



Causal Model Development of Factors Affecting Work Performance Of Accountants in Central Thailand

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Abstract

The aims of this research are twofold. The first is to develop the causal relationship model between organizational culture, work participation, organizational engagement and work performance of accountants in the Central region of Thailand. The second is to investigate the consistency of structural equation model affecting the accountants' work performance with empirical data. The model comprises four latent variables and sixteen observable variables. Sample population is a number of 336 accountants in the Central region of Thailand by simple random sampling. The research tool is a five-point scale questionnaire which was credibly examined. The research methodology consists of descriptive statistics and causal relationship model by using the LISREL 8.80 Student Edition to find factors influencing work performance of the accountants.

The results reveal that organizational culture has positive direct effect on work participation and organizational engagement at a statistically significant level of 0.05 and coefficient value of 0.86* and 0.41* respectively. At the same time, work participation and organizational engagement has positive direct effect on work performance of the accountants at a statistically significant level of 0.05 and coefficient value of 0.26* and 0.48* respectively. Also, work participation has positive direct effect on organizational engagement at a statistically significant level of 0.05 and coefficient value of 0.51*.



In sum, the three factors of organizational culture, work participation and organizational engagement do have influence on work performance of the accountants in the Central region of Thailand. In addition, the testing result of the causal relationship model is coherent with the empirical results (Chi-square = 131.49; p-value = 0.00056; df = 83; X2/df = 1.58; CFI = 1.00; and RMSEA = 0.042). The causal relationship model to find factors affecting work performance of the accountants in the Central region of Thailand is coherent with empirical result which implies that the researchers can utilize this model to develop the causal relationship in order to find the factors affecting work performance of the accountants in the Central region of Thailand.

Keywords: Accountant, Organizational Culture, Work Participation, Organizational Engagement, and Work Performance

Background and Significance of the Study

Upon entering the twenty-first century, the global business trends and technology cause dramatic changes in economy. As a result, organizations and companies have to reform themselves in order to survive. The intelligent organizations can learn quickly and become successful corporates as well as survival in the future. Learning is a key factor that will make every member of the organization adapt to the change more quickly. In order to be careful and sustainable competitive, the organization must provide its staff the development of knowledge, skills and opinion sharing to gain creative development (Makhasiranon, 2011). Also, an increasing degree of team-working and good relationship in the workplace helps enhance organizational engagement (Meksook and Pasunon, 2017:45). Accounting Learning Skills are the professional knowledge and skills to develop accountants and it is also significant for people in the organization to learn all the time. Once people in the organization acquiring more knowledge to learn, it is important to help promote learning process which will be an important tool that will lead to success. By focusing on letting people in the organization to participate in work to get better work performance, the organization will be ready to handle with the change (Rugchart, 2006).



Professional success is a desirable practice in all professions, including accountants whose function is critical to the organization. Organizational success reflects organizational efficiency on operation, management and also workforce's engagement, participation and executives' mindset and organizational culture (Thongsan, 2014:50). Thus, it becomes the power of individual and reflects success of the organization as well. Accountants also wish to develop for success in their life or career, which is as important as happiness in doing what they want to do, live their life on their own desires and achieve the goal they set. This success cannot be measured in number or quantity, but it depends on each person in whether they can achieve their goal or not. Professional success could be accomplished by accepting the fact about the job, as well as understanding their self-acceptance to work in this profession with honor. The entire acceptances for all the success require knowledge and understanding that takes time and inspiration, which also requires knowledge and confidence. The endeavor that changes into the ability to get along with the organizational culture also takes time for professional success (Kityunyong, 2001:27 and Dusittrattanakul, 2014:45). The accountant's competency development is the way in which the accountant brings his/her latent talent into use for his/her benefit with a good process that combines both data on the number of accounts, which includes knowledge and responsibility for operational efforts, and the commitment to operate with his/her best effort in order to achieve the best quality of work. Anyway, the behavioral ability of each individual will be expressed when they have the opportunity to show their potential. Nowadays, competency development of employees is very important because personal development has the objective to prepare employees to have proper qualification, skill, and potential to perform more efficiently at work. Humans are the valuable resources who have both thought and potential. If we can analyze how much potential each person has and how they perform their works, then we will be able to get advantages in order to operate, achieve the goal and accomplish the jobs (Sungkaew, 2002: 1). The ability to perform duties includes goal accomplishment, standardization and reliability, timeliness of outcome, and satisfaction (Sangpanich, 2002: 23-41). Once the accountants do their jobs well, it will be a success in the practice of accounting.

