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THE INFLUENCE OF INFORMATION TECHNOLOGY COMPETENCIES, PROFESSIONAL ETHICS, AND RISK MANAGEMENT ON FINANCIAL REPORTING QUALITY AND OPERATIONAL PERFORMANCE OF RETAIL BUSINESSES IN THE BANGKOK METROPOLITAN AREA

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ABSTRACT

The rapid evolution of information technology has significantly impacted financial reporting systems and the operational performance of retail businesses. This research aims to objectives: (1) to investigate the impact of accounting information technology competencies on financial reporting quality, (2) to examine the effect of professional ethics of accountants on financial reporting quality, (3) to assess the influence of risk management practices on financial reporting quality, and (4) to evaluate the effect of financial reporting quality on operational performance. This research adopts a quantitative approach by collecting data through structured questionnaires distributed to a sample of 357 companies. The content validity of the questionnaire was verified by three academic experts, and the reliability was tested using Cronbach's Alpha, which yielded a coefficient higher than 0.80, indicating high internal consistency. Data analysis employed descriptive statistics, inferential statistics, and multiple regression analysis. In addition, the study utilized correlation analysis and path analysis to explore both direct and indirect causal relationships among the variables affecting retail business performance. The results reveal that accounting information technology competencies, professional ethics, and risk management practices have a statistically significant impact on financial reporting quality. Furthermore, financial reporting quality significantly influences operational performance in retail businesses. These findings highlight the importance of enhancing accounting professionals' technological competencies, ethical standards, and risk management capabilities to improve financial reporting quality, thereby supporting effective decision-making and promoting sustainable organizational performance in the context of dynamic and technology-driven environments.

KEYWORDS: Accounting Technology Competencies, Professional Ethics, Risk Management, Financial Reporting Quality, Operational Performance.

1. INTRODUCTION

In today's highly competitive business environment, the rapid transformation of information technology has compelled accountants to play a more strategic role in financial management. Accountants are required to present relevant and timely financial information that supports managerial decision-making. To fulfill this role effectively, they must develop competencies in technology, transparency, and professional ethics (Jitprasarn & Tonglarland Intakhan, 2019). Digital accountants must adapt to technological advancements such as accounting software, information systems, and emerging digital tools. This also involves reskilling to keep pace with dynamic changes through the development of new analytical skills and strategic thinking to support effective decision-making, as well as enhancing soft skills such as communication and interdisciplinary collaboration (Chindet Wisas, 2020).

Risk management has become increasingly important in fostering organizational trust and reducing uncertainty.

Organizations must implement appropriate strategies that align with risk-based management practices, including internal audit and internal control systems. According to Rattadej Saichon (2020), Thailand's national strategy under the Thailand 4.0 policy emphasizes organizational development through tools such as the Balanced Scorecard (BSC) to improve performance in four key dimensions: customer satisfaction, internal processes, learning and growth, and financial performance. This enables organizations to adjust and refine strategies to achieve competitive advantages and long-term sustainability (Chueasraku & Wonglakhon, 2023).

Although technology enhances efficiency, it does not replace the need for accountants with appropriate competencies and professional values. Ethical awareness, risk management capabilities, and the ability to present reliable financial reports remain essential. Thongyenburit (2024) highlights the importance of building trust and maintaining transparency in financial reporting. Therefore, this study investigates the relationships among accounting software competencies, professional ethics, and risk management practices in influencing financial reporting quality. The findings will contribute to organizational development and inform educational curricula to prepare accounting professionals to respond effectively to rapid global changes.

1.2. Research Objectives

- 1) To examine the impact of accounting information technology competencies on the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.
- 2) To assess the influence of accountants' professional ethics on the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.
- 3) To evaluate the effect of risk management practices on the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.
- 4) To investigate the impact of financial reporting quality on the operational performance of retail businesses in the Bangkok Metropolitan Region.

2. LITERATURE REVIEW

From the review of related studies, it has been found that information technology competencies have a significant positive influence on financial reporting quality. This is consistent with the research by Metalia, Winarningsih, Suharman, Ritchi, and Sembiring (2021) which indicated that the ability to manage IT resources, professional expertise, organizational stability, and internal control systems positively affect financial reporting quality. La Ode Firman Hamza and Aswan (2023) also noted that the use of accounting information systems (AIS) plays a crucial role in enhancing the quality of financial statements. Similarly, Sarsiti (2020) emphasized that AIS are key to supporting financial reporting processes, enabling data processing and interpretation that directly or indirectly improve the quality of reports.

