

ACCOUNTING VISIBILITY: HOW ACCOUNTING-BASED CONTROLS BECOME CONSEQUENTIAL IN HOTEL OPERATIONS

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Article Info	Abstract
Keywords: accounting-based controls, accounting visibility, management control, interpretive space, hotel operations, hospitality management. Received: July 19, 2026 Approved: September 09, 2026 Published: September 30, 2026	This study examines how accounting-based controls become consequential in hotel operations by explaining how their enabling and constraining effects emerge through accounting visibility and its situated enactment. An interpretive qualitative multiple-case study was conducted across six hotels in Indonesia, involving 25 participants across finance and operational functions. Data were collected through semi-structured interviews, supplemented by organizational documents and observations, and analyzed through an abductive interpretive process following the principles of the Gioia methodology. The findings show that accounting-based control arrangements generate accounting visibility by making operational conditions, resource use, performance outcomes, and deviations available for organizational attention. However, visibility does not produce effects automatically. Organizational actors interpret accounting representations in relation to operational circumstances, negotiate their meaning through explanation and justification, and use interpretive space to respond to visible conditions. Accounting visibility can therefore support operational coordination, shared understanding, and contextual adaptation while simultaneously increasing evaluation exposure, accountability pressure, and defensive or delayed responses. The same accounting visibility can thus generate enabling and constraining effects within similar control arrangements. The study conceptualizes accounting visibility as the mechanism through which formal accounting-based controls become consequential, showing that control effects emerge not primarily from formal design but from how organizational actors interpret, negotiate, and mobilize what accounting makes visible. This mechanism is particularly salient in hospitality, where operational uncertainty, cross-functional interdependence, and immediate service demands make accounting visibility dependent on contextual interpretation and negotiated response.

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INTRODUCTION

Hotel operations are characterized by uncertainty, interdependence, and competing demands that require managers to reconcile financial objectives with immediate operational and service requirements. Changes in occupancy, staffing availability, guest demand, resource consumption, and service conditions can rapidly alter operational priorities. In such environments, managers must coordinate across functions while responding to performance expectations and resource constraints. Hospitality research suggests that organizational practices do not necessarily produce uniform consequences because their effects depend on how organizational actors interpret and enact them within particular operational conditions (Zhu et al., 2026; Magdy et al., 2026; Zhuang et al., 2025; Zhou & Ni, 2025). This makes the relationship between formal organizational controls and operational action particularly important in hotel settings.

Management accounting controls constitute an important part of this organizational infrastructure. Budgets, cost controls, performance targets, variance reports, and accounting-based performance measures provide formal means through which resource use, performance outcomes, and deviations become subject to organizational attention. Such controls can support monitoring, evaluation, coordination, and decision-making by representing financial and operational conditions. However, formal controls do not necessarily determine how managers respond to the conditions they represent. Prior research shows that management control systems may be enacted in enabling or coercive ways, suggesting that their consequences depend partly on how control arrangements are used in practice rather than solely on their formal characteristics (Adler & Borys, 1996; Ahrens & Chapman, 2004).

This study therefore shifts attention from what accounting-based controls formally prescribe to **how they become consequential in organizational practice**. The central argument is that accounting-based controls become consequential **through the visibility they create**. Budgets, targets, reports, and performance measures make selected operational conditions, resource use, performance outcomes, and deviations available for organizational attention. We refer to this process as **accounting visibility**. Accounting visibility is not simply the availability of accounting information; it concerns how accounting representations make organizational conditions observable, discussable, and open to interpretation.

Accounting visibility can have enabling consequences. By making deviations, resource use, and performance conditions visible, accounting information can help managers identify problems, establish priorities, justify decisions, and coordinate responses across organizational functions. Visibility may also provide a common basis for discussing operational conditions and reconciling competing priorities. In hotel operations, information about labor costs, departmental performance, occupancy, or resource consumption may help managers recognize emerging problems and coordinate adjustments across departments.

Yet visibility can also have constraining consequences. Making performance and resource use visible may increase exposure to evaluation, intensify accountability pressure, and influence which responses managers perceive as legitimate. A budget variance may signal a condition requiring intervention while simultaneously increasing concern about managerial performance. Similarly, performance targets may clarify expectations while encouraging attention toward measurable outcomes at the expense of less easily quantified service considerations. Thus, the consequences of accounting visibility cannot be assumed to be inherently enabling or constraining. They depend on how organizational actors interpret what accounting makes visible and connect accounting representations to operational realities.

This interpretive process is particularly important when accounting expectations intersect with uncertain and interdependent operational conditions. Managers must explain

deviations, justify resource use, reconcile financial targets with service requirements, and determine whether accounting information adequately represents the circumstances underlying operational outcomes. We conceptualize this capacity as **interpretive space**, referring to the perceived scope available to explain operational realities, contextualize accounting outcomes, and negotiate the relevance of accounting expectations within accountability arrangements. Interpretive space does not imply freedom from control. Rather, it concerns whether organizational actors have sufficient scope to incorporate contextual knowledge when interpreting and responding to what accounting makes visible.