According to all the reasons mentioned above, the researcher was interested in studying the structural equation model of factors affecting the performance of accountants of the central



region of Thailand with the objective to examine factors that affect the performance of accountants. The data were collected from accountants in Central Thailand. Results of the research can be used as a guideline for the development and improvement of the performance of accountants to have more potential.

Research Objectives

This research aimed to study the structural equation model of factors affecting the performance of accountants in Central Thailand with the following objectives:

1. To study the causal relationship between organizational culture, work participation, organizational engagement, and work performance of accountants in Central Thailand.
2. To investigate the consistency of the structural equation model affecting the development of accountants' work performance with empirical data.

Conceptual Framework

The researcher had studied about organizational culture (Sanguanwongwan. 2004: 20-21), work participation (Marchington and Wilkinson. 2005), organizational engagement (Nimprasert. 1999: 9), and work performance (Meesuta and Satchukorn. 2006: 9). From the concepts above, the framework used as the research guideline was as shown in Figure 1.



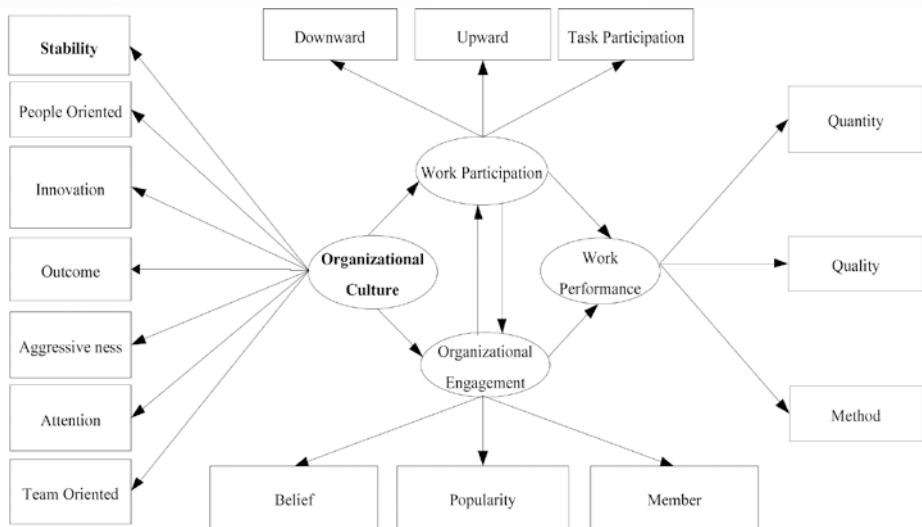


Figure 1: Conceptual Framework

Research Methodology

Population and Samples

Population for this study was accountants in Central Thailand with a total of 51,955 samples (The Department of Business Development, 2014). The researcher had randomly selected the sample by using the principles of Probability Sampling conducted under the principles and methods of analyzing multivariate variables in linear structural equation modeling. As it has many independent variables that require sufficient samples to analyze, the sample size for analysis should be around 15-20 times of the variables (Viratchai, 1999). Since this study observed 16 variables, an estimated 15 times of samples under the principle yielded a sample size of 336 samples by Simple Random Sampling method. The determined sample has to be a good representative of the population and the right size in terms of both theory and practice.

Research tools

The tool that the researcher used to collect data is a questionnaire that the researcher created according to the research's conceptual framework which can be divided into 7 parts. Part 1 is a general information of accountants in various enterprises in Central Thailand with 7 checklist item.



Part 2 provides general information about enterprises in Central Thailand with 5 checklist items. Part 3 asks practitioners about causal factors of organizational culture that affect performance of accountants in Central Thailand with five-point scale questions. Part 4 asks practitioners about causal factors of work participation that affect performance of accountants in Central Thailand with five-point scale questions. Part 5 asks practitioners about causal factors of organizational engagement that affect performance of accountants in Central Thailand with five-point scale questions. Part 6 asks practitioners about causal factors that affect performance of accountants in Central Thailand with five-point scale questions. Part 7 are recommendations and open-ended questions. The questionnaire has the index of consistency (IOC) of validity between 0.50-1.00 and reliability between 0.82-0.93.