Regarding professional ethics in accounting, Zhang (2024) pointed out that ethical conduct by accounting professionals addresses issues of integrity and responsibility. Accountants must possess strong ethical values, which reflect in their work and align with professional standards. This ensures accuracy and transparency in financial reporting. Supporting this, Ramadhan (2022) found that high ethical awareness and a sense of responsibility contribute significantly to the credibility and reliability of financial reports. Koufie, S., Tetteh, L.A., Kwarteng, A. and Fosu, R.A. (2024) argued that financial report users, especially executives, must consistently uphold integrity and objectivity in presenting financial data, thus setting an ethical standard across organizations.

In relation to risk management, several studies

have confirmed its positive influence on the quality of financial reporting. Gao, Hsu, and Liu (2025) reported that effective risk management practices enhance corporate governance and data transparency, thereby improving financial reporting quality. This is particularly important in environments with high levels of uncertainty. Raed, Kanakriyah, Riyad, Al-Hindawi, Noor, Abu-Al, Samen, Hanady, Bataineh, Rafat, and Salameh (2024) studied the updated COSO ERM framework (2017) and found that its expansion enables organizations to integrate risk management into strategic planning. This enhances customer trust, supports data-driven decision-making, and aligns reporting systems with organizational objectives, thus ensuring greater transparency and control.

In terms of financial reporting quality and business performance, prior studies have demonstrated that reporting quality has a direct impact on corporate performance. According to Humphreys (2023), financial reports serve as a basis for performance evaluation. Organizations using the Balanced Scorecard (BSC) can align decision-making with performance metrics. For example, in a case study of a provincial hospital in Thailand, the BSC framework improved transparency, performance monitoring, and alignment with strategic goals.

Moreover, Petchprapai and Tanomrod (2023) found that implementing the Balanced Scorecard in government agencies enhanced efficiency in public service delivery and operational alignment. Research on the Optimization Measures of the Balanced Scorecard in Enterprise Management (2023) emphasized that traditional financial indicators alone are insufficient to assess organizational effectiveness. Instead, performance should be assessed through four perspectives: learning and growth, internal processes, customer perspective, and financial perspective. This multidimensional approach fosters holistic performance evaluation, leading to balanced growth and long-term organizational development.

Ultimately, this study examines the factors influencing the quality of financial reporting and operational performance of retail businesses in the Bangkok Metropolitan Region. Key factors include accounting technology competencies, professional ethics, and risk management practices. These variables play a critical role in enhancing the usefulness and reliability of financial reports, which are essential for decision-making and achieving competitive advantage in today's dynamic business environment.

The research hypotheses are as follows

H1: Accounting technology competencies significantly influence the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.

H2: Accountants' professional ethics significantly influence the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.

H3: Risk management practices significantly influence the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.

H4: Financial reporting quality significantly influences the operational performance of retail businesses in the Bangkok Metropolitan Region.

2.1. Conceptual Framework

The researcher has studied the topic of accounting technology competencies, professional ethics, and risk management practices and their effects on financial reporting quality and operational performance of retail businesses in the Bangkok Metropolitan Region, as follows

1.1 Independent Variables

1.1.1 Information Technology Competencies comprising three components

1.1.1.1 Proficiency in using accounting software
1.1.1.2 Application and integration of information technology

1.1.1.3 Data security and privacy protection

1.1.2 Professional Ethics in Accounting comprising six components

1.1.2.1 Integrity and honesty
1.1.2.2 Fairness and impartiality
1.1.2.3 Knowledge, ability, and comprehension in applying professional standards