The importance of this process is consistent with research showing that organizational practices are enacted rather than translated automatically into uniform consequences. Hospitality research indicates that organizational practices and interventions may generate different responses depending on how actors interpret their implications within particular circumstances (Yang et al., 2026; Wu et al., 2025; Suleman et al., 2026). However, these insights have been less fully developed in relation to accounting-based controls. Hospitality accounting research has examined accounting information in relation to financial reporting quality, earnings management, and external evaluation of hotel firms (Dimitropoulos, 2025), while management control research has extensively examined accounting controls in monitoring, performance evaluation, coordination, and organizational behavior. Less is known about **how accounting-based controls become consequential through the situated interpretation and enactment of what accounting makes visible**, particularly in hospitality settings characterized by operational uncertainty, cross-functional interdependence, and immediate service demands.

This gap matters because accounting visibility may simultaneously support and constrain operational action. Treating visibility simply as a positive outcome of improved information availability leaves underexplained how greater visibility can also increase accountability exposure and defensive responses. Conversely, attributing constraining consequences solely to coercive control design overlooks the role of situated interpretation and contextual negotiation. Understanding these dynamics therefore requires attention not only to the formal characteristics of accounting controls but also to how organizational actors interpret, negotiate, and mobilize accounting representations in everyday operations.

Against this background, this study examines **how and through what processes accounting-based controls become consequential through the situated enactment of accounting visibility in hotel operations**. The study addresses the following research question:

How and through what processes do accounting-based controls become consequential through the situated enactment of accounting visibility in hotel operations?

This study makes two related contributions. First, it extends management accounting control research by conceptualizing **accounting visibility as a mechanism through which formal control arrangements become consequential in organizational practice**. Rather than treating enabling and constraining consequences as inherent properties of particular control designs, the study shows how both consequences can emerge from the situated enactment of the same accounting visibility. Second, it contributes to hospitality and accounting-as-practice research by showing that accounting representations do not merely provide information for operational decision-making; they participate in shaping what organizational actors notice, explain, negotiate, and act upon. The study further shows that these consequences are shaped by the interpretive space available to organizational actors as they reconcile accounting expectations with uncertain and interdependent operational conditions.

METHODS

Research Design and Case Selection

This study adopted an interpretive qualitative multiple-case study design to examine how accounting-based control arrangements become consequential in hotel operations. The interpretive approach focused on how organizational actors interpreted, negotiated, and enacted formal controls within everyday operational contexts. The multiple-case design enabled comparison across hotels, organizational roles, and operational situations.

The study was conducted across six full-service hotels in Indonesia. Cases were purposively selected based on the presence of formal accounting-based controls across departments and actors subject to budgetary, cost, or performance accountability. Variation in hotel characteristics and operational conditions supported analytical comparison while maintaining contextual comparability.

Table 1. Case Characteristics and Accounting-Based Control Arrangements Examined

Case	Hotel type	Operational context	Accounting-based controls
A	Upscale full-service	High occupancy volatility	Budget targets; cost monitoring; performance evaluation
B	Upper-upscale full-service	High interdepartmental dependence	Accountability systems; budget monitoring; evaluation routines
C	Full-service	Diverse service operations	Targets; cost monitoring; reporting routines
D	Large-scale full-service	High operational complexity	Budget controls; performance targets; accountability routines
E	Full-service	Integrated multi-department operations	Financial monitoring; departmental targets; control routines
F	Full-service	Complex interdepartmental operations	Cost controls; performance evaluation; reporting routines

Source: Primary Data, 2026

Participants and Data Collection

Participants were purposively selected based on their direct involvement with accounting-based control arrangements and their ability to describe their enactment in hotel operations. The sample covered finance and accounting personnel, operational managers, supervisors, and frontline employees.

A total of 25 participants were recruited across the six hotels.

Table 2. Participant Composition

Participant Group	Number
Finance and accounting personnel	6
Operational managers	5
Supervisors	4
Frontline operational employees	10
Total	25

Source: Primary Data, 2026

Access was facilitated through professional networks and organizational contacts.

Data were collected between February and June 2026 through semi-structured interviews conducted in Indonesian, lasting approximately 45–90 minutes. Interviews examined participants' experiences with budgets, cost monitoring, performance evaluation, reporting routines, and how they interpreted accounting expectations, explained deviations, and responded to changing operational conditions.

Limited operational observations and organizational documents, including budgets, performance reports, and internal control documents, were used as supplementary evidence to contextualize formal control arrangements and compare formal expectations with their enactment in practice.

Table 3. Sources of Evidence

Source	Description	Analytical purpose
Semi-structured interviews	25 participants across organizational roles	Examine control interpretation and enactment
Operational observations	Limited observations of hotel operations	Provide contextual understanding
Organizational documents	Budgets, reports, internal control documents	Contextualize formal control arrangements

Source: Primary Data, 2026

Participation was voluntary, informed consent was obtained before interviews, and participant identities and hotel names were anonymized.