Data Collection

The researcher sent the questionnaires to 400 target samples by mail with stamped envelopes to let the respondents return the completed questionnaires back. The number of respondents who returned the completed questionnaires was 336 sets which accounted for 84% and the researcher verified the integrity of all the questionnaires before analyzing data.

Data Analysis

The data were analyzed with descriptive and inferential statistics to examine important factors which affect work performance of accountants in Central Thailand and tested hypothesis of the study at the significant level of 0.05.

Results

The analysis of the causal relationship between organizational culture, work participation, organizational engagement, and work performance of accountants in Central Thailand showed that, considering the influence of variables that affect work performance of accountants in Central Thailand, the organizational culture variables' effect was 0.58 at statistically significant level of 0.05; the direct effect was -0.24 with no statistically significant level of 0.05. The indirect effects via latent variables on organizational engagement were 0.82 with statistically significant level of



0.05. Moreover, the work performance variable of accountants in Central Thailand was affected by latent variable of work participation via the organizational engagement variable at 0.74 with statistically significant level of 0.05. The direct influence of latent variable of work participation has the effect of 0.37 with statistically significant level of 0.05. The organizational engagement directly affected work performance of accountants in Central Thailand at 0.60 with statistically significant level of 0.05.

Table 1: The Correlation Coefficient between variables in the causal model of factors that affect work performance of accountants in Central Thailand.

	Organizational Culture	Work Participation	Organizational Engagement	Work Performance
Organizational Culture	1.00			
Work Participation	0.87*	1.00		
Organizational Engagement	0.28*	0.62*	1.00	
Work Performance	-0.24	0.37*	0.60*	1.00

* Level of significance is 0.05

From Table 1, the analysis of correlation coefficient between variables in the causal model of factors affecting work performance of accountants in Central Thailand showed that the relationship is in moderate level, which is in accordance with the analysis of the causal relationship.



Table 2: The coefficient that affects the causal model of important factors affecting work performance of accountants in Central Thailand

Independent Variable	Organizational Culture			Work Participation			Organizational Engagement		
	TE	IE	DE	TE	IE	DE	TE	IE	DE
Dependent Variable									
Work Participation	0.86*	-	0.86*	-	-	-	-	-	-
Organizational Engagement	0.85*	0.44*	0.41*	0.51*	-	0.51*	-	-	-
Work Performance	0.63*	0.63*	-	0.51*	0.25*	0.26*	0.48*	-	0.48*
	(0.06)	(0.06)	(0.08)	(0.09)	(0.09)	(0.07)	(0.12)	(0.09)	(0.09)
*p< 0.05									
Variable	Down ward	Up ward	Task Participation	Belief	Popularity	Member	Quantity	Quality	Method
Validity	0.70	0.67	0.64	0.88	0.49	0.77	0.44	0.79	0.78
Variable	Stability	People Orientation	Innovation	Out come	Aggression	Attention	Team Orientation		
Validity	0.59	0.66	0.69	0.79	0.76	0.79	0.74		
Chi-square = 131.49 ; p-value = 0.00056; df = 83 ; $\chi^2/df = 1.58$; CFI= 1.00 ; RMSEA=0.042									
The structure equation of variables		Performance							
R-SQUARE		0.52							