1.1.2.4 Confidentiality

1.1.2.5 Adherence to professional conduct

1.1.2.6 Transparency

1.1.3 Risk Management Practices comprising five components

1.1.3.1 Oversight of activities and organizational ethics

1.1.3.2 Organizational strategies and resources

1.1.3.3 Performance goal setting

1.1.3.4 Monitoring and improvement

1.1.3.5 Communication and reporting systems

1.2 Mediating Variable

1.2.1 Financial Reporting Quality comprising three components:

1.2.1.1 Accuracy and completeness

1.2.1.2 Verifiability and auditability

1.2.1.3 Timeliness of reporting

1.3 Dependent Variable

1.3.1 Business Performance (Balanced Scorecard) comprising four components

1.3.1.1 Learning and growth perspective

1.3.1.2 Internal process perspective

1.3.1.3 Customer perspective

1.3.1.4 Financial perspective

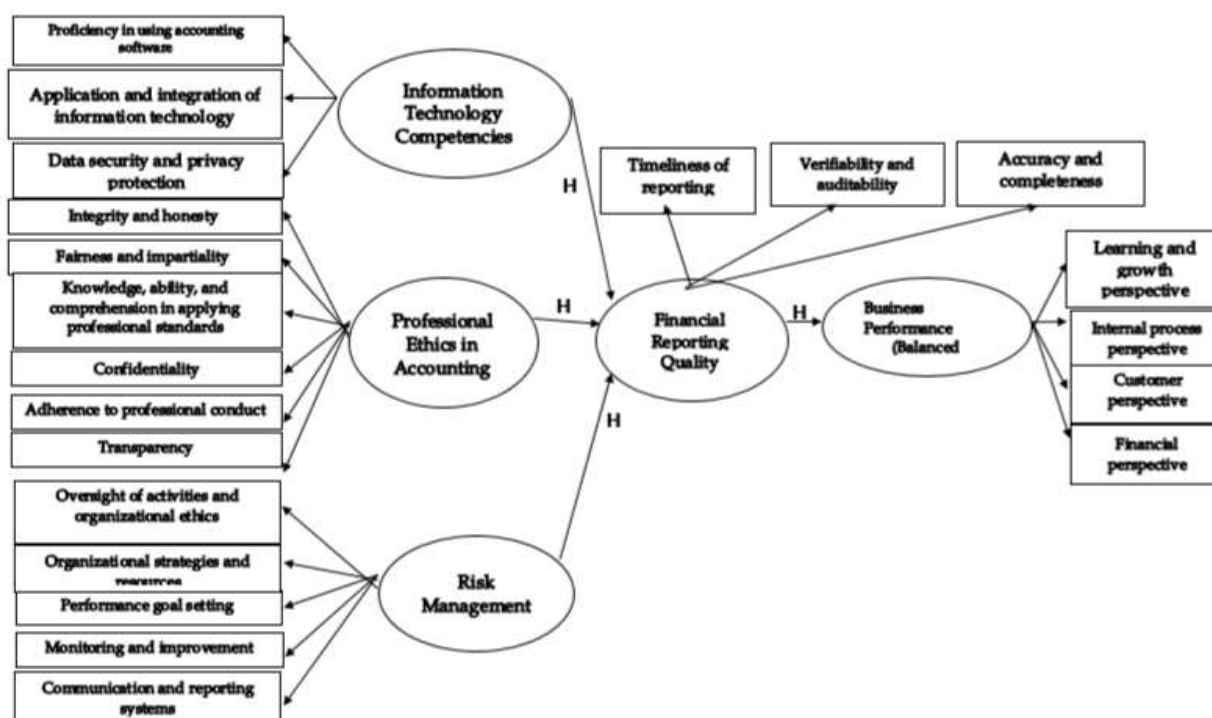


Figure 1: Conceptual Framework of Study.

3. RESEARCH METHODOLOGY

Population and Sample Group: The population of this study comprised retail businesses in the Bangkok Metropolitan Area engaged in product distribution, totaling 3,333 companies registered with the Department of Business Development (2023). The sample size was determined using a stratified random sampling technique, applying the formula of Taro Yamane (1973) with a 95% confidence level, yielding a sample of 357 retail businesses.

Research Instrument: The primary instrument used for data collection was a structured questionnaire, developed based on literature reviews and relevant theoretical concepts. The questionnaire employed a five-point Likert scale. The validity of the instrument was evaluated through content validation by experts, and reliability was tested using Cronbach's Alpha.

Data Collection Procedure

1. Data were collected through fieldwork, where trained research assistants personally delivered and retrieved the questionnaires from the 357 selected businesses.

2. Questionnaires were also sent with cover letters via online platforms to increase response rates. A total of 357 fully completed questionnaires were returned, achieving a 100% response rate.

Data Analysis and Statistical Techniques: The data obtained from the questionnaire were statistically analyzed to address the study's objectives and hypotheses. **The software used for analysis included descriptive and inferential statistics as follows**

1. Descriptive Statistics: Used to analyze general demographic data (Part 1) such as frequency, percentage, mean, and standard deviation. For Parts 2–5, descriptive statistics analyzed the respondents' perceptions of information technology competencies, professional ethics, risk management, financial reporting quality, and business performance.