Data Analysis

Data were analyzed using an abductive interpretive approach that moved iteratively between empirical accounts, emerging patterns, and theoretical insights. Interview transcripts were repeatedly reviewed and coded into first-order concepts reflecting participants' experiences of accounting-based controls, including how they encountered accounting expectations, interpreted reported outcomes, explained deviations, and responded to performance and resource-use information. These concepts were compared across participants, organizational roles, departments, and cases and progressively developed into second-order themes following the principles of the Gioia methodology (Gioia et al., 2013).

Rather than treating accounting visibility as a predetermined coding category, the analysis examined recurring accounts in which accounting representations made operational conditions, resource use, performance outcomes, and deviations salient to organizational actors. Through iterative comparison across interviews, cases, and supporting evidence, these patterns were progressively conceptualized as **accounting visibility**—the process through which accounting representations made selected organizational conditions observable, discussable, and available for interpretation.

The analysis then examined how actors interpreted and contextualized what accounting made visible. Particular attention was given to accounts in which participants explained deviations, reconciled accounting expectations with operational circumstances, negotiated the relevance of accounting information, or incorporated contextual knowledge into decisions. These recurring patterns were progressively conceptualized as **interpretive space**, referring to the perceived scope available to organizational actors to explain operational realities, contextualize accounting outcomes, and negotiate accounting expectations within accountability arrangements.

Adler and Borys' (1996) distinction between enabling and coercive formalization was used as a **sensitizing perspective rather than a fixed analytical framework**. Enabling and coercive categories were not imposed as predetermined codes; instead, the distinction informed interpretation of emergent patterns involving coordination, adaptation, problem solving, pressure, defensive responses, and constraint. This positioning kept the analysis grounded in participants' accounts while providing a theoretical lens for interpreting control consequences.

The analysis subsequently examined how accounting visibility and its situated interpretation shaped operational responses, particularly where similar control arrangements

generated different consequences. Enabling consequences included coordination, contextual adaptation, shared understanding, and problem solving, whereas constraining consequences included accountability exposure, performance pressure, defensive responses, and delayed action. Cross-case comparison identified recurring patterns and case-specific variations, while reflexive notes and analytical memos documented coding decisions, emerging interpretations, and theoretical reflections.

Table 4. Data Structure and Analytical Development

First-order empirical concepts	Second-order themes	Aggregate dimensions
Managers compare budget and actual results and investigate deviations.	Accounting information directs attention toward operational problems	Accounting Visibility
Managers use cost reports to identify where investigation should begin.	Visibility initiates operational inquiry	
Managers examine purchasing, waste, menu changes, occupancy, events, and guest requirements to explain cost outcomes.	Financial outcomes require operational contextualization	Interpretive Enactment
Finance and operational managers discuss reports together	Accounting information establishes a shared reference point	
Managers evaluate cost implications alongside service requirements.	Accounting information supports negotiated trade-offs	
Managers distinguish between explaining a variance and simply reporting it.	Explanation allows operational context to be considered	
Managers use reports after decisions to coordinate departmental adjustments.	Accounting information remains embedded during implementation	Situated Operational Response Accountability Exposure
Managers anticipate questions about additional spending or deviations.	Accounting visibility increases evaluation exposure	
Managers hesitate when they anticipate subsequent questioning Managers become reluctant to discuss problems when variance is associated with blame.	Anticipated evaluation shapes operational responsiveness Accountability pressure makes contextual explanation less likely	
Similar accounting indicators generate different responses in different situations.	Control consequences emerge through situated enactment	Situated Consequences
The same accounting visibility supports investigation in one situation and caution in another.	Similar visibility can support different forms of operational response	

Source: Primary Data, 2026

Note: First-order concepts are analytical paraphrases of recurring participant accounts and are not verbatim quotations. The data structure was developed iteratively through abductive comparison across participants, roles, operational situations, and hotel cases. Aggregate dimensions represent analytical developments from the empirical material rather than predetermined theoretical categories. Adler and Borys' (1996) enabling-coercive

distinction informed interpretation of enabling and constraining consequences but was not imposed as a predetermined coding structure.

Trustworthiness

Following Lincoln and Guba (1985), trustworthiness was addressed through credibility, dependability, confirmability, and transferability. **Credibility** was supported by comparing accounts across organizational roles and hotel cases and, where available, triangulating interview accounts with organizational documents and observations. **Dependability** was supported through iterative cross-case comparison and analytical memos documenting coding decisions, emerging patterns, and category development. **Confirmability** was strengthened by distinguishing formal control design from enactment and separating participants' accounts from subsequent analytical interpretation. **Transferability** was supported through detailed descriptions of hotel characteristics, participant composition, operational contexts, and accounting-based control arrangements, with analytical rather than statistical generalization guiding interpretation.

RESULT

The cross-case analysis revealed that management accounting information became consequential through situated interactions between accounting representations and operational circumstances. Across the six participating hotels, budgets, cost reports, performance indicators, and management reports did not operate as automatic decision rules. Instead, they made particular conditions visible, prompted managerial inquiry, and were subsequently interpreted through operational knowledge and cross-functional discussion. The same accounting visibility could consequently support investigation and coordination in one situation while increasing concern about evaluation in another.