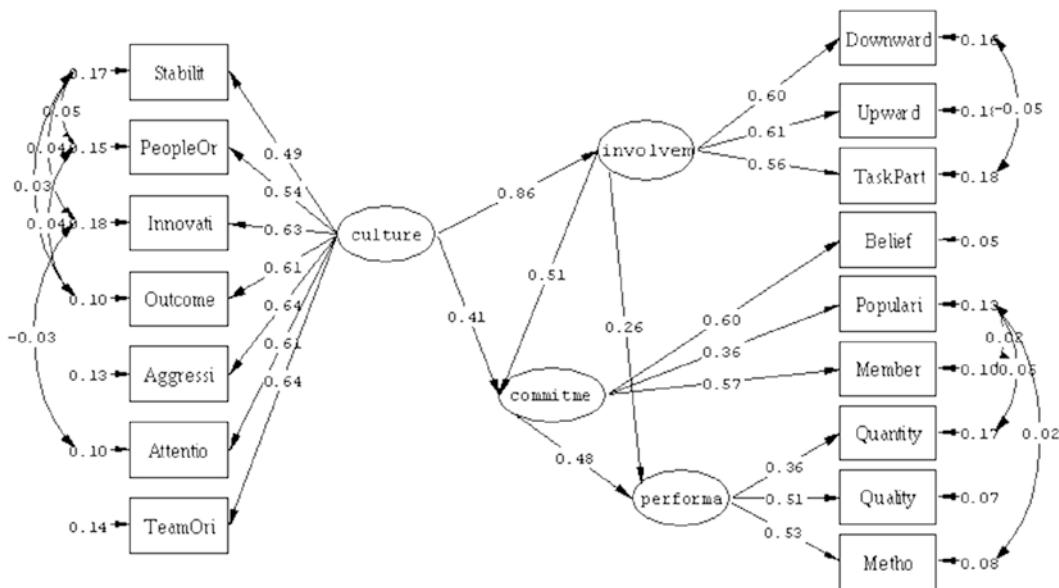
Remark: TE = Total Effect, IE = Indirect Effect, DE = Direct Effect



From Table 2, results of the analysis of structural equation model of factors affecting work performance of accountants in Central Thailand under the hypothesis showed that the model was consistent with the empirical data. The chi-square value was 131.49; p-value was 0.00056 with degree of freedom at 83 $\chi^2/df = 1.58$ CFI was 1.00 and RMSEA was 0.042. The coefficient of the predicted dependent variable was the latent variable of work performance factor whose value was 0.52. This indicated that variables in the model can explain the variance of the work performance variable of accountants in Central Thailand by 52%, which can be concluded that the model was in harmonized with the empirical data.

For the research model restructures, the possibility has to be considered in terms of theory and the model modification indices (MI) in order to adjust the suggested program and the highest statistical value of each parameter was equal to the decreased chi-square. Once the parameters were set as the independent parameters, the forced condition of the parameters by determining the accuracy of error of the observed variables and allowing the relationship to the errors (Viratchai, 1999). Then, the information can be used to remodel the research to be consistent with the empirical data and set the statistical data under the set criteria.

The results showed that the causal model affecting work performance of accountants in Central Thailand after remodeling was consistent with the empirical data in a good level, based on chi-square value (χ^2/df) of 131.49, degree of freedom of 83, p-value of 0.00056, chi-square value per the degree of freedom (χ^2/df) of 1.58, CFI of 1.00 and RMSEA of 0.042. All these statistics passed the specified criteria.



Chi-Square=131.49, df=83, P-value=0.00056, RMSEA=0.042

Figure 2: The causal model that affect work performance of accountants in Central Thailand with the empirical data after restructuring the research model, Chi-square = 131.49, p-value = 0.00056; df = 83 ; $\chi^2/df = 1.58$; CFI = 1.00; and RMSEA = 0.042

From Figure 2, it can be seen that the model was in harmony with the empirical data on the condition/level of acceptance. Therefore, it can be concluded that the causal model of important factors affecting work performance of accountants in Central Thailand can be used develop the causal relationship on the work performance of accountants in Central Thailand. The total effect of latent variables of organizational culture was of 0.63, at statistically significant level of 0.05. The indirect effect via the latent variables on work participation and organizational engagement effect size equal to was 0.63 with statistically significant level of 0.05. In addition, the variable of work performance of accountants in Central Thailand had an indirect total effect of latent variables on work participation via the organizational engagement of 0.51 with statistically significant level of 0.05 while the direct effect of latent variables on work participation was 0.26 with the statistically significant level of 0.05. Finally, the organizational engagement had a direct effect on work performance of accountants in Central Thailand of 0.48 with statistically significant level of 0.05.



