

STRATEGIC ACCOUNTING PRACTICE PROCESS ORIENTATION AND  
ACCOUNTING SUCCESS: AN EMPIRICAL RESEARCH OF SMALL AND  
MEDIUM ENTERPRISES (SMEs) AUTO PARTS BUSINESSES IN THAILAND

การมุ่งเน้นกระบวนการปฏิบัติงานทางบัญชีและความสำเร็จทางการบัญชี:  
งานวิจัยเชิงประจักษ์ของอุตสาหกรรมขนาดกลางและขนาดย่อม  
ธุรกิจชิ้นส่วนยานยนต์ในประเทศไทย

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### Abstract

Strategic accounting practice process orientation (SAPPO) is an approach to accounting, which places an emphasis on information quality in order to facilitate quality decision-making. This research develops new dimensions of SAPPO. This study aims to investigate the impact of SAPPO on the accounting success of SMEs operating in the retail automobile parts market in Thailand. The data were collected via mailed survey for two months (March-April, 2015). The key informants were accounting managers of the firms. The Ordinary Least Squares (OLS) regression analysis were employed to analyze the data. The results show that business transaction evidence orientation and accounting data linkage awareness have positive impacts on accounting function excellence, accounting information quality, and accounting practice effectiveness. Accounting procedure clearness emphasis is positive impacts on accounting information quality. Further, accounting policy value concern and accounting regulation integration focus have positive impacts on accounting function excellence and accounting information quality. In summary, SAPPO is a main driver of explaining and improving accounting success.

**Keywords:** Strategic accounting practice process orientation (SAPPO), Accounting Success, Small and medium enterprises (SMEs), Auto parts businesses

## บทคัดย่อ

การมุ่งเน้นกระบวนการปฏิบัติงานทางบัญชีเชิงกลยุทธ์เป็นกระบวนการทางการบัญชี ใช้เป็นแนวทางในการทำบัญชีที่ให้ความสำคัญกับคุณภาพข้อมูลเพื่อช่วยในการตัดสินใจที่มีคุณภาพ งานวิจัยครั้งนี้มีวัตถุประสงค์เพื่อตรวจสอบผลกระทบของการมุ่งเน้นกระบวนการปฏิบัติงานทางการบัญชีเชิงกลยุทธ์และความสำเร็จทางการบัญชี โดยรวบรวมข้อมูลจากอุตสาหกรรมขนาดกลางและขนาดย่อม ธุรกิจผลิตชิ้นส่วนยานยนต์ในประเทศไทย จำนวน 305 กิจการ โดยรวบรวมข้อมูลจากการสำรวจทางไปรษณีย์ภายในระยะเวลา 2 เดือน (กุมภาพันธ์-มีนาคม 2558) ผู้ตอบแบบสอบถามคือ ผู้จัดการฝ่ายบัญชี โดยใช้การวิเคราะห์ถดถอยที่ใช้วิธีกำลังสองน้อยที่สุดในการวิเคราะห์ข้อมูล ผลการวิจัยพบว่า การมุ่งเน้นหลักฐานรายการค้าและการตระหนักถึงการเชื่อมโยงข้อมูลทางการบัญชี มีอิทธิพลในเชิงบวกต่อความเป็นเลิศในหน้าที่ทางการบัญชี คุณภาพข้อมูลทางการบัญชี และประสิทธิผลการปฏิบัติทางการบัญชี นอกจากนี้ยังพบว่า การเน้นความชัดเจนกระบวนการทางบัญชีมีอิทธิพลในเชิงบวกต่อคุณภาพข้อมูลการบัญชี อีกทั้งการให้ความสำคัญกับนโยบายบัญชี และการเน้นการรวมกฎระเบียบทางบัญชี มีอิทธิพลในเชิงบวกต่อความเป็นเลิศในหน้าที่ทางการบัญชีและคุณภาพข้อมูลทางบัญชี สรุปได้ว่า การมุ่งเน้นกระบวนการปฏิบัติทางบัญชีเชิงกลยุทธ์เป็นตัวช่วยหลักในการอธิบายและช่วยให้เกิดความสำเร็จทางการบัญชี

**คำสำคัญ:** การมุ่งเน้นกระบวนการปฏิบัติทางบัญชีเชิงกลยุทธ์ ความสำเร็จทางบัญชี อุตสาหกรรมขนาดกลางและขนาดย่อม ธุรกิจผลิตชิ้นส่วนยานยนต์

