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SUSTAINABILITY OF THE TOURISM INDUSTRY, BASED ON FINANCIAL KEY PERFORMANCE INDICATORS

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Abstract

Even if there is a real need of a set of key performance indicators for small and medium sized enterprises, this is not yet considered to be satisfied. Our research is focused on two main aspects, each of them individually important for the users of accounting information: the basic indicators specific for analysing operational performance and for decision making and the trend of the key performance indicators in the context of the economic crisis. The starting point of the study is a questionnaire addressed to small and medium sized enterprises activating in the tourism area, especially in the hotel industry. The respondents answered the questions in perfect anonymity by choosing one of the multiple choices for some of them and offering open answers to the others. Our analysis reveals a fair view of the dynamic of the most used key performance indicators in Romanian hotel industry, the limits of their interpretation and usage and the evolution of the financial and economic performance. The declared purpose of the research is to set the bases of a starting point in order to provide solutions for improving the relevance and the usage of these indicators in this domain, in the context of a sustainable business, taking into account the nowadays status of the economy in general and in particular the hotel industry.

Keywords: key performance indicators (KPIs), hotel industry, sustainability, sustainable accounting and reporting, small and medium sized enterprises (SMSs)

JEL Classification: M41, L83

Introduction

Tourism industry has experienced an important development during the past decades. Beside the positive effects of generating growth in destination areas, negative effects are generated, as well, having a great impact on the environment, culture, politics, society and economics. Sustainable development requires changes, including also the improvement of the relevance of the accounting information, aiming to grow the users' satisfaction regarding their specific environmental decisions for attaining the goals set by this concept. The growing need for sustainability is also a result of increased knowledge and of the concern regarding the impact on tourism and environmental issues in general. Tourism development, without the awareness of sustainability, can lead not only to the serious

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impairment of the society, but also of the environment and of the entire tourism industry as well (Minciu et al., 2010).

In our research, we approach sustainability from the economic point of view, trying to meet the needs of small and medium sized enterprises (SMEs) which activate in this area. The financial performance of a business depends on its ability to generate profit and to maintain its stability. One of our goals is to assess the current attitude towards the usefulness of the basic indicators specific for analysing operational performance, as well as for decision making. Our final goal at the end of our whole research is to identify a set of key performance indicators (further named KPIs) for small and medium sized enterprises as an instrument of dealing with current economic realities. In order to reach this goal, it is very important to assess the awareness degree of those involved in sustainability and performance improvement.

We have chosen to focus our analysis on small and medium sized enterprises, considering that they represent the largest category of businesses, over 99% of all enterprises worldwide, with many economic, technical and social functions. The SMEs are a vital and dynamic factor of progress in contemporary society. These small businesses largely contribute to the achievement of the fundamental objectives of any national economy. SMEs represent a separate research domain. Two main arguments can be made to justify the specific attention for this category of private enterprises. The first one is a quantitative argument: SMEs form a vital and large part of the modern economy. The second argument is more quality related, despite the heterogeneity of the SMEs sector, it being different in many circumstances from large businesses. The attention of IASB has focused on small and medium sized enterprises lately, which are of great importance for the development of national economy. They are a major factor of economic growth, innovation, having a positive effect on reducing unemployment by creating jobs.

The process of integration and globalization is closely linked to the need for international accounting harmonization. In this respect, the International Financial Reporting Standards (IFRS) were developed. Within those standards, the term of "small and medium-sized enterprises" have different meanings depending on the area in which they are used. Moreover, the delimitation of these SMEs has been a difficult and controversial topic over time, mostly due to the fact that there is no internationally accepted definition. The definition of SMEs in the context of IFRS refers to entities which (a) do not have public accountability, and (b) publish financial statements with general purpose for external users.

In the current context of globalization, sustainable development and competitiveness, but also of the financial crisis, companies are increasingly evaluated based not only on economic performance, quality of management and communication policy, but also on the contribution made to the social life of the community they belong to. A full reporting must reflect the range of values that an organization must adopt - economic, social and environmental ones. Basically, accounting needs to expand its traditional reporting framework in order take into account the financial results as well as the performance towards the society and the environment.