Episode 1: A Cost Deviation Becomes a Starting Point for Investigation

A recurring situation across the participating hotels began with a difference between expected and actual costs. Finance managers routinely compared budgeted and actual results and used deviations to identify areas requiring further examination. One finance manager described the routine explicitly:

“Every month we compare the budget with the actual results. If labor costs, food costs, or departmental expenses exceed the plan, we investigate what happened. The reports help us identify which operational activities are creating additional costs.”

(Finance Manager, Hotel A)

The important feature of this account is what happened after the deviation became visible. The unfavorable variance was not treated as sufficient evidence of poor performance or as a basis for immediate corrective action. Instead, the report directed attention toward the operational activities that might have produced the additional cost.

The same process was described in relation to food costs:

“The reports help us understand what is happening. If food costs increase, we can examine purchasing, waste, or menu changes instead of simply guessing.” (Finance Manager, Hotel A)

Here, the accounting report identified the financial condition, while the possible explanations were located in operational activities. Purchasing, waste, and menu changes represented different pathways through which the reported increase could have emerged. The report therefore narrowed the field of inquiry without determining the explanation.

An operations manager described a similar process:

“The numbers alone do not explain the situation. When housekeeping costs increase or restaurant revenue decreases, we need to understand what happened operationally. We discuss the reports together so the financial figures make sense in relation to what actually happened.”

(Operations Manager, Hotel B)

The episode demonstrates that accounting visibility initially operated as an **attention-directing mechanism**. The report made a financial difference observable, but its operational meaning remained unresolved until managers brought additional knowledge into the discussion.

This pattern extended beyond individual departments. Managers described financial reports as common reference points in recurring management discussions involving finance and operational teams. A general manager explained:

“Our weekly management reports give every department the same picture. Finance, rooms, and food and beverage all start the discussion from the same information before deciding what action is needed.”

(General Manager, Hotel D)

Accounting visibility therefore did not end the decision process. It brought distributed operational actors around a common point of attention and provided a shared starting point for investigating what had produced the reported outcome.

Episode 2: Higher Costs Do Not Necessarily Mean Poor Performance

A second recurring episode concerned the interpretation of reported increases in costs. Rather than assuming that higher costs represented inefficiency, managers described examining the operational circumstances associated with the financial outcome.

One operations manager explained:

“When I receive the monthly report, I do not immediately assume that higher costs mean poor performance. I first ask what happened operationally. Sometimes the additional costs come from higher occupancy, special events, or guest requests that require extra staff. We have to understand the story behind the numbers before deciding what action to take.”

(Operations Manager, Hotel A)

The financial outcome remained important, but its interpretation changed once operational circumstances were considered. Higher labor costs could indicate inefficiency when assessed only against the budget, but could also reflect increased occupancy or additional service requirements.

This distinction was reinforced by a finance manager:

“If we only look at the financial variance, we only know that something changed. We discuss the reports with operational departments because they can explain why the numbers changed. After combining the financial data with operational information, we can decide whether corrective action is actually necessary.”

(Finance Manager, Hotel B)

The account shows that a financial variance identified a change but did not by itself establish whether corrective action was warranted. Operational information was required to determine what the variance meant in context.

A general manager described the same process more succinctly:

“The report gives us the financial picture, but the discussion gives us the meaning. Without talking to the operational teams, we cannot fully understand what the figures represent.”

(General Manager, Hotel D)

Financial representations therefore did not carry a fixed operational meaning. A cost increase could reflect inefficiency, but it could also result from occupancy, events, staffing requirements, or guest needs. Accounting visibility became consequential through **interpretive enactment**, as managers connected financial outcomes with the operational circumstances that produced them.

Episode 3: Cost Control Meets Service Requirements

A third type of episode emerged when managers had to reconcile financial expectations with operational requirements, particularly in staffing, purchasing, resource allocation, and service-related decisions.

One general manager described the situation:

“Sometimes finance focuses on the cost side, while operations focuses on the service side. Both perspectives are important. We use the reports to discuss what can be adjusted without reducing the level of service that guests expect.”

(General Manager, Hotel A)

The report provided a common reference for discussing alternatives, while finance and operations brought different concerns to the decision. Managers evaluated possible adjustments against both financial implications and service requirements.

A finance manager described the same tension:

“Our responsibility is to control costs, but we also recognize that operations faces different pressures. A decision cannot be made from the financial numbers alone. We need to understand how it will affect the operation and the guest experience.”

(Finance Manager, Hotel B)

A rooms division manager captured the negotiated nature of the process:

“The discussion is usually not about choosing finance or operations. It is about finding an option that keeps the service running while staying within acceptable cost limits.”

(Rooms Division Manager, Hotel D)

The final response was therefore not necessarily the financially optimal alternative. Rather, managers sought an option that could be financially justified while remaining operationally viable.

Accounting information thus became a **common evaluative reference** rather than a decision rule. It made financial consequences visible, while operational actors contributed knowledge about service requirements, workload, guest expectations, and feasibility. The resulting judgement was negotiated rather than predetermined.