## Introduction

Auto parts manufacturing is a sector trending to higher growth and increasing importance since Thailand entered the ASEAN Economic Community (AEC). This has resulted in an injection of labor, capital, and technology, as well as government regulation. Small and Medium enterprise (SMEs) auto parts businesses in Thailand are a major beneficiary. In addition, an accounting process is a key tool for creating competitive advantage, as integrity of information promotes quality decision-making. In the past, shifted to sustainable growth, taking into account triple or even quadruple bottom lines, taking into account the environmental impact of a business, and social corporate responsibility to stakeholders, including not only shareholders, but the local community, customers and staff.

Indeed, where accounting practice responds to the need of stakeholders it creates competitive advantage over the longer term (5 years plus), so stakeholder awareness of accounting practices should be a focus (Akadakpo & Enofe, 2013).

A review of the literature suggests that accounting processes lack the empirical evidence to examine the impact on SMEs auto parts businesses in Thailand. This research aims to investigate the effects of strategic accounting process orientations (SAPPO) on accounting success of SMEs auto parts businesses in Thailand. Such strategies to be examined in this research include accounting function excellence, accounting information quality, accounting practice effectiveness, financial report quality and information value. Hence, the research question is “what are the effects on accounting

success of adopting a strategic accounting practice process orientation?”

This research is divided into four parts. The first part describes the original of strategic accounting practice process orientation and its consequence. The relationships of each variable and hypotheses development are included. The second part shows research method. The third part shows the findings. The final part presents the conclusion and suggestions.

### Research Objective

The main objective of this research was to investigate the effects of strategic accounting

practice process orientation on accounting success of SMEs auto parts businesses in Thailand.

### Literature Review

The model of this research demonstrates that strategic accounting practice process orientation (SAPPO) and accounting success are as appearing in Figure 1. This research proposes five dimensions of SAPPO which indicate the illustration of relationship, understanding, and process within the accounting practice process to improve accounting practice process effectiveness. The detailed discussion of these dimensions is provided below.

