

Strategic Role of Modern Accounting in Improving Tourism Management Effectiveness

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Abstract:

Purpose:

As global competition becomes increasingly fierce, this sector requires a more effective and efficient managerial approach. Modern accounting, which has now transformed from an administrative tool into a data-based managerial information system, plays a strategic role in supporting more precise and efficient decision-making in tourism management. This article aims to examine the application of modern accounting in the tourism sector, especially in operational cost planning and control, financial accountability, and managerial performance.

Methodology:

This article uses a library research method, which in its implementation focuses on a literature review of previous research results. Literature studies are conducted by reviewing, understanding, and critically analyzing various scientific literature, especially research journals that discuss the application of modern accounting in improving the effectiveness of tourism management. By integrating management accounting systems, responsibility accounting, and information technology, tourism destination managers can design policies that are more responsive to market changes and consumer demands.

Findings:

The implementation of modern accounting also contributes to increasing transparency, strengthening the reputation of tourist destinations, and increasing their competitiveness in the global market.

Implication:

Based on the results of the literature review, the application of modern accounting has been proven to have a positive impact on operational efficiency, financial transparency, and the competitiveness of the tourism industry in Indonesia.

INTRODUCTION

The tourism sector has developed into one of the main pillars of global and national economic growth. In Indonesia, tourism not only plays a role as a contributor to the country's foreign exchange but also creates jobs, accelerates infrastructure development, and encourages regional development. The dynamics of increasingly tight global competition require the tourism industry to be managed using a more effective, efficient, adaptive, and data-based managerial approach. In this context, modern accounting plays a strategic role that cannot be ignored (Laksmi & Arjawa, 2023a).

So far, accounting has often been perceived as only an administrative tool for recording financial transactions. However, developments have shifted this paradigm. Modern accounting has now transformed into a managerial information system that is able to provide accurate, relevant, and up-to-date data as a basis for better decision-making. This system not only helps tourism organizations in managing financial reports but also in designing business strategies, controlling costs, evaluating performance, and ensuring accountability to all stakeholders (Laksmi & Arjawa, 2023b; Saputra & Laksmi, 2024).

In the tourism industry, the challenges faced by management are very complex, including the need for transparency in destination financial management, efficiency in operational expenditure, profit optimization, and responsible management of public funds. Without an adequate accounting system, this sector is vulnerable to

financial irregularities, operational inefficiencies, and declining public trust. Therefore, the adoption of a management accounting system, accountability accounting, and the use of accounting-based information technology is a must to support the sustainability and excellence of tourist destinations.

The application of modern accounting in tourism management not only has an impact on the financial aspect but also contributes to improving the quality of service to tourists, encouraging transparency in relations with business partners, strengthening the reputation of destinations at the global level, and increasing competitiveness in the international market. With more accurate and systematic information, tourism managers can design policies that are responsive to market changes and consumer demands. Starting from this background, this article aims to examine in depth how modern accounting plays a role in increasing the effectiveness of tourism management (Putri & Saputra, 2022; Saputra, 2022).

Literature Review. The implementation of a management accounting system is one of the key factors in increasing the effectiveness of tourism industry management, especially in the very dynamic hotel sector. In his research, Mahalliani (2024) found that the implementation of a management accounting system, combined with a management control system, contributed positively to improving the performance of each hotel in Bali. The implementation of this system allows hotel management to carry out key functions such as strategic planning, operational control, and performance evaluation more systematically and based on data (Jayawarsa et al., 2022; Saputra et al., 2022). The provision of accurate cost information and structured business unit performance reporting provides a strong basis for management in optimizing operational efficiency, reducing waste, and improving the decision-making process so that the overall performance of the hotel can be more competitive amidst tight industry competition (Saputra, 2023; Saputra & Jayawarsa, 2023).

In addition, the accountability aspect in the financial management of tourist destinations is a central issue in ensuring the sustainability of this sector. Research by Seputro & Mustafida (2024) examines how community participation, tourism manager competence, and transparency in public fund management are the main pillars in building financial accountability of tourist destinations in Sumenep Regency. The results of this study confirm that modern accounting practices that prioritize the principle of openness of information can increase public trust in the management of tourist destinations. Transparency in financial reporting not only increases the legitimacy of management in the eyes of the public but also strengthens collaboration between tourism managers, local communities, and local governments in efforts to develop community-based tourism (Laksmi & Saputra, 2024; Saputra & Laksmi, 2024a).

Then, in the managerial performance dimension, research conducted by Prima (2014) in starred hotels in the Special Region of Yogyakarta showed that the implementation of responsibility accounting significantly encouraged an increase in managerial performance. Responsibility accounting provides a clear system regarding the relationship between the use of resources and the achievement of organizational goals. With this mechanism, each manager is not only required to achieve performance targets but is also directly responsible for the results obtained. It encourages the emergence of a more professional work culture, focuses on results, and builds a fair and performance-based incentive system (Saputra et al., 2024; Saputra & Laksmi, 2024a).

