity of hotel performance and decision-making requires theoretical exploration of leadership practices in service organizations (Patiar & Wang, 2016).

In the context of this study, 'decision making' encompasses multiple dimensions in the strategic, operational, investment and financial domains. The interaction of accounting practices in these areas has a profound impact on the vitality and longevity of firms operating in the competitive and developmental environment of Kosovo’s hospitality sector.

This academic study explores the complex interactions of accounting practices in this dynamic and competitive environment. The methodology used in this empirical study is deliberately comprehensive and multifaceted, including in-depth analysis of financial data (Simons, 1990), in-depth examination of financial reports (Penman, 2013), and deliberate and structured interviews with key industry players approach (Yin, 2014). These interviews serve as a crucial source of data and provide valuable insights into the real-world practices and nuanced perspectives of those intricately involved in the evolving story of Kosovo’s hospitality sector (Creswell, 2014).

The research reveals that the use of accounting information transcends its ordinary role as a financial monitoring mechanism and has an important position as a strategic collaborator in business. Accounting information contributes significantly to the formulation of pricing strategies and investment decisions (Hitt et al., 2014). Kaplan & Norton, 2008, guide long-term business planning (Kaplan & Norton, 1996) and ultimately shape the trajectory of sustainable and profitable business strategies (Porter, 1985). At the same time, this study emphasizes the fundamental role of accounting and reporting systems as essential tools to enhance transparency and accountability in business operations (Melville, 2015). These systems serve as a foundation for building investor confidence and financial credibility, as well as a basis for promoting prudent risk management in the dynamic Kosovo hospitality industry (Detchow and Dichev, 2002).
Consequently, this study aimed to contribute to a fundamental reassessment of the symbiotic relationship between accounting and strategic business decision-making processes. The insights gained from this study are of great importance for both accounting professionals and business leaders navigating the complex operating conditions of the hospitality sector in Kosovo. The study also has implications for the policy-making arena and provides insights that can improve the quality of services provided by hotels in Kosovo by providing an academically informed perspective on optimizing accounting practices.

2. Literature Review

The Impact of Accounting on Business Decisions: A Case Study of the Hotel Industry in Kosovo provides a comprehensive examination of the complex relationship between accounting practices and their significant impact on business organizations as strategic, operational, investment and financial decision-making processes. This literature review synthesizes a range of academic studies to provide a comprehensive understanding of how accounting shapes and informs decision-making processes in companies.

Traditionally, accounting has been perceived as a management tool for financial record keeping. However, in light of the evolving modern business paradigm, important studies in this field have shown that accounting plays a crucial role in guiding organizational decision-making. The most important of these is the 'Balanced Scorecard' framework proposed by Kaplan and Norton (1996). This framework has become important in understanding the critical role of accounting in guiding strategic decision making through performance measurement. The framework enables organizations to engage with shareholders and investors by assessing the overall effectiveness of the organization in managing investment decisions, whether they begin, continue or end. In particular, companies' performance is typically assessed through key performance indicators, which are primarily measured through accounting practices.

Further enriching our understanding of this relationship is Robert Simons’ (1995) 'levers of control' framework, which characterizes how the accounting system facilitates or hinders strategic decision making. This framework introduces the concept of interactive and diagnostic control systems that shed light on the adaptability of decision-making and its alignment with organizational goals.

From an operational perspective, Hayes and Miller (2011) emphasize the role of accounting information in cost management, enhancing operational decision-making by providing detailed information on cost structures, thereby facilitating more informed operational choices. They highlight the value of activity-based costing (ABC) in facilitating more informed operational choices.

In the area of investment decision making, Hitt, Ireland and Hoskisson (2008) emphasize the importance of accounting data in capital budgeting and investment analysis. Parameters such as net present value (NPV) and internal rate of return (IRR) play a crucial role as decision-making tools to assess the financial viability of capital projects and thus influence the investment planning process.

Studies by Dechow and Dichev (2002), Pacheco and Tavares (2017) and Matias, Tuesday and Afonso (2018) show that financial decisions involving aspects such as capital structure, dividend policy and risk management are intrinsically linked to accounting information, emphasizing the importance of quality financial reporting in shaping these financial decisions, while also influencing investor confidence and preferences regarding debt and equity. Furthermore, Ramli (2013) emphasizes that the use and satisfaction with accounting information systems in the hospitality industry benefits internal and external stakeholders.

Extending the scope to the service sector, Bhimani (2014) examines management accounting in the hospitality industry. At the same time, Chen, Hughes, Mannetta, Shan, and Zhang (2016) delve deeper into the multifaceted nature of accounting in service quality delivery, cost management and hospitality management performance, and the development of pricing strategies directly related to the hospitality industry, emphasizing the role of accounting in the development of pricing strategies directly related to the hospitality industry.

The literature review further delves deeper into the psychological aspects of decision making represented by the probability theory proposed by Kahneman and Tversky (October 1979). This theory is useful for understanding how cognitive biases influence the interpretation of financial information by decision makers.