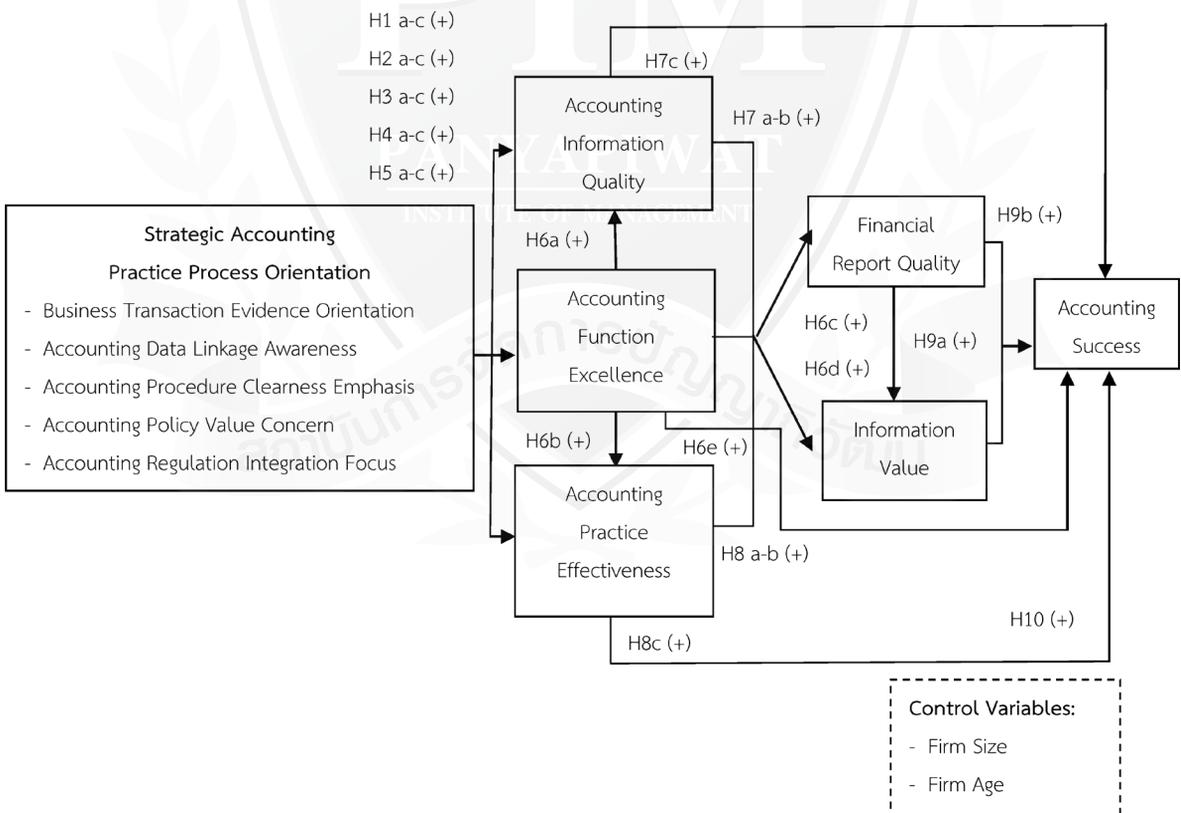


Figure 1 Conceptual Model of Strategic Accounting Practice Process Orientation and Accounting Success

## Strategic Accounting Practice Process

### Orientation (SAPPO)

SAPPO is defined as the capability of the firms to set guidelines, procedures and steps for bookkeeping in compliance with established accounting principles. The firm has to prepare bookkeeping in accordance with the firm's strategic vision, objectives and goals, policies and procedures, while troubleshooting and adapting to the ever-present challenges of the business environment. Firms can use strategic orientation in their accounting practice process to create accounting method quality to be consistent with Generally Accepted Accounting Principles (GAAP) leading to financial report quality, which is useful for decision-making.

### Business Transaction Evidence Orientation (BTEO)

BTEO is defined as the optimal process for collecting complete business data according to GAAP, and accounting standards. It serves to reassure a stakeholder that the business documents, accounting information, and accounting practice of the firm reflect economic and legal reality. Thus, business transactions present the documentary proof of an accounting event or a business deal. Kara & Kilic (2011) argued in favor of saving and storing all financial data required by the public sector on a daily basis, accurately, and reliably. For managers making business decisions, it is vital that data be processed and analyzed to make accounting information available in a useful form. Accordingly, the first set of research hypotheses is stated below.

**H1a-c:** Business transaction evidence orientation is positively related to (a) accounting function excellence, (b) accounting information quality, and (c) accounting practice effectiveness.

### Accounting Data Linkage Awareness (ADLA)

ADLA is defined as the firm's awareness about linkage analysis of accounting information that includes the related business transaction and the correct record of a financial statement. Yeboah-Boateng & Essandoh (2014) indicate that accounting data linkage is a step in the accounting process that classifies or groups records in a ledger. To create earning capability in firms, it is important to accurately and appropriately record the development of business transactions. The linkage of business transactions is an important factor that results in accuracy and leads to quality accounting information (Assenso-Okofu, Ali & Ahmed, 2011). Consequently, the second set of research hypotheses is formulated as follows.

**H2a-c:** Accounting data linkage awareness is positively related to (a) accounting function excellence, (b) accounting information quality, and (c) accounting practice effectiveness.

### Accounting Procedure Clearness Emphasis (APCE)

APCE is the ability of the firms to set accounting processes that conform to organizational policy and work with existing accounting systems. Thus, it must be in accordance with GAAP for transparency and accountability. Gramling & Hermanson (2007) has suggested that transparency of information permits shareholders,

analysts, and other users of financial statement information to have a greater understanding about the operations and activities of firms. Hence, the third set of research hypotheses is set out below.

**H3a-c:** Accounting procedure clearness emphasis is positively related to (a) accounting function excellence, (b) accounting information quality, and (c) accounting practice effectiveness.

#### **Accounting Policy Value Concern (APVC)**

APVC refers to the ability of the firm to determine accounting policy for planning of accounting practice and critical evaluation of its effectiveness. Fekete et al. (2010) suggested that accounting policy affects accounting information and the finished financial report. Thus, the fourth set of research hypotheses is as follows.

**H4a-c:** Accounting policy value concern is positively related to (a) accounting function excellence, (b) accounting information quality, and (c) accounting practice effectiveness.