Discussion

For this research, the researcher conducted the study with a research methodology and analyzed data to get results which can be discussed according to the research's objective as follows:

1. The study of causal relationship between organizational culture, work participation, organizational engagement, and work performance of the accountants in Central Thailand showed that the model has no consistent with the data. From studying the in-depth information, it was found that the model had no consistency with the data because the data were collected from respondents who were a group of operational level accountants at a total of 84%. The similar study's result was also found in the past study of Anderson and Wright (1988) who found that experience, expertise and environment had impacts on the study. Similarly, the comparison study between two groups of sample with totally different experiences (regular staff and interns), the results showed that a relationship between the interns and ability of work performance were related in a low level. This result was consistent with the study of Makanjee, Hartzer and Uys in 2006 who found out that good environment made the employees happy and had good quality of works. The study of Thongsan (2014) and Lin, Fraser and Hatherly (2003) also supports this finding as they found that the influence of a relationship between different factors depend on the commitment, experience and the environment of work operation. Results of various studies support the results of this study that data collecting methods and characteristics of the respondents with low level of experience, expertise, and working ability will give different results from other researchers. Similarly, operational environment of the samples was not controlled appropriately and led to different results. Researches in the past found out that the organizational culture, work participation, and organizational engagement affect work performance of accountants. One of the in-depth analysis found that this issue occurred because of differences in questions and supported factors. Overall, the works which found relationship mostly identified the groups of population and selected the samples with high expertise or experience, such as internal auditor, auditor and so on. Similar result had been discovered by Bedard in 1989 that the variety of factors associated with the working performance should be studied among the groups of the sample that has high expertise and experience, and the environment should not be much different. This may be



concluded that results of the studies in the past 70 years still remain the same, as this study also found the same result that experience and environment were related to the study of work performance of employees.

2. Investigating consistency of structural equation model affecting the development of accountants' work performance with empirical data showed that the structural equation model was in harmony with work performance of accountants which developed with the empirical data. In other words, factors taken into the research where appropriate and able to reflect work performance of accountants for organizational culture, work participation, and organizational engagement. The study of Chatsupakul in 2008 about performance of Provincial Electricity Authority offices also found out that the organizational culture and environment affected work performance of employees. Syler (1998) also found that organizational culture was the fundamental thing that affected work performance, which is consistent with the study of Jarratt and O'Neil in 2002 who found that organizational culture supported the employees to achieve their goal. In the previous study, the work of Phanomai (2001) and Dusitrattaakul (2014) also found that the organizational engagement of librarians affected their work performance. Glisson and Anthony (1998) and Chen et al (2009) also conducted similar studies and got the results that supported this factor as well. Thus, it can be concluded that organizational engagement that the employees have could predict that the employees will perform better because they are happy to do their jobs. In case of Thailand, the study of Meksook and Pasunon (2017) revealed that team-working and good relationship in the workplace helped increase organizational engagement while Allen and Meyer (1996) stated that work participation of the employees affected performance of the employees. Finally, Makanjee et al conducted the study in 2006 and found out that when the employees tried to do role playing, the employees will be more interactive with each other and reflect efficiency of their operation.



Suggestion

Suggestions to use results of this study

From this study, it was found that organizational culture, work participation, organizational engagement and work performance of accountants in Central Thailand could operate effectively and efficiently by the following statements.

- 1) The agency that involves in the development of accounting should encourage a person who would like to be an accountant to learn about theory of organizational culture, work participation, and organizational engagement in order to adapt to real use in practical operation to be able to perform their work effectively and efficiently.
- 2) The agency that involves in the development of accounting should encourage accountants to perform their jobs with professional skills by developing and learning new things, such as information technology, communication with other people, and establishment of credibility and faith in their professions.
- 3) The agency that involves in the development of accounting should encourage accountants to pay attention to continuous self-improvement in order to enhance their knowledge, skill and expertise in their work performance.

Suggestions for future research

- 1) People who are interested in this study can apply the causal model of factors affecting work performance of accountants in Central Thailand to the development of effective practice of the other accounting professions, such as cooperative accounting auditors, certified public accountant, tax auditor, and so on.
- 2) People who are interested in this study can develop the causal model of factors affecting work performance of the accountants in Central Thailand by conducting a qualitative research in order to get in-depth information and contribute to the efficiency development.





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