2. Inferential Statistics: Multiple regression analysis was used to test the research hypotheses and determine the relationship between information technology competencies, professional ethics, risk management, and their effects on financial reporting quality and business performance in retail businesses in the Bangkok Metropolitan Area.

4. RESEARCH RESULTS

Table 1: Research Findings.

Objective	Research Findings
To examine the impact of accounting information technology competencies on the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.	Metropolitan Region. The study revealed that factors influencing the performance of retail businesses in the Bangkok Metropolitan Region include accounting technology competencies, specifically: (1) competency in using accounting software, (2) competency in applying accounting information technology, and (3) competency in data security and protection. These areas received the highest mean scores and standard deviations, indicating a strong correlation with the quality of financial reporting. The findings highlight the importance of continuous development in technological skills and knowledge for accountants in the digital era. Accounting technology competencies are critical for enhancing risk management and improving financial reporting quality, thereby supporting competitiveness in the digital business environment
To assess the influence of accountants' professional ethics on the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.	The research revealed that accountants' professional ethics significantly influence financial reporting quality in retail businesses within the Bangkok Metropolitan Region. Key ethical dimensions such as integrity, morality, objectivity, knowledge, competence, compliance with professional standards, confidentiality, professional conduct, and transparency received the highest average scores and standard deviations. These findings indicate strong positive correlations and highlight the crucial role of professional ethics in promoting trust, credibility, and sustainable financial reporting practices.
To evaluate the effect of risk management practices on the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.	The research found that risk management practices significantly affect the quality of financial reporting. Key practices including governance, strategic objectives, performance targets, review and improvement processes, and communication/reporting mechanisms were found to enhance risk mitigation, increase confidence, and support competitiveness in rapidly changing business environments.
To investigate the impact of financial reporting quality on the operational performance of retail businesses in the Bangkok Metropolitan Region.	Metropolitan Region. The study indicated that financial reporting quality plays a critical role in improving business performance. Components such as governance, strategic alignment, performance measurement, internal communication, and reporting were found to significantly contribute to the efficiency and sustainability of organizational operations, thereby promoting competitive advantage and long-term growth.

Table 2: Hypothesis Testing.

Hypothesis	Research Findings
H1: Accounting technology competencies significantly influence the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.	The findings indicate that accounting technology competencies including the use of accounting software, application of accounting information systems, and data security management have a statistically significant impact on financial reporting quality. This is consistent with La Ode Firman Hamza and Aswan (2023), who highlighted the role of AIS in enhancing reporting quality, and with Sarsiti (2020), who emphasized the importance of AIS in decision-making.
H2: Accountants' professional ethics significantly influence the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.	The study supports the hypothesis that professional ethics especially integrity, credibility, and transparency significantly influence the quality of financial reporting. This aligns with Ramadhan and Ramadhan (2022), who emphasized the importance of ethical behavior in financial disclosure and accountability.
H3: Risk management practices significantly influence the quality of financial reporting among retail businesses in the Bangkok Metropolitan Region.	The findings confirm that risk management practices play a critical role in enhancing financial reporting quality. By reducing data uncertainty and increasing transparency, these practices contribute to organizational resilience. This finding supports Gao, Hsu, and Liu (2025), who emphasized the importance of risk disclosure and internal control in strengthening financial reporting reliability.
Hypothesis 4: The quality of financial reporting has an influence on the performance of retail businesses in the Bangkok Metropolitan Region.	Research findings indicate that the quality of financial reporting plays a critical role in the performance of retail businesses. Accurate, transparent, and reliable financial reports reflect the true financial position of an organization, thereby supporting strategic decision-making, enhancing stakeholder confidence, and promoting sustainable organizational management. Ardi et al. (2023) highlight that the Balanced Scorecard serves as a comprehensive strategic management system that facilitates planning and performance evaluation by integrating both internal and external factors in a balanced manner.

5. CONCLUSION

The analysis of demographic data from respondents revealed that most participants were female (56.60%) and aged between 31 and 40 years (38.70%). More than half held a bachelor's degree (52.90%) and had between 1 to 10 years of work experience (42.00%).

The findings support all research objectives and hypotheses. The study investigated: (1) accounting technology competencies and their impact on financial reporting quality, (2) the influence of accountants' professional ethics on financial reporting quality, (3) the role of risk management in financial reporting quality, and (4) the impact of financial reporting quality on operational performance of retail businesses in the Bangkok Metropolitan Region.