#### **Accounting Regulation Integration Focus (ARIF)**

ARIF refers to the ability of the firm harmonize legal requirements, accounting standards and financial reporting standards using joint management teams to ensure a untied approach to financial reporting. Caplan, Janvrin & Kurtenbach (2007) found that the listed firms required harmonization and compliance of multiple accounting regulations, implementing accounting practice processes generated by management to ensure success. Consequently, the fifth set of research hypotheses is

**H5a-c:** Accounting regulation integration focus is positively related to (a) accounting function excellence, (b) accounting information quality, and (c) accounting practice effectiveness.

#### **Accounting Function Excellence (AFE)**

AFE is defined as a complete accounting practice consistent with the GAAP and, GAAP that are responsive to ever changing economic conditions. Kohlbeck & Warfield (2010), Ampofo & Sellani (2005) suggested that accounting functions include financial reporting and bookkeeping in accordance with GAAP fund management, management accounting, taxation and internal control. Hence, the sixth set of hypotheses is as follows:

**H6a-e:** Accounting function excellence is positively related to (a) accounting information quality, (b) accounting practice effectiveness, (c) financial report quality, (d) information value, and (e) accounting success.

#### **Accounting information Quality (AIQ)**

AIQ is defined as up-to-date accounting information that is correct, complete, fair, relevant, and transparent; it has no bias and reflects economic realities. Prior research has noted that characteristics of accounting information in sustainable firms are accurate, reliable, relevant, complete, timely, understandable, accessible and have internally consistent data (Ballou & Pazer, 1985; Wang & Strong, 1996; Gardyn, 1997; Michnik & Lo, 2009). Quality data results in decreased costs and increased utility of accounting information. Thus, the seventh set of hypotheses is as follows:

**H7a-c:** Accounting information quality is positively related to (a) financial report quality, (b) information value, and (c) accounting success.

### Accounting Practice Effectiveness (APE)

APE refers to accounting practice that sets out the scope and corporate goals and objectives a priori. Håkansson & Lind (2004), Askary (2006) found that accounting practice can systemically and clearly verify the source of accounting information which might potentially impact business performance. Therefore the eighth set of research hypotheses is as follows:

**H8a-c:** Accounting practice effectiveness is positively related to (a) financial report quality, (b) information value, and (c) accounting success.

### Financial Report Quality (FRQ)

FRQ refers to an up-to-date financial report that is consistent with GAAP and is presented in a timely fashion, based on credible financial information for the benefit of all users. Akarak & Ussahawanitchakit (2010) suggested that financial reporting quality is key for parties in order to reflect, and be able to monitor, actual business performance. Thus, the ninth set of research hypotheses is as follows:

**H9a-b:** Financial report quality is positively related to (a) information value, and (b) accounting success.

### Information Value (IV)

IV refers to information that can potentially empower competitors. Hence, information value records information and forecasts future business events. Accordingly, Williams, Eaton

& Breininger (2011) have indicated that information value as a base concept can be applied to long-term decision-making. Based on this, information value can potentially impact on accounting success. Hence, the tenth set of research hypotheses is as follows.

**H10:** Information value is positively related to accounting success.

### Accounting Success (AS)

AS is the last dependent variable in this research. Prior research suggested that accounting success is defined as the result of continuing accounting practice process qualities according GAAP that began stakeholder recognition and increase in financial quality of making competitive advantage.

### Research Methods

The population and sample of this research is SMEs Auto Parts Businesses, in Thailand. The population of this research was gathered from the website [www.diw.go.th](http://www.diw.go.th) (The Ministry of Industry, 2015). Based on database, there are 305 firms. The key informants were accounting managers of the firms. The research employed a questionnaire as the instrument for collecting data. Each variable was measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The effective response rate was approximately 48.40 percent, respectively, point that response rate which range between 63.18 percent from accounting manager are acceptable. Moreover, this research has also tested non-response bias (early and late of respondents) on basic characteristics such as

firm size (full time employees) and firm age (operational years) by t-test statistic. The result showed no statistically significant difference in

non-response rate between two groups in line with Armstrong & Overton (1977).