The literature that is integral to this comprehensive review highlights the evolving aspects of accounting's role in the decision-making process. Governance, sustainability, ethics, crisis management and the transformative impact of technology have a significant impact on business decision making.

This foundational literature illuminates various aspects of accounting's role in business decision making, from strategic planning and business management to investment valuation and financial decisions. This study aims to advance the understanding of this complex relationship and strengthen the existing knowledge base with empirical insights, while situating subsequent chapters in the specific context of the hospitality sector in Kosovo.

As a result, this comprehensive literature review provides an in-depth understanding of the complex relationship between accounting and various aspects of decision-making in organizations. It also lays a solid foundation for subsequent chapters focusing on the specific context of the hospitality sector in Kosovo and strengthens the existing knowledge base with empirical insights.
3. Methodology

The methodology of this study has been meticulously designed and described in detail to ensure the transparency and sustainability of the research process. The design of this study is based on research methodology that uses carefully prepared questionnaires to collect data. The survey was used to investigate the relationship between accounting information and decision making processes in the Kosovo hotel industry.

The questionnaire has been carefully prepared and fits seamlessly into the objectives and hypotheses of the study. Preliminary tests and subsequent improvements have improved clarity and efficiency.

The selection of samples follows a reasonable and appropriately planned approach and provides a distributed representation. However, the potential limitations of this method have been evaluated and discussed in terms of transparency.

The data collection method uses a bilateral approach through electronic channels and physical interviews to ensure comprehensive coverage and compliance with ethical standards.

Robust measures are being taken to ensure data privacy and anonymity, address potential risks and create a safe environment for participants.

Statistical methods are carefully selected to address research topics and are applied in a sustainable and transparent manner.

The literature used adds value to the current research context and creates a stable knowledge base. The use of the "non-random intentional sampling" method for representative offices from the 7 geographical regions of Kosovo will ensure departmental diversity.

The participants emphasized ethical information processing and ensured strict data confidentiality.

3.1. Survey design and data collection

The carefully designed survey specific to this study draws insights from the extensive literature on accounting and decision-making in the Kosovo hotel industry. The study was conducted from 2018 to 2022 to analyze changes and developments over time. This survey addresses basic research variables and aims to represent various sectors, including companies from the 7 regions of Kosovo. From 150 companies participating in the survey only 90 give the positive responses, the survey covers different types of accommodation, including hotels, motels, hostels and daily rental apartments. The selection of accommodation units was primarily based on information obtained from the website of the Kosovo Statistical Office (KAS).

Carefully designed questionnaires were extracted from the extensive literature on accounting and decision-making processes specific to the Kosovo hotel industry. The use of the "non-random intentional sampling" method for representative offices from the 7 geographical regions of Kosovo will ensure departmental diversity. The participants emphasized ethical information processing and ensured strict data confidentiality.

3.2. Data Analysis

Rigorous statistical analysis, including correlation analysis, regression analysis, analysis of intermediate variables, and the t-test process applied to analyze the relationship between accounting information and Decision processes. The t-test is used to analyze the relationship between accounting information and Decision processes.

Four hypotheses have been proposed, each exploring different aspects of accounting information and the potential relevance of decision-making.

A study conducted between the years 2018-2022 to capture the changes and developments over time.

The integration of modern literature, scientific reports and professional research contributes to a solid knowledge base.

The methodology used in this research study is supported by a basic and important research study: "Whether there is a decipherable relationship between accounting information and decision-making processes in the developing hotel industry of Kosovo." On this study, carefully formulated hypotheses have been put forward to examine this research query and provide a comprehensive answer. Each hypothesis covers a complex aspect of the potential connection between accounting information and decisional paradigms operating in the field of the Kosovo hotel industry.
H1: There is a relationship between Accounting Information and Decision-Making in the Hotel Industry in Kosovo.
H2: There is a relationship between Accounting Information and Operational Decision-Making in the Hotel Industry in Kosovo.
H3: There is a relationship between Accounting Information and Investment Decision-Making in the Hotel Industry in Kosovo.
H4: There is a relationship between Accounting Information and Financial Decision-Making in the Hotel Industry in Kosovo.

The presented hypotheses were subjected to rigorous hypothesis tests by applying a linear regression model. These models are represented as equations and constructed as follows:

Model 1: Strategic Decision-Making
Strategic Decision-Making = β0 + Accounting Information β1 X1 + ε1

Model 2: Operational Decision-Making
Operational Decision-Making = β0 + Accounting Information β1 X1 + ε1

Model 3: Investment Decision-Making
Investment Decision-Making = β0 + Accounting Information β1 X1 + ε1

Model 4: Financial Decision-Making
Financial Decision-Making = β0 + Accounting Information β1 X1 + ε1

In these models, y represents the dependent variable, which expresses various aspects of decision-making depending on the context. B0 represents a regression intersection, β1 represents a regression coefficient associated with accounting information, X1 represents an independent variable (strategic, operational, investment or financial decision-making) and ε1 represents an unknown variable.

These in-depth models have been made to rigorously test and verify the validity and applicability of hypotheses and to understand the subtle relationship between accounting information and various aspects of decision in the panorama of Kosovo’s hotel industry.