Episode 4: A Guest Requirement Creates a Financially Visible Decision

The enabling episodes above were contrasted by situations in which managers anticipated how an operational decision would subsequently be evaluated.

One participant described a situation involving an immediate guest requirement:

“Sometimes we know exactly what the guest needs, but we hesitate because we also think about the budget and how our decision will be questioned afterwards.”

(Operations Manager, Hotel A)

The **constraining effect** therefore operated before formal evaluation took place. The possibility of subsequent questioning entered the decision itself. Rather than uncertainty about what the guest required, the hesitation arose from anticipating how the financial implications of the response would subsequently be evaluated.

Another participant described the resulting tension between cost avoidance and immediate operational responsiveness:

“People become too focused on avoiding costs. But hotel operations sometimes require spending more to solve problems immediately.”

(Operations Manager, Hotel B)

The account indicates that cost visibility could become salient even when the operational requirement was already clear. Additional expenditure was not necessarily viewed as unnecessary; rather, the difficulty arose when avoiding expenditure became more prominent than addressing the operational problem.

A third participant described the anticipatory process more directly:

“You can still make the decision, but you're already thinking about the explanation you'll need to give afterwards. Sometimes the safest decision isn't the best operational decision.”

(General Manager, Hotel C)

Here, the participant distinguished between the decision that was safest from an accountability perspective and the decision considered most appropriate from an operational perspective. The manager retained the formal ability to act, but anticipated evaluation entered the decision process before the action was taken.

These accounts show that the control system did not formally prohibit action. Instead, anticipated evaluation entered the decision process by making the future justification of present spending salient. Accounting visibility therefore operated not only by identifying financial consequences but also by making those consequences relevant to how managers anticipated their subsequent accountability.

We conceptualize this condition as **accountability exposure**: a situation in which an accounting outcome makes managers more conscious that a decision, expenditure, or deviation may subsequently require justification.

The effect was anticipatory. Participants described hesitation, caution, delayed responses, and concern about whether an action would be defensible. Importantly, participants did not reject accountability itself; rather, they expressed concern that financial evaluation could become detached from the operational circumstances in which a decision had been made.

The episode therefore illustrates the constraining side of accounting visibility. Whereas visibility supported investigation when managers could use financial outcomes as prompts for operational inquiry, it could constrain responsiveness when the same visibility made anticipated evaluation more salient than the operational circumstances requiring immediate action.

Episode 5: One Number, Two Possible Responses

The contrasting episodes reveal a central pattern in the data. Similar accounting representations could support different forms of managerial action depending on how the reported outcome was interpreted and how much room managers perceived for contextual explanation.

One department manager summarized this contrast:

“The same number can either help people solve problems or make them afraid to act. It depends on how the control is understood.”

In one situation, a cost increase became:

cost increase → investigation → operational explanation → consideration of corrective action.

In another, financial visibility became:
additional spending → anticipation of budget scrutiny → concern about future explanation → caution → potentially delayed response.

The underlying accounting-based control arrangements were similar, but their consequences varied according to how managers enacted and interpreted what became visible.

The contrast indicates that accounting visibility did not determine whether managers coordinated or became cautious. Rather, its consequences depended on whether the visible outcome could be interpreted and discussed in relation to the circumstances that produced it.

CONDITIONS SHAPING THE ENACTMENT OF ACCOUNTING VISIBILITY

Operational Uncertainty Expands the Need for Interpretation

The contrasting consequences became particularly visible when operational conditions deviated from assumptions embedded in budgets and performance expectations. One participant explained:

“Following the budget is straightforward when everything goes according to plan. But hotel operations rarely stay predictable.”

Across the cases, fluctuating occupancy, changing demand, service problems, staffing pressures, and urgent guest requirements disrupted planned conditions. Such uncertainty increased the need to explain why actual outcomes differed from expectations rather than treating deviations as automatic evidence of managerial failure.

Where managers could provide operational explanations, accounting deviations remained useful as reference points for investigation and decision-making. Where explanation was difficult or perceived as unlikely to affect evaluation, the same deviations could become sources of caution. Operational uncertainty therefore shaped the amount of interpretive work required around accounting visibility.

Cross-Functional Interdependence Makes Explanation Collective

A related pattern concerned accounting outcomes whose causes crossed departmental boundaries. Financial outcomes were often connected to activities involving finance, purchasing, food and beverage, housekeeping, rooms, front office, engineering, and operations. Consequently, the department in which an outcome appeared was not necessarily the only department capable of explaining it.

This was captured directly by one participant:

“The financial report shows the outcome, but the department understands what actually happened. Both perspectives are needed.”

The report provided the financial representation, while operational departments supplied knowledge about the circumstances underlying the result. Accounting visibility therefore supported coordination when financial outcomes were treated as collectively interpretable rather than as isolated indicators of departmental performance.

This pattern also clarified the role of **interpretive space**, understood as perceived room to explain, contextualize, and negotiate what an accounting outcome meant before determining its organizational consequences.