**Table 1** Results of Validity and Reliability Testing

Constructs	Factor Loadings	Alpha Coefficient
Accounting Success (AS)	.849-.933	.930
Business Transaction Evidence Orientation (BTEO)	.703-.788	.734
Accounting Data Linkage Awareness (ADLA)	.687-.869	.738
Accounting Procedure Clearness Emphasis (APCE)	.788-.886	.759
Accounting Policy Value Concern (APVC)	.718-.807	.725
Accounting Regulation Integration Focus (ARIF)	.821-.884	.710
Accounting Function Excellence (AFE)	.819-.914	.880
Accounting Information Quality (AIQ)	.836-.938	.901
Accounting Practice Effectiveness (APE)	.906-.973	.943
Financial Report Quality (FRQ)	.829-.941	.895
Information Value (IV)	.740-.904	.854

Table 1 shows the factor loading of each construct ranging from .687 and .973 (< 0.4), it indicated occurring the construct validity and statistically significant. Meanwhile, reliability value – Cronbach's alpha coefficients have a value between .710 and .943, which exceed the acceptable cut-off score (< 0.7). It can be

indicated that reliability level (Nunnally & Bernstein, 1994).

This research employs the ordinary least squares (OLS) regression analysis is used to test all hypotheses following the conceptual model. The detail of each equation is presented as the following.

$$AFE = \alpha_{01} + \beta_1 BTEO + \beta_2 ADLA + \beta_3 APCE + \beta_4 APVC + \beta_5 ARIF + \beta_6 FS + \beta_7 FA + \varepsilon_1$$

$$AIQ = \alpha_{02} + \beta_8 BTEO + \beta_9 ADLA + \beta_{10} APCE + \beta_{11} APVC + \beta_{12} ARIF + \beta_{13} FS + \beta_{14} FA + \varepsilon_2$$

$$AIQ = \alpha_{03} + \beta_{15} AFE + \beta_{16} FS + \beta_{17} FA + \varepsilon_3$$

$$APE = \alpha_{04} + \beta_{18} BTEO + \beta_{19} ADLA + \beta_{20} APCE + \beta_{21} APVC + \beta_{22} ARIF + \beta_{23} FS + \beta_{24} FA + \varepsilon_4$$

$$APE = \alpha_{05} + \beta_{25} AFE + \beta_{26} FS + \beta_{27} FA + \varepsilon_5$$

$$FRQ = \alpha_{06} + \beta_{28} AIQ + \beta_{29} AFE + \beta_{30} APE + \beta_{31} FS + \beta_{32} FA + \varepsilon_6$$

$$IV = \alpha_{07} + \beta_{33} AIQ + \beta_{34} AFE + \beta_{35} APE + \beta_{36} FS + \beta_{37} FA + \varepsilon_7$$

$$IV = \alpha_{08} + \beta_{38} FRQ + \beta_{39} FS + \beta_{40} FA + \varepsilon_8$$

$$AS = \alpha_{09} + \beta_{41} FRQ + \beta_{42} IV + \beta_{43} FS + \beta_{44} FA + \varepsilon_9$$

$$AS = \alpha_{10} + \beta_{45}AIQ + \beta_{46}FS + \beta_{47}FA + \varepsilon_{10}$$

$$AS = \alpha_{11} + \beta_{48}AFE + \beta_{49}FS + \beta_{50}FA + \varepsilon_{11}$$

$$AS = \alpha_{12} + \beta_{51}APE + \beta_{52}FS + \beta_{53}FA + \varepsilon_{12}$$

## Results and Discussion

According to Table 2 that shows the relationships between variables, the correlations among all variables is between 0.241  $p < 0.05$ ) to 0.800  $p < 0.01$ ). The variance inflation factors

(VIF) in equation models 1-12 indicate the maximum value as 3.129 ( $> 10$ ), according to Hair et al. (2010). Hence, multicollinearity is not a problem in this research.

