

# Innovation Knowledge and Capability, Work Efficiency of Accountants and the Success of SME Registered in Nakorn Pathom Province

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**Abstract**—The objectives of this research were to compare the success of SME registered in Nakorn Pathom Province divided in personal data also to study the relations between the innovation knowledge and capability and the success of SME registered in Nakorn Pathom Province and to study the relations between the work efficiency and the success of SME registered in Nakorn Pathom Province. A questionnaire was utilized as a tool to collect data. Statistics utilized in this research included frequency, percentage, mean, standard deviation, and multiple regression analysis. Data were analyzed by using Statistical Package for the Social Sciences.

The findings revealed that the majority of respondents were male with the age between 25-34 years old, hold undergraduate degree, married and stay together. The average income of respondents was between 10,001-20,000 baht. It also found that in terms of innovation knowledge and capability, there were two variables had an influence on the amount of innovation knowledge and capability, innovation evaluation which were physical characteristic and innovation process.

**Keyword**—Accountants, Innovation, Knowledge, Work Efficiency

## I. INTRODUCTION

**N**OWADAYS small-and medium-size enterprises have been a major engine of economic growth. They exert a strong influence on the economies of all countries, particularly in the fast – changing and increasingly competitive global market. As a result, policy-makers in many developing countries have focused on developing policies in order to promote small-and medium-size enterprises Thai government, without exception, has also seriously and continuously reviewed and formulated development direction for SMEs since the economic crisis hit the country in 1997 Management accounting has become an important tool to organizational success because management accounting information is a primary informational source for planning, decision making, improvement, [1] and control in organizations. Management accounting information can help organizations clarify, communicate and implement business strategies. The role of management accounting may be not different between on SMEs or large companies. [2]

There have been many researches examining the extent of the use of traditional and advanced management accounting

techniques in several countries such as USA, Japan, Australia, New Zealand, China, and India. Almost all of the previous researches used mail survey technique. The results indicated that although traditional management accounting techniques in general were still more popular, the majority of manufacturers, and larger companies were more likely to use advanced management accounting techniques. The most serious barriers to the adoption of new accounting techniques were the limitations in the firm's human resources, such as a lack of relevant skills, a lack of time, management inertia, and the cost of hiring capable employees. Problems relating information flows between accounting and production were also noted as reasons. [3]

Although there have been many researches about management accounting in several countries, there are a few studies of management accounting practices in Thailand. The results of a mail survey of the current management accounting practices used by manufacturing in Thailand. The results found that overall the techniques receiving the highest usefulness scores were FIFO inventory for materials, actual absorption costing, and the cash flow analysis the Studied the role of managerial accounting in emerging economies by taking Thailand as a case for the study. This research collected data from the publicly held companies listed on the Success of SME Registered in Nakorn Pathom Province. Mail survey and interview technique were employed. The research found that there were significant changes in the adoption of management accounting practices as well as perceived benefits derived from management accounting practices in Thailand over the period 1996-2001.

There was also a positive association between the degree of perceived benefit from the use of certain management accounting practice and firm's financial performance. [3] Intense competition and a transfer of new information and production technology were causes of changes in the adoption.

The innovation can be tied to the accountants, fuel system, ignition system, emission systems, brakes, suspension, transmission, and many other systems. This can make electrical diagnosis and repair very challenging. The accountancies control system increases have involved from simple mechanical repairs to high-level technology-related work. The increasing sophistication of accountant subject area requires students who can use computerized shop equipment

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and work with high-end electronic components while servicing their skills with specific tools. [4]

Recently, the accountant has integrated electronic control systems and complex computer manipulatively and their performance while on the road. Students must have an increasingly innovation knowledge of how accountant operates' complex components work and interact. Effective accountant is active and interactive rather than passive and isolating. Its reasonable application can make accountant more diversified, flexible, and effective and offer learning tools which can develop accountant's competencies. Hence, it is important to study on accounting technology area. On the other hand, the increasing sophistication of accounting subject area requires students who can repair and diagnosis with high performance while servicing their skills common problem-solving skills. [5]

## II. LITERATURE REVIEW

### A. Innovation Knowledge

Innovation as a knowledge process aimed at creating new knowledge geared towards the development of commercial and viable solutions. Innovation is a process wherein knowledge is acquired, shared and assimilated with the aim to create new knowledge, which embodies products and services. Also states that innovation is the adoption of an idea or behavior that is new to the organization. The innovation can be a new product, a new service or a new technology. Innovation is related to change, which can be radical or incremental. [1]

Innovation can broadly be described as the implementation of discoveries and interventions and the process by which new outcomes, whether products, systems or processes, come into being. The authors distinguish radical and incremental innovation from one another. Incremental innovations present themselves as line extensions or modifications of existing products. They are usually classified as market-pull innovations. Incremental innovation does not require significant departure from existing business practices and are therefore likely to enhance existing internal competencies by providing the opportunity to build on existing know-how. Radical innovations are likely to be competence-destroying, often making existing skills and knowledge redundant and necessitating different management practices. Radical innovations often put the business at risk because they are more difficult [2] to commercialize. Radical innovations are considered crucial to long-term success as they involve development and application of new technology, some of which may change existing market structures. The author defines innovation as the creation of new knowledge and ideas to facilitate new business outcomes, aimed at improving internal business processes and structures and to create market driven products and services. Innovation encompasses both radical and incremental innovation. [5]