Strengthening the management accounting system through integration with information technology is also an important factor in accelerating managerial decision-making. Another study conducted by Winata & Dewi (2024) at hotels in Buleleng Regency showed that the use of information technology in the management accounting system could increase the accessibility and speed of the presentation of financial data. With the availability of accurate and real-time information, managers can respond to market changes more adaptively, design operational strategies more flexibly, and optimize the use of company resources. The use of technology also helps minimize the potential for human error in financial reporting, thereby increasing data accuracy for analysis and evaluation purposes (Ebrahimi Sarindizaj & Karamouz, 2022; Liao & Khan, 2022).

Finally, research conducted by Sutanty et al. (2021) at PT. Samawa Graha Wisata Sumbawa also strengthens the urgency of implementing management accounting in increasing the effectiveness of financial report presentations. Their findings show that a consistently implemented management accounting system is able to

guarantee the accuracy, completeness, and timeliness in preparing the company's financial reports. Quality financial reports not only meet the company's internal needs in the decision-making process but also become an important communication tool for investors, creditors, government, and other stakeholders. In the context of a corporate-based tourism company, the effectiveness of financial reports also supports business expansion efforts, improving corporate reputation and managing financial risks in a more structured manner.

Based on these studies, it can be seen together that modern accounting plays a strategic role in strengthening the effectiveness of tourism management. Whether through strengthening the cost planning and control system, increasing financial accountability, developing managerial performance, integrating information technology, or presenting effective financial reports, modern accounting forms a solid foundation for sustainable, professional, and highly competitive tourism destination management at the national and global levels.

METHODS

This article uses a library research method, which, in its implementation, focuses on a literature review of previous research results. Literature studies are conducted by reviewing, understanding, and critically analyzing various scientific literature, especially research journals that discuss the application of modern accounting in improving the effectiveness of tourism management. According to Zed (2004) in his book entitled *Literature Review: Practical Steps*, literature study is a method of data collection carried out through a review of various relevant library sources to obtain theoretical foundations, conceptual frameworks, and an in-depth understanding of the topics studied. Zed emphasizes that literature study is not just an activity of reading and citing sources but involves a critical thinking process to integrate various information into a new synthesis of knowledge that can enrich scientific arguments (Momblanch et al., 2014).

In this study, five scientific journals published between 2014 and 2024 were used as the main sources. The selection of journals was carried out selectively based on the criteria of theme relevance, publication credibility, and theoretical contributions to the development of modern accounting concepts in the context of tourism management. Each journal was analyzed in depth to identify patterns of relationships between the application of management accounting systems, financial management accountability, integration of information technology in accounting, and their impact on improving managerial performance in the tourism industry. The stages of implementing the literature study method in this study include three main steps, namely:

1. **Identification and Selection of Relevant Literature Sources.** This stage includes searching, collecting, and selecting literature sources that are relevant to the research topic. The search is conducted through trusted academic databases, such as journals from Google Scholar, using certain keywords such as "management accounting," "tourism financial management," and "managerial effectiveness in the tourism sector." The selection is based on the criteria of recency (published in the period 2014–2024), relevance to the research focus, and the credibility of the source, such as nationally or internationally indexed journals. This process aims to ensure that the literature used has high scientific validity and supports the research argument accurately.
2. **Critical Evaluation of Methodology, Findings, and Scientific Contributions.** Once the literature sources have been identified, the next step is to conduct a critical evaluation of each scientific work. This evaluation includes an analysis of the methodology used in the study (e.g., research design, data collection techniques, and analysis methods), an assessment of the main findings, and a review of the scientific contributions made to the development of modern accounting theory and practice in tourism management. Critical evaluation aims to assess the strengths, limitations, and uniqueness of each study so as to avoid bias in the preparation of theoretical synthesis.
3. **Synthesis of Theory and Empirical Findings.** Synthesis is done by integrating theories and empirical research results from the evaluated literature. At this stage, the author connects findings between studies to find patterns, consistencies, and differences in existing results. The synthesis aims to build a strong conceptual

framework regarding the strategic role of modern accounting in improving the effectiveness of tourism management. In addition, this synthesis is also used to identify potential areas for further research in the future.

Through this systematic and critical literature study approach, the research is expected to produce a comprehensive analysis of the contribution of modern accounting to the effectiveness of tourism management. In addition, the results of this study are also expected to provide theoretical contributions to the development of academic studies in the fields of accounting, management, and tourism, as well as offer practical recommendations for tourism destination managers and the hotel industry (Gibassier & Alcouffe, 2018; Inghirami & Scribani, 2016).