**Table 2** Descriptive Statistics and Correlation Matrix

Variables	AS	BTEO	ADLA	APCE	APVE	ARIF	AFE	AIQ	APE	FRQ	IV
AS	1										
BTEO	.609 <sup>***</sup>	1									
ADLA	.465 <sup>***</sup>	.518 <sup>***</sup>	1								
APCE	.241 <sup>**</sup>	.221 <sup>**</sup>	.316 <sup>***</sup>	1							
APVC	.520 <sup>***</sup>	.582 <sup>***</sup>	.654 <sup>***</sup>	.338 <sup>***</sup>	1						
ARIF	.388 <sup>***</sup>	.381 <sup>***</sup>	.357 <sup>***</sup>	.277 <sup>***</sup>	.445 <sup>***</sup>	1					
AFE	.721 <sup>***</sup>	.705 <sup>***</sup>	.599 <sup>***</sup>	.284 <sup>***</sup>	.655 <sup>***</sup>	.531 <sup>***</sup>	1				
AIQ	.605 <sup>***</sup>	.561 <sup>***</sup>	.645 <sup>***</sup>	.423 <sup>***</sup>	.735 <sup>***</sup>	.476 <sup>***</sup>	.702 <sup>***</sup>	1			
APE	.659 <sup>***</sup>	.560 <sup>***</sup>	.702 <sup>***</sup>	.341 <sup>***</sup>	.605 <sup>***</sup>	.424 <sup>***</sup>	.697 <sup>***</sup>	.800 <sup>***</sup>	1		
FRQ	.754 <sup>***</sup>	.607 <sup>***</sup>	.600 <sup>***</sup>	.368 <sup>***</sup>	.605 <sup>***</sup>	.379 <sup>***</sup>	.717 <sup>***</sup>	.773 <sup>***</sup>	.800 <sup>***</sup>	1	
IV	.650 <sup>***</sup>	.534 <sup>***</sup>	.575 <sup>***</sup>	.243 <sup>**</sup>	.479 <sup>***</sup>	.377 <sup>***</sup>	.649 <sup>***</sup>	.671 <sup>***</sup>	.774 <sup>***</sup>	.784 <sup>***</sup>	1

\*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

Firstly, the results of multiple regression analysis in table 3 show that business transaction evidence orientation had a positive influences on accounting function excellence (H1a:  $\beta_1 = .413$ ,  $p < .01$ ), accounting information quality (H1b:  $\beta_8 = .129$ ,  $p < .10$ ), and accounting practice effectiveness (H1c:  $\beta_{18} = .196$ ,  $p < .05$ ). The results indicate that SMEs auto parts businesses concern for business transactions provides an environment for accounting function excellence, accounting information quality, and accounting

practice effectiveness. This is consistent with the results of Kara & Kilic (2011) who suggest that business transactions are reflected in accurate and timely financial reports. **Hence, Hypotheses 1a, 1b, and 1c are supported.**

Secondly, Further, regression in model 2 (Hypotheses 2a-2c) shows that accounting data linkage awareness has a significant influence on accounting function excellence (H2a:  $\beta_2 = .177$ ,  $p < .05$ ), accounting information quality (H2b:  $\beta_9 = .224$ ,  $p < .01$ ), and accounting practice

effectiveness (H2c:  $\beta_{19} = .468, p < .01$ ). The results indicate that the SMEs auto parts businesses concern for accounting data linkage increases accounting function excellence, accounting information quality and accounting practice effectiveness. This is consistent with the results of Yeboah-Boateng & Essandoh (2014), who suggest that accounting data linkage can improve the ability of firms to group and record business transactions properly, accurately, and reliably. Hence, Hypotheses 2a, 2b, and 2c are supported.

Thirdly, In terms of accounting procedure clearness emphasis (Hypotheses 3a-3c), the evidence shows that accounting procedure clearness emphasis has positive effects on accounting information quality (H3b:  $\beta_{16} = .154, p < .05$ ). This is consistent with prior research; Halter, De Arruda & Halter (2009) have noted that when a firm has transparent accounting procedures, it is likely to report less corruption and increased operational performance. Hence, Hypothesis 3b is supported.

**Table 3** Results of Regression Analysis

Independent Variables	Dependent Variables		
	AFE.	AIQ.	APE.
	Eq.1	Eq.2	Eq.4
BTEO H1a-c	.413*** (.076)	.129* (.077)	.196** (.083)
ADLA H2a-c	.177** (.082)	.224*** (.084)	.468*** (.090)
APCE H3a-c	.019 (.065)	.154** (.067)	.091 (.072)
APVC H4a-c	.178** (.090)	.404*** (.092)	.090 (.099)
ARIF H5a-c	.214*** (.070)	.126* (.071)	.107 (.076)
<b>Control Variables:</b>			
FA	-.190 (.183)	-.167 (.186)	-.193 (.200)
FS	.263 (.189)	.146 (.192)	.246 (.206)
Adjusted R <sup>2</sup>	.627	.615	.554
Maximum VIF	2.485	2.485	2.485

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.10$ , <sup>a</sup>Beta coefficients with standard errors in parenthesis