The results demonstrate that accounting technology skills, professional ethics, and effective risk management practices are significant contributors to the quality of financial reporting. High-quality financial reporting, in turn, enhances decision-making, operational effectiveness, and organizational sustainability. Therefore, fostering these capabilities among accounting professionals is essential to improving competitiveness and adaptability in the digital economy.

6. DISCUSSION

6.1. Accounting Technology Competencies

Accounting technology competencies including the use of accounting software, the application of information systems, and data security management were found to significantly influence the quality of financial reporting in retail businesses within the Bangkok Metropolitan Region. These competencies contribute to more accurate, timely, and reliable financial reports that support decision-making by management. This finding supports the first hypothesis, suggesting that accounting technology skills are crucial for enhancing financial reporting quality and align with the findings of Fang et al. (2023), who emphasized the impact of digital technology and AIS quality on financial reporting in listed firms. The study found that advanced technological adoption significantly improves financial transparency and data integrity. Similarly, Metalia et al. (2021) noted that technological competencies alongside individual capabilities, organizational reliability, and internal control are vital factors influencing financial reporting quality.

6.2. Professional Ethics of Accountants

Aligned with the second hypothesis, the study confirms that professional ethics including integrity,

credibility, objectivity, and confidentiality are essential components that influence the quality of financial reporting. These values underpin compliance with the IESBA Code of Ethics and the professional standards of the Federation of Accounting Professions in Thailand. The findings support Aluwi et al. (2023), who emphasized that organizational ethical culture and individual ethical behavior strongly affect financial reporting quality. Additionally, Im and Nam (2019) found that companies lacking ethical conduct often produce financial reports that lack transparency, weakening stakeholder trust.

6.3. Risk Management Practices

Findings also support the third hypothesis, revealing that risk management plays a pivotal role in enhancing financial reporting quality. By implementing robust governance, strategic alignment, internal controls, and communication systems, businesses can mitigate data uncertainty and promote transparency. This aligns with Gao et al. (2025), who emphasized the role of enterprise risk management in enhancing sustainable and ethical financial reporting.

6.4. Financial Reporting Quality and Operational Performance

The results confirm the fourth hypothesis, indicating that high-quality financial reporting has a direct and significant effect on operational performance. Accurate, transparent, and verifiable financial information fosters strategic alignment, improves decision-making, and supports long-term organizational growth. This finding is consistent with Ardi et al. (2023), who emphasized that the Balanced Scorecard provides a comprehensive framework for aligning financial and non-financial performance indicators to enhance strategic execution.

7. RESEARCH CONTRIBUTION

The findings of this research provide valuable insights for businesses concerning accounting technology competencies, professional ethics, and risk management practices that affect the quality of financial reporting and operational performance of retail businesses in the Bangkok Metropolitan Region. The study confirms that accounting technology, professional ethics, and risk management are significant factors contributing to enhanced financial reporting quality. These elements ultimately support effective decision-making and the sustainable operation of retail businesses in Bangkok.

Moreover, accounting technology facilitates more efficient financial data management, while professional ethics strengthen trust and transparency. Risk management, in turn, helps mitigate uncertainty and fosters long-term stability in business operations.

8. RECOMMENDATIONS

1. Continuous Professional Development Organizations should provide ongoing training and promote the use of information technology systems in accounting operations. This will enhance employee skills, increase confidence in digital tools, and improve the overall accuracy and timeliness of financial reporting. Additionally, fostering IT proficiency will help build trust, transparency, and long-term organizational stability.
2. Strengthening Ethical Organizational Culture Businesses should create a strong ethical culture by consistently encouraging ethical conduct and enabling employees to report

unethical behavior or risk-related issues through mechanisms such as whistleblowing. This helps protect the organization from ethical breaches and promotes sustainable governance.

3. Incorporating Risk Management in Strategic Planning Executives and risk management professionals should integrate risk assessment into business decision-making processes. Proactive risk management will enhance the accuracy of financial reporting and improve organizational resilience and adaptability, especially in the face of economic or environmental disruptions.
4. Educational Integration Academic institutions offering accounting programs should integrate these findings into their curricula. This includes updating learning materials and teaching methods to reflect the role of information technology, ethics, and risk management in modern accounting practice, especially in the context of digital transformation.

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