### B. Balanced Scorecard for Performance Measurement

The BSC retains financial metrics as the ultimate outcome measures for company success, but supplements these with metrics from three additional perspectives – customer, internal process, and learning and growth – that we proposed as the drivers for creating long-term shareholder value. The Balanced Scorecard, of course, was not original for advocating that nonfinancial measures be used to motivate, measure, and evaluate company performance. In the 1950s, a General Electric corporate staff group conducted a project to develop performance measures for GE's decentralized business units. The project team recommended that divisional performance be measured by one financial and seven nonfinancial metrics. One can see the roots of the Balanced Scorecard in these eight objectives. [2] The financial perspective is represented by the first GE metric, the customer perspective with the second, the process perspective with metrics 3-5, and the learning and growth perspective with metrics 6 and the 8th metric captures the essence of the Balance Scorecard, encouraging managers to achieve a proper balance between short and long-range objectives. Unfortunately, the noble goals of the 1950s GE corporate project never got ingrained into the management system and incentive structure of GE's line business units. In fact, despite metrics 5 and 8 in the above list, several GE units were subsequently convicted of price-fixing schemes, with their managers claiming that corporate pressure for short-term profits led them to compromise long-term objectives and their public responsibilities. [3]

Thus the roots of management planning and control systems encompassing both financial and nonfinancial measurement can be seen in these early writings. Despite the advocacy of these scholars, however, the primary management system for most companies, until the 1990s, used financial information almost exclusively and relied heavily on budgets to maintain focus on short-term performance. [2]

Some accounting academics proposed methods by which a firm's spending to create intangible assets could be capitalized and placed as assets on the corporate Balance Sheet. During the 1970s, there was a burst of interest in human resources accounting. Subsequently, Baruch Lev and his doctoral students and colleagues proposed that financial reporting could be more relevant if companies capitalized their expenditures on intangible assets or found other methods by which these assets could be placed on corporate Balance Sheets. While such a treatment is consistent with advocacy of measurement to improve understanding and management, none of these approaches gained traction in actual companies. Several factors led to the lack of adoption of placing values for intangible assets on corporate Balance Sheets. [6]

An accounting department is one of the most important departments of any organization. It is therefore important to encourage self-improvement so as to increase their job performance and ability to adjust for the ever changing future. An accountant has a very competitive job in Thailand and the occupation itself is based on the focus on learning and continuously improving. [7] It is vital to blend with various

kinds of knowledge such as technology, economy, social, and politics. Also, it is important to have the ability to adjust to the changing environment and the policies of the organization [8]. Accounting is an important tool in financial management and an accounting department often has to deal with other department in the organization. Accounting in general involves numbers, paper work, and documents. The occupation requires a person to be very meticulously in detail, prudent, and pay attention to format correctness. Success in this field depends on sufficient prior knowledge and experience as well as having a positive attitude toward positive job attitude for motivation. Therefore, accountants must acquire more knowledge and various skills in technology, in training, in practicing in order to enhance their knowledge which results in the ability to work effectively. [3]

From the reasons above, it is necessary to focus research on possible variables that may influence learning efficiency so as to enhance job performance. This paper is a case study on the local accountants' job performance in Nakorn Pathom Province, Thailand. The findings from this research can assist the local administration of Nakorn Pathom province to set up the needed guidelines to enhance the knowledge and ways of self-improvement thereby ameliorating ability and hence work performance effectiveness

III. METHODOLOGY

The study was survey research employed quantitative approach and collected data by questionnaires. The samples were the 381 accountants working in the SME registered in Nakorn Pathom Province. Statistics of Frequency, Percentage, Mean, Standard Deviation, One-way ANOVA, and Pearson Correlation were used to analyze the data.

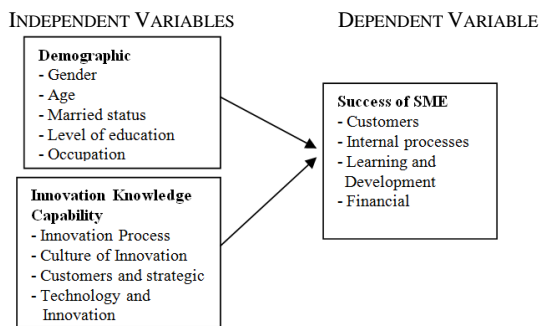


Fig. 1 Research Conceptual Framework

IV. FINDINGS

The research found as follows: Most of the respondents were female aged 31-35 years, single, Bachelor degree and worked as the accountants more than 3-5 years. The respondents had innovation knowledge and capability in high level considering in each aspects they were the innovation knowledge and capability, innovation evaluation, innovation culture, innovation technology, customer and strategy, and innovation process. [4]