Conversely, accounting procedure clearness emphasis has no significant influence on accounting function effectiveness (H3a:  $\beta_3 = .019$ ,  $p < .10$ ), and accounting practice effectiveness (H3c:  $\beta_{20} = .091$ ,  $p < .10$ ). In fact, SMEs auto parts businesses in Thailand have different accounting procedures, which allow the inference that some firms do not understand GAAP and other generally accepted accounting standards. **Thus, Hypotheses 3a and 3c are not supported.**

Fourthly, In terms of accounting policy value concern (Hypotheses 4a-4c), accounting policy value concern has significant effects on accounting function excellence (H4a:  $\beta_4 = .178$ ,  $p < .05$ ), and accounting information quality (H4b:  $\beta_{11} = .404$ ,  $p < .01$ ). This aligns with Feket et al. (2010), who have argued that accounting policy proffers accounting information about firm performance and financial position, as long as accounting function of firms is determined by accounting policy appropriate to the firm's size and context. **Thus, Hypotheses 4a and 4b are supported.** On the other hand, accounting policy value concern has no positive effect on accounting practice effectiveness (H4c:  $\beta_{21} = .090$ ,  $p < .10$ ). The possible reason for this is that accounting policy may affect the integrity of information provided in relation to the financial position and performance (Fekete et al., 2010). Also, there may be SMEs auto parts businesses in Thailand that find it difficult to determine accounting policy. **Thus, Hypothesis 4c is not supported.**

Fifthly, the results relating to accounting regulation integration (Hypotheses 5a-5c) were

revealed. The results indicate that accounting regulation integration focus positively relates to accounting function excellence (H5a:  $\beta_5 = .214$ ,  $p < .01$ ), and accounting information quality (H2b:  $\beta_{12} = .126$ ,  $p < .10$ ). Previous evidence from Caplan, Janvrin & Kurtenbach (2007) found that a firm needs harmonization of and compliance with accounting regulations when implementing accounting processes to fully achieve their legal responsibilities. Thus, accounting regulation integration focus produces accounting information quality. **Thus, Hypotheses 5a and 5b are supported.** However, accounting regulation integration focus, has no significant effect on accounting practice effectiveness (H5c:  $\beta_{22} = .107$ ,  $p < .10$ ). While accounting standards do not directly impact financial report quality, accountants should understand and be aware of accounting processes in quality accounting practice. **Thus, hypothesis 5c is not supported.**

The results shown in table 4 reveal that relationships among accounting function excellence, accounting information quality, accounting practice effectiveness, and financial report quality. The evidence in Table 4 indicates that the results of multiple regression analysis show as follow:

Sixthly, in term of accounting function effectiveness for Hypothesis 6a, 6b, 6c, and 6d has a significant and positive relationship with accounting information quality (H6a:  $\beta_{15} = .681$ ,  $p < .01$ ), accounting practice effectiveness (H6b:  $\beta_{25} = .673$ ,  $p < .01$ ), financial report quality (H6c:  $\beta_{28} = .250$ ,  $p < .01$ ), information value (H6d:  $\beta_{34} = .188$ ,  $p < .05$ ) and accounting success

(H6e:  $\beta_{48} = .718$ ,  $p < .01$ ). The results are consistent with Collins et al. (2009) who noted that accounting has two functions accounting/

financial reporting and communicating the accounting/financial reports leading to quality financial reporting by decision-makers. **Therefore,**

**Table 4** Results of Regression Analysis

Independent Variables	Dependent Variables								
	AIQ	APE	FRQ	IV	IV	AS	AS	AS	AS
	Eq.3	Eq.5	Eq.6	Eq.7	Eq.8	Eq.9	Eq.10	Eq.11	Eq.12
APE H6a-e	.681 <sup>***</sup> (.075)	.673 <sup>***</sup> (.075)	.250 <sup>***</sup> (.080)	.188 <sup>**</sup> (.091)				.718 <sup>***</sup> (.073)	
AIQ H7a-c			.279 <sup>***</sup> (.094)	.065 (.107)			.581 <sup>***</sup> (.082)		
APE H8a-c			.423 <sup>***</sup> (.093)	.585 <sup>***</sup> (.106)					.640 <sup>***</sup> (.078)
FRQ H9a-b					.763 <sup>***</sup> (.061)	.635 <sup>***</sup> (.105)			
IV H10						.131 (.107)			
<b>Control Variables:</b>									
FA	.004 (.213)	.041 (.215)	.067 (.161)	-.309 <sup>*</sup> (.184)	-.347 <sup>*</sup> (.180)	-.010 (.199)	.010 (.238)	-.000 (.208)	-.015 (.226)
FS	.117 (.220)	.108 (.222)	-.191 (.167)	.287 (.190)	.492 <sup>**</sup> (.183)	.158 (.205)	.162 (.244)	.015 (.215)	.138 (.231)
Adjusted R <sup>2</sup>	.481	.475	.704	.616	.630	.566	.355	.506	.421
Maximum VIF	2.438	2.438	3.129	3.129	2.349	2.783	2.402	2.438	2.398