Interpretive Space: Explaining Before Evaluating

The importance of interpretive space became particularly visible in participants’ descriptions of how deviations were discussed. One supervisor explained:

“If we explain why something happened, people usually understand. Without explanation, the report only shows that costs exceeded the budget.”

Explanation therefore added the operational circumstances necessary to interpret a financial difference rather than treating the variance as self-explanatory.

However, participants also described situations in which the possibility of explanation was weakened by punitive accountability. One participant stated:

“When every variance becomes someone's fault, people become reluctant to discuss problems openly.”

When a variance became associated with blame, managers could become less willing to disclose the operational circumstances behind it. The accounting information remained visible, but the contextual information needed to interpret it became harder to obtain. The resulting feedback effect was:

variance becomes visible → accountability pressure increases → willingness to explain decreases → operational context becomes less visible → variance becomes harder to interpret → defensibility becomes more important.

Interpretive space was therefore not freedom from control. It concerned whether managers perceived sufficient room to explain why an outcome differed from expectation and connect the deviation with the conditions in which it emerged. Where such room existed, accounting visibility could support contextual interpretation and coordination; where it was restricted, visibility was more likely to be experienced as exposure to evaluation.

From Interpretation to Coordinated Action

The preceding sections show how accounting information was interpreted and negotiated. A final operational pattern concerned what happened after a shared interpretation or negotiated priority had been established.

One department manager explained:

“After the decision is made, we use the reports as a reference to coordinate what each department needs to adjust. We consider the available resources, operational conditions, and guest requirements so that the changes can be implemented properly.”

(Department Manager, Hotel A)

A general manager described the same process:

“Once we have a shared understanding of the financial situation and operational priorities, each department knows its responsibility. The important part is making sure everyone implements the decision in the same direction.”

(General Manager, Hotel C)

Each department retained responsibility for its own activities while aligning implementation with a common direction. The finance function also remained involved after the decision:

“Our role is not only to prepare reports. We work with operational teams to make sure financial information can be translated into actions that different departments can implement together.”

(Finance Manager, Hotel E)

These accounts indicate that accounting information remained embedded during implementation rather than becoming irrelevant once a decision had been made. Reports could be revisited to monitor outcomes, departments adjusted their activities, and changing conditions generated new information for subsequent discussion.

The process was therefore recursive rather than strictly linear:

visibility → interpretation → negotiation → action → new operational information → renewed interpretation.

Cross-Case Synthesis: Accounting Visibility as a Double-Edged Organizational Resource

Across the six hotels, the episodes converge on a common process. Accounting-based controls made selected costs, resource use, performance outcomes, and deviations visible. Managers then investigated these conditions, connected financial outcomes with operational circumstances, and negotiated how the information should influence action.

The cross-case comparison also revealed a contrasting pathway. When managers perceived sufficient room to explain and contextualize a visible outcome, accounting information supported investigation, shared interpretation, negotiated responses, and coordinated action. When similar visibility was experienced primarily in anticipation of subsequent evaluation, managers became more attentive to defensibility, with caution or hesitation potentially following.

The two pathways can therefore be summarized as follows.

Coordination-oriented enactment

Accounting outcome → Problem becomes visible → Investigation and operational explanation → Cross-functional interpretation → Negotiated response → Coordinated action

Accountability-oriented enactment

Accounting outcome → Deviation becomes visible → Potential evaluation becomes salient → Anticipation of questioning → Concern for defensibility → Caution or hesitation

These pathways do not represent two different accounting systems. They represent contrasting enactments of similar accounting-based controls. The difference lies in what occurs after visibility is created and, specifically, in whether managers perceive sufficient **interpretive space** to connect accounting representations with operational circumstances.

The central empirical finding is therefore not simply that accounting controls can be enabling or constraining. Rather, the findings show **how similar accounting visibility acquires different operational consequences through investigation, explanation, cross-functional interpretation, and negotiation.**

Cross-Case Process of Accounting Visibility Enactment

The cross-case evidence indicates the following process:



Shared interpretation
Negotiated response
Adaptive action

Caution / hesitation
Concern for defensibility
Potentially delayed response

Interpretive space operates as a **conditioning mechanism** within investigation, interpretation, and negotiation rather than as a separate sequential stage. The process is also recursive rather than strictly linear: operational conditions can generate new accounting information; accounting visibility can initiate further investigation; explanations can alter the interpretation of reported outcomes; and implementation can generate new conditions requiring subsequent adjustment.

The distinction between these consequences is not located in the accounting number itself. It emerges through what managers are able to do with the number once it becomes visible.

DISCUSSION

This study examines why similar accounting-based control arrangements can generate divergent operational responses in hotel organizations. The findings indicate that accounting-based controls become consequential through the organizational visibility they create and the interpretive processes through which that visibility is enacted. Rather than determining responses directly, controls make selected conditions visible and provide a basis for actors to investigate, interpret, and act upon them.