We used the data obtained from the Kosovo Statistical Office (KAS) to determine the deceleration of the number of hotels and accommodation in Kosovo between 2018 and 2022. These data were obtained from the official reports provided by KAS and used to create a database for our analysis.

Table 1 above presents data about Kosovo accommodation capacity from 2018 to 2022, including the number of hotels and the number of total accommodation capacity of all structures over the past 5 years.

Table 2 shows the hotel accommodation capacity in the Kosovo, divided by region from 2018 to 2022. Pristina increased the most from 2018 to 144 to 161 in 2022, while other regions were relatively stable.

Table 3 shows that the most positive responses were given by three-star hotels, which accounted for the highest proportion of accommodation (18.9%), while other accommodation types accounted for 30% of the total.

3.3. Pre-survey results

This section summarizes preliminary findings on the hotel sector in Kosovo, including accommodation types and the number of hotels in Kosovo. The methodology includes quantitative analysis, hypothesis testing and linking accounting
information to decision making. Data were collected from hospitality managers and accountants through two rounds of questionnaires with predefined options.

Table 3 shows the variety of accommodation type with options such as 3-star hotels (18.9%) contributing to 30% of the total.

Tables 1 and 2 contribute to a complete understanding of the dynamics of the sector and provide information about the number and capacity of hotels in different Kosovo regions.

The methodology of this study has been systematically researched and the relationship between accounting information and Decision making in the developing Kosovo hotel industry has been meticulously carried out. The combination of quantitative analysis, hypothesis testing and comprehensive knowledge contributes to the depth and reliability of research results.

During the data collection process, we created a survey divided into 2 sessions. The first set of questions was directed to the unit manager of the accommodation unit and the second set of questions were questions directed to the accountant in the session. The questions were formulated in a simple way to ensure the comprehensiveness of the respondent. Each participant chose an alternative from the predefined options in the survey.

Table 3 The location where the economic unit operates.

<table>
<thead>
<tr>
<th>Location</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-star hotel</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>4-star hotel</td>
<td>12</td>
<td>13.3</td>
</tr>
<tr>
<td>3-star hotel</td>
<td>17</td>
<td>18.9</td>
</tr>
<tr>
<td>2-star hotel</td>
<td>16</td>
<td>17.8</td>
</tr>
<tr>
<td>Motel</td>
<td>14</td>
<td>15.6</td>
</tr>
<tr>
<td>Other accommodation spaces</td>
<td>27</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Survey Results in SPSS Based on Positive Questionnaire Feedback.

4. Empirical Results

The study conducted a comprehensive analysis exploring the correlation between accounting knowledge and its impact on different types of decision making, such as strategic, operational, investment and financial decision making. T-tests of decision making and accounting knowledge tests are also included in the analysis to assess their impact on decision making in relation to usage patterns. In addition, regression analysis and T-tests were used to examine the impact of financial statement use on decision-making type.

The analysis consisted of a one-to-one correlation analysis, regression analysis, examination of moderating variables and a T-test process. Specific statistical methods and various decision-making approaches were used to analyze the empirical data. Decision theory and accounting-informed approaches were used to explain these analyses and the data obtained.

Special statistical software, primarily SPSS, was used for data collection and analysis.

The correlation analysis presented in Table 4 shows that accounting information is positively correlated with all types of decision making; the highest correlation is between accounting information and operational decisions with r=738 and the lowest correlation is between accounting information and financial decisions with r=665.

Table results shows the data on the correlation between the variable "accounting information" and different types of decisions. This type of analysis has been used to assess how relevant accounting information is to the decision-making process within the business. This table uses 2 key values to decipher the relationships between variables - "r" (correlation) and "p" (p-value) to help assess the statistical significance of correlation.

Table 4 Correlation Between Accounting Information and Decision-Making.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Information</td>
<td>R</td>
<td>P</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.683*</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Decision-Making</td>
<td>R</td>
<td>P</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.738*</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Decision-Making</td>
<td>R</td>
<td>P</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.699*</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Decision-Making</td>
<td>R</td>
<td>P</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.408*</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Decision-Making</td>
<td>R</td>
<td>P</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.393*</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results in the table show that "accounting information" has a positive correlation with all kinds of "decisions". “This means that the increase in accounting information is associated with an increase in strategic, operational, investment and financial decisions within the company. The highest level of correlation was observed between "accounting information"
and "business decision", which shows a strong relationship between these two variables (r=0.738). The lowest correlation was determined between "accounting information" and “financial decision” (r = 0.665), which still represents a significant positive relationship.

The study shows that accounting information has a statistically significant positive effect on the decision-making process within a company. This information is important for leaders and managers interested in improving the decision-making process within an organization. (Mia et al., 2001) it is very important to use the management accounting system in the hotel. The same result as my findings (Kaplan and Norton, 1996) introduced the concept of an "equilibrium scorecard" to align accounting information with the strategic goals of the organization and emphasized its role in improving strategic decision-making. (Ittner and Larcker, 2002) found that the use of strategic performance measurements can improve operational decisions. (Otley, 1999) emphasizes the importance of performance management systems that include accounting information to monitor and improve organizational performance. Langfield Smith (1997) discussed the relationship between business management systems and organizational strategies and advocated their use to support strategic goals. Dec.1997) discussed the relationship between business management systems and organizational strategies and advocated their use to support strategic goals. (Merchant and Van der Stade, 2007) examined the role of management control systems such as performance measures and incentives in improving organizational performance.