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.10$ , Beta coefficients with standard errors in parentheses

**Hypotheses 6a, 6b, 6c and 6d are supported.**

Seventhly, With respect to Hypothesis 7, it demonstrates that accounting information quality has significant and positive effects on financial report quality (H7a:  $\beta_{29} = .279$ ,  $p < .01$ ), and accounting success (H7b:  $\beta_{45} = .581$ ,  $p < .01$ ). According to prior studies, Li & Lin (2006) found that accounting information quality affects a firm's success. Moreover, accounting information quality supports decision-making effectiveness and leads to firm success. **Hence, Hypotheses 7a and 7c are supported.** In contrast, the results reveal that accounting information quality does not significantly affect information value (H7b:  $\beta_{33} = .065$ ,  $p < .10$ ). **Thus, hypothesis H7b is not supported.**

Eighthly, the results relating to accounting practice effectiveness (Hypotheses 8a-8c) reveals that it is significantly and positively related to financial report quality (H8a:  $\beta_{30} = .423$ ,  $p < .01$ ), information value (H8b:  $\beta_{35} = .585$ ,  $p < .01$ ), and accounting success (H8c:  $\beta_{51} = .640$ ,  $p < .01$ ). These results confirm that a firm which has accounting practice effectiveness tends to increase financial report quality, information value and accounting success. This is consistent with Ninniyom & Kunsrison (2011), who found that accounting practice effectiveness leads to firm success. **Hence, Hypotheses are 8a, 8b and 8c are supported.**

Ninthly, regarding hypotheses 9a and 9b, the evidence indicates that financial report quality has a significant and positive relationship with information value (H9a:  $\beta_{38} = .763$ ,  $p < .01$ ), and accounting success (H9b:  $\beta_{41} = .635$ ,  $p < .01$ ).

These results are consistent with Rezaee (2005) who found that the reliability of the financial report assists investors to make quality decisions.

**Hence, Hypotheses 9a and 9b are supported.**

Finally, the evidence from testing Hypothesis 10 demonstrates that information value has no significant effects on accounting success (H10:  $\beta_{42} = .131$ ,  $p < .10$ ). Currently there are numerous firms that lack understanding about accounting information and standards, leading to poor decision-making. **Hence, Hypothesis 10 is not supported.**

### Conclusion and Suggestions

The purpose of this research is to investigate the effects of strategic accounting practice process orientation that includes five dimensions affects accounting success. The research samples are from 305 SMEs auto parts businesses in Thailand. Hypothesis testing is conducted by OLS regression analysis.

The results can be summarized that business transaction evidence orientation, accounting procedure clearness emphasis, accounting policy value concern and accounting regulation integration focus have the influence on the accounting quality. Furthermore, accounting function excellence, accounting information quality, accounting practice effectiveness and financial report quality influences accounting success. This research result helps to explain and expand the usage of strategic accounting practice process orientation on accounting practice process through five dimensions. Managerial contribution, and strategic accounting

practice process orientation supports operations through accounting process for developing the outcomes. These factors enhance the firm's competitive advantage and potential for long-term survival. Therefore, accounting manager and accounting partners can develop and improve their strategic accounting practice process orientation from both internal and external business environments. Especially, business transaction evidence orientation and accounting data linkage awareness are strongly and signifi-

cantly related to accounting success. Moreover, the research finds that SAPPO has an influence on accounting success through accounting function excellence, accounting information quality, accounting practice effectiveness and financial report quality. For future research, the research should be re-examined the research hypotheses that are not statistically significant, or consider a larger sector, and different population to verify the generalizability of the study.

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