Management control research has established that formal controls can support coordination, learning, and adaptation while also generating pressure, rigidity, and dysfunctional responses. Research on enabling and coercive formalization similarly shows that the consequences of formal systems depend on how they are experienced and used in practice (Adler & Borys, 1996). Management control systems can also create productive tensions when organizations balance competing demands rather than simply enforce compliance (Mundy, 2010; Tessier & Otley, 2012). These tensions are particularly relevant in hospitality, where financial accountability must coexist with immediate operational and service requirements.

The present study extends this literature by identifying **accounting visibility as a mechanism through which formal accounting-based controls acquire different organizational consequences**. Across the hotels, budgets, targets, reports, and performance measures made selected conditions—including cost deviations, resource use, and performance outcomes—visible and established what became subject to organizational attention. The controls did not, however, prescribe a uniform response.

This finding complements Adler and Borys' (1996) enabling-coercive distinction by showing that divergent consequences do not necessarily require fundamentally different control architectures. Similar formal arrangements may generate different implications when the conditions surrounding their interpretation and use differ. The contribution is therefore to specify a process through which formal controls acquire enabling or constraining implications in practice.

Accounting Visibility, Uncertainty, and Interpretive Space

Accounting visibility does not make organizational meaning self-evident. Accounting representations condense complex operational activities into financial and performance indicators that can be compared and evaluated. Managers must therefore reconnect visible outcomes with the operational circumstances that produced them.

This observation is consistent with management control research showing that information availability and system integration do not by themselves determine organizational consequences; usefulness depends on how managers use and interpret information in practice (Chapman & Kihn, 2009).

The study conceptualizes this condition as **interpretive space**, referring to the perceived scope available to organizational actors to explain operational realities, contextualize deviations, and negotiate accounting expectations within accountability arrangements. It does not imply unrestricted discretion or freedom from control, but whether actors perceive sufficient scope to incorporate contextual knowledge when determining what visible outcomes mean and how they should inform action.

Where interpretive space was available, accounting information could be connected to operational explanations before evaluative conclusions were reached. Where it was perceived as restricted, visible deviations were more readily experienced as outcomes requiring justification. Interpretive space therefore helps explain why accounting visibility does not automatically translate into operational action responses.

This finding also refines an information-processing perspective associated with Organizational Information Processing Theory (Galbraith, 1973). OIPT emphasizes organizational information-processing capacity under uncertainty. The present findings add that the value of visible information depends not only on its availability or processing but also on the interpretive work through which actors connect it to situated circumstances.

Thus, **the usefulness of accounting visibility depends on whether actors have sufficient interpretive space to establish the meaning and relevance of what becomes visible.**

Accounting Visibility as a Double-Edged Mechanism

The findings demonstrate that accounting visibility can produce **simultaneous enabling and constraining implications**. Its enabling potential lies in establishing a basis for attention, investigation, and coordination, while its constraining potential arises when the same visibility becomes associated with evaluation and anticipated scrutiny.

This finding resonates with recent management control research showing that control systems can generate unintended and dysfunctional consequences when their operation becomes rigid, poorly aligned with contextual conditions, or inconsistently enacted (Haxhiu & Marc, 2026). **The present study extends this insight by identifying accounting visibility as a mechanism through which such divergent consequences emerge in everyday operational situations.**

Visibility also makes deviations and expenditures available for comparison, questioning, and subsequent justification. Participants described situations in which managers anticipated how operational decisions would be evaluated afterwards. Such expectations could encourage caution, defensibility, or hesitation even when the control system did not formally prohibit action. Accountability therefore entered the decision process through expectations about how visible outcomes would subsequently be interpreted.

This finding extends research on enabling and constraining management controls by locating the tension partly in the **accountability conditions surrounding visibility**. Visibility can support problem solving when accompanied by opportunities for explanation and contextual interpretation, but can become constraining when visible outcomes are primarily treated as evidence requiring justification. The tension therefore concerns not simply the presence of control, but how accountability is enacted around what accounting makes visible.

Accounting visibility should consequently not be treated as inherently beneficial or harmful. Its consequences depend on how visibility is mobilized within accountability relationships—whether primarily for investigation and coordination or for retrospective scrutiny.

From Interpretation to Negotiated Operational Action

This process becomes particularly evident when financial and operational priorities diverge. Finance may emphasize cost control, whereas operational managers may prioritize service continuity, guest requirements, staffing needs, or immediate problem resolution. Accounting visibility does not resolve these competing priorities; instead, it provides a shared reference around which their implications can be discussed and negotiated.

Through explanation and negotiation, actors can determine whether a visible deviation requires corrective intervention, further investigation, contextual justification, or acceptance as a necessary operational consequence. When sufficient interpretive space exists, managers can develop responses that are operationally viable while remaining financially defensible. Accountability is therefore incorporated into the reasoning through which operational choices are justified.

Cross-functional interdependence makes this process particularly important because financial outcomes may result from activities spanning several departments, while the knowledge needed to explain them is distributed across organizational roles. Finance may identify and quantify a variance, whereas operational managers may possess the contextual knowledge required to explain it. Accounting visibility therefore becomes more consequential when it functions as a shared basis for interpretation rather than an isolated basis for departmental evaluation.