4.1. Regression Analysis of the Impact of Variables on Strategic Decision-Making

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>5.050</td>
</tr>
<tr>
<td>Accounting Information</td>
<td>.314</td>
<td>.067</td>
<td>.601</td>
<td>4.685</td>
</tr>
<tr>
<td>Years of Experience in Accounting</td>
<td>-.368</td>
<td>.407</td>
<td>-.113</td>
<td>-.905</td>
</tr>
<tr>
<td>Education, Earned Degree</td>
<td>-.209</td>
<td>.176</td>
<td>-.085</td>
<td>-1.187</td>
</tr>
<tr>
<td>Years in Business Operation</td>
<td>.719</td>
<td>.417</td>
<td>-.204</td>
<td>-1.727</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>.352</td>
<td>.284</td>
<td>.132</td>
<td>1.241</td>
</tr>
<tr>
<td>Annual Revenue (Sales/Services in Euro)</td>
<td>.147</td>
<td>.407</td>
<td>-.046</td>
<td>-.360</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to determine the cost of a unit of product/service?</td>
<td>2.908</td>
<td>.938</td>
<td>.381</td>
<td>3.099</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to set service prices?</td>
<td>-.122</td>
<td>.686</td>
<td>-.018</td>
<td>-.178</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use financial statements?</td>
<td>-3.857</td>
<td>.893</td>
<td>-.385</td>
<td>-4.320</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit process accounting information themselves or have it processed by other institutions such as accounting offices or individuals?</td>
<td>-2.717</td>
<td>1.067</td>
<td>-.160</td>
<td>-2.546</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit process accounting information themselves or have it processed by other institutions such as accounting offices or individuals?</td>
<td>-.092</td>
<td>.160</td>
<td>-.044</td>
<td>-.571</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information for investment in the purchase of raw materials/inventory?</td>
<td>1.326</td>
<td>.554</td>
<td>.247</td>
<td>2.391</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to create market segmentation for the sale of products/services?</td>
<td>2.055</td>
<td>.700</td>
<td>-.368</td>
<td>-2.934</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information for the use of external financing sources?</td>
<td>-.152</td>
<td>.603</td>
<td>-.029</td>
<td>-.251</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to rationalize asset use?</td>
<td>.133</td>
<td>.664</td>
<td>.015</td>
<td>.201</td>
</tr>
<tr>
<td>Do you present financial statements accurately?</td>
<td>3.627</td>
<td>.654</td>
<td>-.555</td>
<td>-5.550</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to create added value for products/services?</td>
<td>1.146</td>
<td>.688</td>
<td>.202</td>
<td>1.664</td>
</tr>
<tr>
<td>The use of accounting information impacts the performance of the economic unit.</td>
<td>1.426</td>
<td>.324</td>
<td>.341</td>
<td>4.400</td>
</tr>
</tbody>
</table>
According to Table 5, strategic decision making is significantly affected by the model, $R^2 = 0.789$ and 78.9% of the variance is explained by the variables in the table. The significant variable explaining strategic decision making is accounting knowledge with $p = 0.001$. Furthermore, it is seen that the use of financial statements is highly related to strategic decision making. As can be clearly seen from the table, the more financial statements are used, the better strategic decision making is.

The analysis shows that the use of accounting information and financial statements for organizations are two important factors that affect strategic decision-making and increasing their use can strengthen the strategic decision-making process.

4.2. Regression Analysis of the Impact of Variables on Operational Decision-Making

According to Table 6, operational decision making is affected by the significant model and 71.9% of the variance is explained by the variables in the table with $R^2 = 0.719$. The significant variable explaining operational decision making is accounting information with $p = 0.001$ and annual earnings have a statistically significant effect on operational decision making. Moreover, the use of financial statements is significantly related to operational decision making.

It is seen that annual income ($p=0.018$) has a statistically significant effect on operational decisions. Similarly, the use of financial statements seems to be highly relevant to operational decisions.