RESULTS AND DISCUSSION

Based on the literature review conducted, the application of modern accounting has a very strategic role in increasing the effectiveness of tourism sector management. One important aspect affected by the application of modern accounting is the planning and control of tourist destination operations. With the right management accounting system, tourism managers have an effective tool to plan budgets and control operational costs more accurately and in a structured manner. This system allows managers to evaluate the performance of business units periodically, provide clear insights into budget allocations, and detect waste or inefficiencies (Herzig et al., 2012; Ogbeide et al., 2021). Accurate cost management is essential to ensure that tourist destinations can maintain operational efficiency and optimize the use of existing resources. Modern accounting plays a major role in increasing transparency and accountability in the financial management of tourist destinations. Accounting practices based on the principle of open information improve internal control and build trust between managers, government, tourists, and local communities. This trust is key to building a positive reputation for tourist destinations (Christ & Burritt, 2017; Gunarathne & Lee, 2021). With open and accountable financial management, tourist destinations are able to demonstrate their commitment to good governance and ensure long-term sustainability. Transparent management also reduces the risk of misuse of funds and minimizes potential conflicts between stakeholders, which ultimately strengthens public trust in the sustainability of the tourist destination.

Strengthening managerial performance is also one of the direct results of implementing a modern accounting system in the tourism sector. The accountability accounting system provides a clear structure for managers to manage resources and achieve set targets (Ghorbanpour et al., 2022). With this system, managers can be more focused and responsible in running daily operations. Coupled with the integration of information technology in the management accounting system, managers can easily access financial and operational data quickly and accurately (Bennett et al., 2011; Jasch & Stasiskiene, 2005). This real-time access to information enables sharper, data-driven decision-making, both in facing daily operational challenges and in planning long-term strategic steps. The decisions taken become more measurable and based on more relevant information rather than just intuitive considerations or unverified assumptions (Choi et al., 2004; Jasch, 2006).

In addition, the application of modern accounting that includes the presentation of effective, accurate, and timely financial reports is very important in tourism management. Well-prepared financial reports can provide a clear picture of the financial condition and operational performance of a tourist destination. The accuracy of financial reports allows stakeholders, such as investors, governments, and tourism destination managers, to understand better the financial aspects of a tourist destination or tourism company. It not only helps in making the right decisions but is also important in long-term planning. Timely and accurate reports speed up the decision-making process, allow policymakers to respond to market situations more quickly, and plan more effective strategies for the future (Saputra & Dharmawan, 2025b, 2025a).

Then, increasing the competitiveness of tourist destinations is also a direct impact of the implementation of modern accounting. With efficient financial management and accurate data-based decision-making, tourist destinations can maximize existing resources, improve service quality, and improve available facilities. It makes tourist destinations more attractive to tourists, which in turn increases the number of visits and the reputation of the destination. The implementation of modern accounting also allows tourist destinations to design more

effective and data-based marketing strategies, which helps attract more tourists, both domestically and abroad. With good management, tourist destinations have a greater opportunity to compete with other tourist destinations, both nationally and internationally, in an increasingly competitive global market (Dewi et al., 2025; Sancaya et al., 2025).

Therefore, the application of modern accounting in the tourism sector not only provides financial benefits but also supports long-term sustainability and competitiveness. Through better planning and control, higher transparency, strengthening managerial performance, more effective financial reporting, and increasing the competitiveness of tourist destinations, modern accounting has proven to be a key element in supporting more efficient and sustainable tourism sector management. The proper application of accounting allows tourist destinations to operate more professionally and sustainably, with better performance and the ability to compete in the global market.

CONCLUSION

Modern accounting now functions more than just as a tool for recording financial transactions but as a strategic pillar in managing the tourism sector. By implementing management accounting and accountability accounting systems, tourism destination managers can plan and control operational costs more efficiently, increase transparency, and improve managerial performance. The integration of information technology in modern accounting allows for faster and more accurate data access, accelerates more data-based decision-making, and reduces the potential for human error. In addition, accounting that prioritizes openness of information helps build trust between managers, government, communities, and tourists, which leads to an increase in the reputation and attractiveness of tourism destinations.

The implementation of modern accounting also supports efficient use of resources, more transparent financial management, and the development of more targeted marketing strategies. It not only increases the competitiveness of tourist destinations but also strengthens Indonesia's position in the global tourism market. Therefore, tourism destination managers in Indonesia need to strengthen the implementation of modern accounting systems as an integral part of their management strategy. With a more professional, data-based approach, tourist destinations can optimize resources, improve services, and improve competitiveness to ensure the sustainability and growth of a more competitive tourism sector in the future.

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