TABLE I  
THE DESCRIPTIVE OF INNOVATION KNOWLEDGE CAPABILITY INDICATOR

Innovation Knowledge Capability	Mean	Interpretation
1.1 Innovation Process	3.41	Effective
1.2 Culture of Innovation	3.45	Effective
1.3 Customers and strategic	3.50	Effective
1.4 Technology and Innovation	3.62	Effective
<b>Overall Mean</b>	<b>3.64</b>	<b>Effective</b>

The data displays innovation knowledge capability the subject accountant employs to innovation knowledge capability on their business and success of SME. Respondents affirmed the use and effectiveness of all these Innovation Knowledge Capability as manifested in their almost equal mean responses to the following strategies: Innovation Process, Culture of Innovation, Customers and strategic (X=3.64), Technology and Innovation (X=3.67) [7]. Overall, the extent at which [3] innovation knowledge capability are utilized for success of SME is quite apparent. Overall mean (X=3.64) which means "Effective".

Regression of Success of SME Performance: Personnel Satisfaction on accountant Factors reveals the regression of Personnel Satisfaction on accountant. The optimal equation generated using the stepwise regression analysis is found to be statistically significant at 0.000 levels with an F value of 125.196. With the initial combination of four [3] independent variables (Innovation Process, Culture of Innovation, Customers and strategic, Technology and Innovation), only one came out to provide the greatest explanatory power to the optimal equation of the Success of SME.

TABLE II  
THE REGRESSION OF TECHNOLOGY AND INNOVATION PREDICTOR

Predictor	Beta Coefficient	t	Significance
Technology and Innovation	0.709	13.189	.000

Adjusted R-Square: .257 F-Values: 125.196 Significance of F: .000 as indicated, Technology and Innovation predicts positively the Success of SME. The beta coefficient (B=0.509) implies that for every standard unit deviation increase in Technology and Innovation, there is a 0.509 standard deviation unit increase in Success of SME. [3]

Innovation Process affirmed the use and effectiveness of the Success of SME as manifested in their almost equal mean responses to the following strategies: customers, internal processes, Learning and development, financial signs (X=3.71), Innovation Process (X=3.63), Culture of Innovation (X=3.64) and Customers and strategic (X=3.70). Overall, the extent at which this Innovation Knowledge Capability is utilized for Success of SME is quite apparent and effective with a mean rating of 3.64.

All the Customers and strategic are effectively utilized as manifested from the equal mean ratings of the customer respondents. [1] Low interest financing (X=3.72) however is proven to be a common Learning and development employed by accountants managers. The customers had an option to learning and development with a very minimal innovation

process. Overall, with a mean rating of  $X=3.61$ , these Customers and strategic are apparently effective Success of SME of accountant owners.

Success of SME performance (30) or 25% of the respondents including customers, internal processes, Learning and development, financial dimension not much significant than 2 factor as internal processes, learning and development. For the firm performance (56) or 46.7% of the respondents attend as a customer's satisfaction at an average of three (3) per year, twenty-six (26) or 21.7% of the respondents attend Customers and strategic at an average of four (4) per year while eight (8) or 6.7% of the total 120 respondents attend Culture of Innovation at an average of at least 5 per year. [7]

#### V. DISCUSSION

The results of this research support the results from many survey researches done previously in several countries, as mentioned in introduction part. The results on the use of Innovation Knowledge and Capability, Work Efficiency of Accountants and the Success of SME registered in Nakorn Pathom [7] Province indicated that innovation knowledge capability was used more than advanced management accounting Innovation Process. Thai SMEs who applied for advisory support from the public sector for investment advice and upgrading of management capability, as called "ITB" in this research, and Thai SMEs who did not applied for advice, as called "Non-ITB mentioned similar Innovation Knowledge Capability that were unknown to them but mentioned techniques they knew but never used differently.

#### VI. RECOMMENDATION AND FUTURE STUDIES

Innovation Knowledge Capability depends on the Innovation Process, Culture of Innovation, Customers and strategic, Technology and Innovation. In a highly significant to Success of SME performance seem like the other business, the biggest concern of accountant manager is to attain customer loyalty. [7] The results of this research showed that accountant needs to be aware of the following.

Technology and Innovation should be highly concerned about the Innovation working Process such as website, and computer skill of the accountant to induce customer to purchase for the Customers of Innovation as well as the preparation, and presentation should be given preferential attention to the accountant the patrons of the Learning and development will become standards and quality of Success of SME performance. [5]

Internal processes and financial might be an option to promote the accountant to be in the high position and generate a new group of Success of SME performance while also reinforcing the loyalty of current customers as well. Success of SME performance should provide an orientation or training to every accountant member in [7] order to set standards and to be a Learning and development able to provide an efficient, effective, warm, and friendly service to the guests. The SME should provide a welcoming, friendly, and relaxed

atmosphere. Research can be conducted in other Innovation Knowledge management and in different provinces of Thailand at different time of the year, and different groups and other variables.

#### ACKNOWLEDGMENT

The author would like to thank Assoc. Prof. Dr. Luedech Girdwichai, The President of Suan Sunandha Rajabhat University, Bangkok, Thailand for financial support. The author would like to thank Asst. Prof. Dr. Prateep Wajeetongratana, the Dean of Faculty of Management Science for the full support in this research.

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