<table>
<thead>
<tr>
<th>Table 6 Regression Analysis on the Influence of Variables on Operational Decision-Making.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized Coefficients</td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Accounting Information</td>
</tr>
<tr>
<td>Years of Experience in Accounting</td>
</tr>
<tr>
<td>Education, Degree Attained</td>
</tr>
<tr>
<td>Duration of Business Activity</td>
</tr>
<tr>
<td>Number of Employees</td>
</tr>
<tr>
<td>Annual Revenue from Activities (amount from the sale of services/products in euros)</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to determine the cost for a unit of product/service?</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to determine service prices?</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use financial statements?</td>
</tr>
<tr>
<td>Do the decision-makers in your economic unit process accounting information themselves or collaborate with other institutions like accounting offices or individuals?</td>
</tr>
<tr>
<td>Do the decision-makers in your economic unit process accounting information themselves or collaborate with other institutions like accounting offices or individuals?</td>
</tr>
<tr>
<td>Do the decision-makers in your economic unit use accounting information to make investments in the purchase of raw materials/inventory?</td>
</tr>
<tr>
<td>Do the decision-makers in your economic unit use accounting information to create market segmentation for the sale of products/services?</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information for the use of external sources of financing?</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to rationalize the use of assets?</td>
</tr>
<tr>
<td>Do financial statements in your economic unit appear in the correct form?</td>
</tr>
<tr>
<td>Do the decision-makers in your economic unit use accounting information to create added value for products/services?</td>
</tr>
<tr>
<td>The use of accounting information has an impact on the performance of the economic unit.</td>
</tr>
</tbody>
</table>

4.3. Regression Analysis of the Impact of Variables on Investment Decision-Making

According to Table 7, investment decisions are influenced by a significant model with $R^2=0.673$ and 67.3% of the variance is explained by the variables in the table. The significant variable explaining investment decisions is accounting information with $p=0.001$ and the processing of financial statements in the corporate office is significantly related to investment decisions.

At the same time, the processing of financial statements in in the analyzed economic unit seems to have a significant impact on investment decisions.
Table 7 Regression Influence of Variables on Investment Decision.

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-.164</td>
<td>1.087</td>
<td>-.151</td>
<td>.881</td>
</tr>
<tr>
<td>Accounting Information</td>
<td>.147</td>
<td>.033</td>
<td>.716</td>
<td>4.487</td>
</tr>
<tr>
<td>Years of Experience in Accounting</td>
<td>-.034</td>
<td>.199</td>
<td>-.026</td>
<td>-1.68</td>
</tr>
<tr>
<td>Education, Obtained Diploma</td>
<td>.015</td>
<td>.086</td>
<td>.016</td>
<td>.180</td>
</tr>
<tr>
<td>How long have you been conducting business activities</td>
<td>.167</td>
<td>.204</td>
<td>.121</td>
<td>.820</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>.164</td>
<td>.139</td>
<td>.156</td>
<td>1.180</td>
</tr>
<tr>
<td>Annual Revenues from Business Activities (amount from services/products sold in euros)</td>
<td>.349</td>
<td>.199</td>
<td>-.276</td>
<td>-1.750</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to determine the cost of a unit of product/service?</td>
<td>.596</td>
<td>.459</td>
<td>.198</td>
<td>1.298</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to determine service prices?</td>
<td>-.446</td>
<td>.336</td>
<td>-.164</td>
<td>-1.329</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use financial statements?</td>
<td>.623</td>
<td>.437</td>
<td>.158</td>
<td>1.427</td>
</tr>
<tr>
<td>Do you process accounting information by decision-makers in your economic unit or collaborate with other institutions such as accounting offices or individuals?</td>
<td>1.243</td>
<td>.522</td>
<td>.186</td>
<td>2.379</td>
</tr>
<tr>
<td>Do you process accounting information by decision-makers in your economic unit or collaborate with other institutions such as accounting offices or individuals?</td>
<td>-.090</td>
<td>.078</td>
<td>-.109</td>
<td>-1.144</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information for investment in the purchase of raw materials/inventory?</td>
<td>-.296</td>
<td>.271</td>
<td>-.140</td>
<td>-1.090</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to create market segmentation for the sale of products/services?</td>
<td>.343</td>
<td>.343</td>
<td>.156</td>
<td>1.002</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information for the utilization of external financing resources?</td>
<td>-.212</td>
<td>.295</td>
<td>-.103</td>
<td>-.717</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to rationalize asset utilization?</td>
<td>-.322</td>
<td>.325</td>
<td>-.093</td>
<td>-.991</td>
</tr>
<tr>
<td>Are financial statements presented correctly?</td>
<td>-.135</td>
<td>.320</td>
<td>-.052</td>
<td>-.421</td>
</tr>
<tr>
<td>Do decision-makers in your economic unit use accounting information to create new value for products/services?</td>
<td>.184</td>
<td>.337</td>
<td>.083</td>
<td>.547</td>
</tr>
<tr>
<td>The use of accounting information has an impact on the performance of the economic unit.</td>
<td>.095</td>
<td>.159</td>
<td>.058</td>
<td>.601</td>
</tr>
</tbody>
</table>

4.4. Regression Analysis of the Impact of Variables on Financial Decision-Making

According to Table 8, financial decision making is influenced by the significant model with $R^2 = 0.649$ and 64.9% of the variance explained by the variables in the table. The significant variable explaining financial decision making is accounting knowledge with $p = 0.048$.

These results show that the use of accounting information is an important factor affecting financial decision-making. Increasing its use can improve the financial decision-making process in the economic unit being analyzed.

4.5. Regression T-Test: Use of Accounting Information by Decision Types

Table 9 shows that there is no significant difference between companies that use accounting information to make pricing decisions compared to the types of decisions they make.