This finding contributes to accounting-as-practice perspectives by showing that accounting participates in organizational action not merely by supplying information but by shaping the conditions under which actors explain, justify, negotiate, and coordinate responses. Accounting representations thus become consequential through **what organizational actors do with what those representations make visible**.

Why Hospitality Makes Accounting Visibility Particularly Consequential

The hotel context makes this process particularly salient because hospitality combines financial accountability with operational uncertainty, temporal pressure, cross-functional interdependence, and immediate service expectations. Operational conditions can change rapidly, while accounting systems provide relatively stable reference points against which actual performance is assessed.

The hospitality context consequently highlights a broader organizational tension between **visibility and interpretive capacity**. Financial and operational actors may possess different but complementary knowledge, making joint interpretation important when visible outcomes depend on changing operational circumstances.

Effective control therefore does not require reducing visibility or eliminating accountability. Rather, it requires accountability arrangements that allow visible outcomes to be examined alongside the circumstances that produced them. Although developed from hotel operations, the mechanism may also be relevant to other service organizations characterized by uncertainty, interdependence, and simultaneous financial and operational demands. Such relevance should be understood as **analytical transferability rather than statistical generalization** beyond the cases examined.

Theoretical Contribution: How Accounting Visibility Makes Controls Consequential

Taken together, the findings identify the following process:

Accounting-Based Control Arrangements → Accounting Visibility → Situated Interpretation and Negotiation → Situated Operational Response

Interpretive Space operates as a **conditioning mechanism** within the interpretation and negotiation process, shaping whether visible accounting outcomes can be explained, contextualized, and negotiated before operational responses are determined.

First, the study extends management control research by conceptualizing accounting visibility as a mechanism through which formal accounting-based controls acquire divergent organizational consequences. Prior research establishes that controls can have enabling and constraining implications (Adler & Borys, 1996; Mundy, 2010; Tessier & Otley, 2012). The present study specifies how such divergence can emerge: accounting-based controls make particular organizational conditions visible, after which actors investigate, contextualize, negotiate, and respond to those conditions. Enabling and constraining implications therefore need not correspond to fundamentally different control architectures.

Second, the study extends an information-processing perspective by showing that the organizational value of accounting information depends not only on information availability or processing capacity but also on the interpretive work required to connect visible outcomes with situated operational circumstances. Under uncertainty, accounting visibility provides a basis for collective attention, but its usefulness depends on actors' ability to establish contextual meaning before determining an appropriate response.

Third, the study contributes to accounting-as-practice and hospitality research by showing that accounting participates in organizing operational attention and accountability. Through accounting visibility, particular conditions become salient, outcomes become subject to explanation, and different forms of operational knowledge can be brought into discussions about action. Accounting is therefore not merely a representation of operational reality; it participates in the processes through which organizational actors determine what requires attention, explanation, negotiation, and response.

This formulation also clarifies the role of **interpretive space**. It is not a competing central construct, but a condition shaping whether visible accounting outcomes can be developed into contextualized and coordinated responses or experienced primarily as accountability exposure.

CONCLUSION

This study examined why similar accounting-based control arrangements can generate divergent operational responses in hotel organizations. The findings show that accounting-based controls do not have fixed enabling or constraining implications embedded in their formal design. Rather, they become consequential through **accounting visibility**—the process through which accounting representations make operational conditions, resource use, performance outcomes, and deviations available for collective attention and interpretation.

Whether accounting visibility supports coordination, increases accountability exposure, or generates both simultaneously depends on the interpretive space available to organizational actors as they explain, contextualize, negotiate, and enact visible accounting outcomes in relation to situated operational circumstances. Accounting visibility therefore operates as a double-edged mechanism: it can provide a shared basis for investigation and coordination while simultaneously increasing the salience of evaluation and encouraging caution.

The study makes three related contributions. First, it extends management control research by showing that enabling and constraining implications can emerge through different enactments of the same accounting visibility rather than being determined by the formal control arrangement itself. Second, it refines an information-processing perspective by demonstrating that the organizational value of accounting information depends not only on

its availability but also on the interpretive processes through which visible accounting outcomes are connected with situated operational circumstances. Third, it contributes to accounting-as-practice and hospitality management research by showing that accounting participates in shaping what becomes organizationally salient, what requires explanation, and how operational responses are negotiated and coordinated.

This study is based on six full-service hotels in Indonesia and therefore seeks analytical rather than statistical generalization. The findings should be interpreted in relation to the organizational and operational characteristics of the cases examined. Future research could examine how accounting visibility operates across different hospitality contexts, organizational structures, ownership arrangements, service segments, and levels of digital integration, as well as in other service organizations characterized by uncertainty and interdependence.

Overall, the study demonstrates that accounting-based controls become consequential not simply because they produce information or prescribe financial expectations, but because organizational actors interpret, negotiate, and enact what accounting makes visible. The significance of accounting-based controls therefore lies in the **situated enactment of accounting visibility**: visibility provides the basis for organizational attention, while interpretation and negotiation shape whether that visibility supports coordinated action, increases accountability exposure, or produces both simultaneously.

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