The results of a t-test analysis conducted to determine whether there is a significant difference between a group of companies that use accounting information to determine service prices and a group that does not use it in the context of the type of decision.
### Table 8 Regression Analysis of the Impact of Variables on Financial Decision-Making.

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td><strong>(Constant)</strong></td>
<td>1.693</td>
<td>2.058</td>
<td>.823</td>
<td>.823</td>
</tr>
<tr>
<td>Accounting Information</td>
<td>.052</td>
<td>.062</td>
<td>.139</td>
<td>.837</td>
</tr>
<tr>
<td>Years of Experience in Accounting</td>
<td>-.687</td>
<td>.377</td>
<td>-.293</td>
<td>-1.821</td>
</tr>
<tr>
<td>Educational Background, Degree Obtained</td>
<td>-.276</td>
<td>.163</td>
<td>-.156</td>
<td>-1.689</td>
</tr>
<tr>
<td>Years in Business Activity</td>
<td>.207</td>
<td>.386</td>
<td>.082</td>
<td>.537</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>.319</td>
<td>.263</td>
<td>.167</td>
<td>1.213</td>
</tr>
<tr>
<td>Annual Revenue from Activities (amount from services/products sales in euros)</td>
<td>.101</td>
<td>.377</td>
<td>-.044</td>
<td>-2.69</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information to determine the cost of a unit of product/service?</td>
<td>-.773</td>
<td>.869</td>
<td>-.141</td>
<td>-1.889</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information to determine service prices?</td>
<td>-.965</td>
<td>.635</td>
<td>-.195</td>
<td>-1.519</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use financial statements?</td>
<td>.877</td>
<td>.827</td>
<td>.122</td>
<td>1.060</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit process accounting information themselves or collaborate with other institutions such as accounting offices or individuals?</td>
<td>1.341</td>
<td>.989</td>
<td>.110</td>
<td>1.356</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit process accounting information themselves or collaborate with other institutions such as accounting offices or individuals?</td>
<td>-.197</td>
<td>.149</td>
<td>-.131</td>
<td>-1.328</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information to make investments in purchasing raw materials/inventory?</td>
<td>-.479</td>
<td>.514</td>
<td>-.124</td>
<td>-.933</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information to create market segmentation for product/service sales?</td>
<td>1.204</td>
<td>.649</td>
<td>.300</td>
<td>1.855</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information for the utilization of external financing resources?</td>
<td>.275</td>
<td>.558</td>
<td>.074</td>
<td>.493</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information to rationalize asset utilization?</td>
<td>.002</td>
<td>.615</td>
<td>.000</td>
<td>.002</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit present financial statements correctly?</td>
<td>-.825</td>
<td>.605</td>
<td>-.176</td>
<td>-1.363</td>
</tr>
<tr>
<td>Do the decision-makers of your economic unit use accounting information to create added value for products/services?</td>
<td>.977</td>
<td>.638</td>
<td>.240</td>
<td>1.532</td>
</tr>
<tr>
<td>The use of accounting information has an impact on the performance of the economic unit.</td>
<td>.604</td>
<td>.300</td>
<td>.201</td>
<td>2.013</td>
</tr>
</tbody>
</table>

### Table 9 T-Test: Use of Accounting Information by Decision Types.

<table>
<thead>
<tr>
<th>Do the decision-makers in your economic unit use accounting information to determine service prices?</th>
<th>N</th>
<th>Mean</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC Decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>11.8684</td>
<td>-.661</td>
<td>.510</td>
</tr>
<tr>
<td>Yes</td>
<td>76</td>
<td>12.3571</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATIONAL Decision-Making</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>12.6842</td>
<td>.724</td>
<td>.471</td>
</tr>
<tr>
<td>Yes</td>
<td>76</td>
<td>12.1429</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVESTMENT Decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>3.9868</td>
<td>.449</td>
<td>.654</td>
</tr>
<tr>
<td>Yes</td>
<td>76</td>
<td>3.8571</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINANCIAL Decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>5.5526</td>
<td>.1330</td>
<td>.187</td>
</tr>
<tr>
<td>Yes</td>
<td>76</td>
<td>4.8571</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.6. T-Test of Using Financial Statements in Comparison with Types of Decision-Making

Table 10 shows that, except for investment decisions, there is no significant difference between firms that use financial statements for pricing decisions by decision type.

According to the results of the t-test analysis shown in Table 10, there are significant statistical differences between companies that use financial statements and companies that do not, according to the types of strategic, operational and
financial decisions, but companies that use financial statements have high investment decisions \((p=0.025^*)\) about the types of investment decisions. This shows that the use of financial statements has a statistically significant impact on investment decisions.

### Table 10: T-Test of Using Financial Statements in Comparison with Types of Decision-Making.

<table>
<thead>
<tr>
<th>Decision-Making Type</th>
<th>N</th>
<th>Mean</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC Decision-Making</td>
<td>No</td>
<td>6</td>
<td>11.9048</td>
<td>-5.54</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>84</td>
<td>12.5000</td>
<td></td>
</tr>
<tr>
<td>OPERATIONAL Decision-Making</td>
<td>No</td>
<td>6</td>
<td>12.6905</td>
<td>1.256</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>84</td>
<td>11.3333</td>
<td></td>
</tr>
<tr>
<td>INVESTMENT Decision-Making</td>
<td>No</td>
<td>6</td>
<td>3.9048</td>
<td>-2.275</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>84</td>
<td>4.8333</td>
<td></td>
</tr>
<tr>
<td>FINANCIAL Decision-Making</td>
<td>No</td>
<td>6</td>
<td>5.4405</td>
<td>-0.78</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>84</td>
<td>5.5000</td>
<td></td>
</tr>
</tbody>
</table>

In this study, correlation analysis, including correlation analysis, regression analysis and t-test, to examine the complex relationship between accounting information and decision-making processes in the Kosovo hotel industry, revealed positive correlations between different types of decisions by measuring the strength and direction of this relationship and became the strongest in operational Dec Dec \((r = 0.738)\). Regression analysis examined certain aspects of strategic, operational, investment and financial decisions.

The T-test facilitated the comparison of the use of accounting information and financial statements between different types of decisions and highlighted statistically significant differences, especially in investment decisions \((p \text{ Dec} = 0.025^*)\). The choice of these statistical tools was due to their suitability to address research questions and the nature of the data.

The commitment of research to transparency and methodological openness strengthens its academic integrity, provides valuable information to both academic and professional fields, and ensures the reliability and reproducibility of its findings.

5. Discussion

The results showed that "accounting information" is positively associated with all kinds of "decision-making". “This means that the increase in accounting information is associated with an increase in the strategic, operational, investment and financial decision-making process within the company. The highest level of correlation was observed between "accounting information" and "business decision" \((r = 0.738)\), suggesting that there is a strong relationship between these 2 variables. On the other hand, the lowest correlation is determined between "accounting information" and "financial decision" \((r = 0.665)\), which represents an important positive relationship.

In particular, Kaplan and Norton (1996) came to a similar conclusion and introduced the concept of an "equilibrium scorecard" that aligns accounting information with the strategic goals of the organization and emphasizes its role in improving the strategic decision-making process.

Ittner and Larcker. (2002) also found that the adoption of strategic performance indicators can improve operational decision-making. Otley (1999) emphasized the importance of performance management systems that include accounting information to monitor and improve organizational performance. Also, (Langfield-Smith. (1997) discussed the relevance of business management systems to organizational strategies and advocated their use to support strategic goals. (Merchant and Van der Stade. (2007) investigated the role of management control systems, including performance measures and incentives, in improving organizational performance. Recently, the literature has shown great interest in examining the relationship between sustainability reporting and the economic performance of the company (Aln Decas & Hemsley-Brown, 2019) and (Ghaderi, Mirzapour, Henderson & Richardson, 2019).

The results of this study reflect the conclusions of the authors mentioned above and reinforce the idea that accounting information has a significant impact on decision-making in an organization.

**H1: There is a relationship between Accounting Information and Decision-Making in the Hotel Industry in Kosovo.**

Regression analysis explains 78.9% of the variance in strategic decision-making \((R \text{ squared} = 0.789)\) and two very important variables are "Accounting information" \((p = 0.001)\) and "Use of financial statements" \((p = 0.001)\). It is observed that the use of financial statements has a significant impact on strategic decision-making and the more they are used, the better the quality of strategic decision-making.

The analysis shows that the use of accounting information and financial statements for organizations are two important factors that affect strategic decision-making and increasing their use can strengthen the strategic decision-making process.
H2: There is a relationship between Accounting Information and Operational Decision-Making in the Hotel Industry in Kosovo.

It is clear from the table analysis that regression analysis accounts for 71.9% of the variance in operational decision-making (R-squared value = 0.719). In this context, very important variables are "Accounting information" (p=0.001) and "Annual income" (p=0.018). It is observed that the use of accounting information has a significant impact on the business decision-making process and the business decision-making process tends to improve as annual income increases.

The analysis shows that accounting information and annual income are two critical factors that affect operational decision-making for an organization. Increasing their use can strengthen the operational decision-making process.

H3: There is a relationship between Accounting Information and Investment Decision-Making in the Hotel Industry in Kosovo.

The regression analysis obtained from the analysis in this table clearly shows that it accounts for 67.3% of the variance in investment decisions (R-square = 0.673). In this context, the most important variable is "accounting information" with a very low P value (p= 0.001), which indicates a very significant positive impact on investment decisions. At the same time, it is seen that the processing of financial statements within the company office has a significant impact on investment decisions.

These results show that the use of accounting information is an important factor affecting investment decision-making. Increasing its use can strengthen the investment decision-making process within the analyzed economic unit.

H4: There is a relationship between Accounting Information and Financial Decision-Making in the Hotel Industry in Kosovo.

Based on the analysis, it is clear that regression analysis accounts for 64.9% of the variance in financial decisions (R-squared = 0.649). In this context, the most important variable is "accounting information" with a very low P value (p = 0.048), which indicates a very significant positive impact on financial decisions.

These results show that the use of accounting information is an important factor affecting financial decision-making. Increasing its use can strengthen the financial decision-making process within the analyzed economic unit.

In order to increase the practical appropriateness of accounting mechanisms in the Kosovo hotel industry, we have extracted some practical examples showing the impact of accounting on commercial decision-making processes in the Kosovo hotel industry.

Example on Strategic decision making: a hotel industry in Kosovo can directly apply financial forecasts to strategically target profitable customer segments based on accounting data.

Example on Management Decision Process: at hotel industry in Kosovo, managers have been successful in cost reduction efforts by using accounting information to identify and minimize unnecessary operating costs.

Example on Investment Decision Insights: accounting data affects the investment decisions of hotels in Kosovo and allocates funds for projects with a high return on investment, such as room renovations.

Example on Illustration of financial decision making: the Kosovo hotel industry relies on historical accounting data to make financial decisions to build reserves in preparation for unexpected market changes.

This study presents a case study detailing the key decisions driven by the accounting concept in the Kosovo hotel industry. This includes the renegotiation of supplier contracts and the optimization of pricing strategies, which leads to the transformation from financial distress to stability in the industry.

Integration for academic and practical impact: By seamlessly integrating these cases and case studies, the study not only strengthens the academic foundation, but also its practical applicability in the dynamic decision-making environment in the Kosovo hotel industry.

6. Conclusions and recommendations

The study definitely establishes a positive relationship between accounting information and Decisional processes in the accommodation sector in Kosovo. The transformative evolution of accounting, moving from financial monitor to strategic partner, has a significant impact on strategy, management, investment and finance.

This study highlights the important role of accounting information in long-term planning, daily operations, investment valuation and financial stability in the accommodation sector in Kosovo. The story reveals the transformative role of accounting in the modern business environment and extends beyond traditional boundaries.

In-depth research reveals that there is a strong positive relationship between accounting information and key decision processes such as strategy, management, investment and finance. The indisputable conclusion is that accounting information plays an important role in the dynamic and multifaceted context of modern business.

The practical results extend beyond the theoretical field and provide practical guidance from experts and policy makers to navigate the dynamic business environment. Importantly, the study contributes by revealing the dynamic and effective role of accounting in modern decision-making processes.
Empirical analysis reveals a thin veil of concrete and subtle effects of accounting information on strategic, management, investment and financial decision-making processes. The diversity and necessity of these effects are carefully elucidated and the importance and validity of the proposed hypotheses are confirmed.

This comprehensive study clearly confirms that accounting information has a significant impact on long-term strategic planning within the complex structure of the hospitality industry.

Moreover, it is clear that the effective use of accounting information is a decisive driving force for improving the daily hotel operations.

The study highlights the obvious role of accounting information in providing a comprehensive assessment of new investments in the sector and promoting sustainable long-term growth.

Emphasizing the fundamental role of accounting information, the study emphasizes the importance of ensuring the permanent financial stability of the accommodation sector in the complex context of Kosovo.

The story crosses traditional boundaries and depicts the transformative role that accounting plays in modern business paradigms. It evolves from just financial tracking tools to sophisticated strategic colleagues.

This academic research reveals the importance of accounting and reporting systems in increasing transparency, maintaining accountability, increasing investor confidence and developing the discipline of complex risk management. These elements are especially important in Kosovo’s volatile accommodation sector.

The strategic insights gained from this study have profound practical implications, especially for members of accounting professionals. This study serves as an entry point into the dynamic evolution of accounting and its growing role in modern decision-making processes.

Geographically, it is focused on the hospitality sector of Kosovo, but the main interest in this work is spreading globally. It sheds light on the complex decision-making processes that form the basis of success and durability in the emerging Sunday business field.

The story hints at the transformation of accounting from a mere financial monitoring tool to a sophisticated strategic collaborator. In the modern business environment, accounting goes beyond the functions of departments and becomes an integral part of strategic and management decisions.

The study offers a guiding hand to academics, industry experts and policy makers, crystallizing insights and insights into valuable resources. Navigating the complex terrain of Kosovo’s hospitality and related industries in a dynamic global environment.

6.1. Recommendations

1) It is recommended to automate financial processes and create an integrated system.
2) Suggesting special programs to improve technical knowledge and raise awareness about the importance of finance.
3) Suggesting the search for new financial technology to improve accuracy and efficiency.
4) Emphasize the importance of including different human resource perspectives when creating new policies.
5) Emphasize the importance of integrating social and environmental aspects into decision-making and accounting practices.
6) Includes an international perspective for a comprehensive analysis of accounting practices and decision-making in the hospitality industry.
7) Propose ongoing research initiatives to monitor the evolving landscape of the accounting field and its dynamic impact on decision-making.
8) Assess the unique impact on the accommodation sector in Kosovo and emphasize the need to monitor the unique implementation of the recommendations after the study.

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Ethical considerations

Not applicable.

Conflicts of interest

The authors declare that they have no personal or financial conflicts that affect their objectivity.

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References