Our study uses various accounting information as a basis of determining the specific KPIs for analysing the operational performance and for decision making.

In order to find answers to our purpose several research methods were used, such as analysis, synthesis, comparison, observation or documentary research. The research

methodology used is the one of a survey based on a questionnaire. The questionnaire aims to determine the main types of financing preferred by the Romanian entrepreneurs and managers of small and medium sized enterprises activating in tourism industry; which are the indicators considered to be the most important in their activity; the extent to which they know how to assess and to use them; whether the assets liquidity is accordingly high in order to permanently allow facing the commitments taken; the way they know how to assess the liquidity impact if they use a centralized situation of cash flows; which is the objective they intend to achieve in their activity.

Following our approach we will review the main key performance indicators used, the scientific literature addressing sustainability and sustainable tourism, as well as the impact of the financial information in general. Furthermore, we will briefly present the methodology used in our research, the results obtained and the main conclusions.

1. Key performance indicators

Strategy theory suggests that firms can impede mean reversion of the incomes by employing competitive efforts, which directly influence the profitability of an entity, therefore they should be incorporated into analysis, forecasting and valuation hypotheses. Accounting information is more useful when it is applied to extract detailed knowledge about underlying economic events beyond the summary measures presented in the financial statements. For instance, the accountant's understanding of the transactional flow and how transactions aggregate to financial statement amounts provides specialized knowledge to develop financial statements ratios (combinations of amounts that reach beyond simple summary measures from the financial statements) to capture economic phenomena and measurements such as competitive efforts and rents (Dickinson and Sommers, 2012).

It is essential for a company to establish the strategic and operational goals and then to select the key performance indicators which highlight them best. The KPIs can be expressed as a set of irrefutable measures used by an industry or a company to estimate or determine performance in terms of congregating their strategic as well as operational goals. Moreover, KPIs cannot be established without a clear understanding of their limitations. We refer to the need of setting upper and lower limits of the KPIs in connection to the market and the performance of the competitors.

On yearly basis, the managerial process needs to treat KPIs as a tool for internal business analysis and for controlling the strategy outcome. For our case, in hospitality decision making, the KPIs help the management staff to ensure a proper resource allocation and to accomplish the profit maximization. In case of using a uniform set of KPIs for all businesses of this area, the compared analysis will be very helpful. Moreover, some KPIs are needed for daily, weekly or monthly basis in studying benchmarking comparisons across hotels, being a useful tool for managers by creating their particular pricing policy. Staehle and Lampenius (2011) show that recently a particular strain of literature has illustrated in depth that traditional accounting framework is often biased when evaluating specific key performance indicators (KPIs). For example, there are authors who analyse the return on investment, the pricing multiples and, last but not least, the costs and values of residual income.

The interest is particularly directed towards assessing the match between the "key indicators" used by managers, their own "interpretation" of the indicators and the way they

are used for “decision-making”. By identifying theoretical concepts and empirical evidence in the literature, performance measurement in a hotel industry context is examined and the analysis and evaluation of quantitative results is presented.

Some examples of performance indicators used in the hotel industry include occupancy ratio, revenue ratios (revenue per available room, per total rooms, average room rate), profitability ratios or financial ratios or efficiency ratios (service cost per room).

The Cost – Volume – Profit Analysis is a valuable technique for manager’s decision making, when considering a possibility to enter a new commercial activity or to improve the existing performance. The primary focus in this type of analysis concerns projecting future levels of profitability.

2. Relation to prior research

We aim, in this part, to review the main results of recent research and publications on sustainability and sustainable tourism and the role of accounting reports in this context.

The term and idea of sustainability were transferred to tourism from the ideology of sustainable development following the publication by the World Commission on Environment and Development (also named Brundtland Commission) of the report *Our Common Future* in 1987. According to this report, sustainable development is development which meets the present needs without compromising the ability of future generations to meet their own needs (WCED 1987). This concept can be by far considered one of the most successful approaches to be introduced. That is due to the fact that it brought an important contribution to shaping the international agenda and the international community's attitude towards economic, social and environmental development.

Sustainability is often seen as an interaction between three integrated elements: environment (ecology), economy and society, as dimensions of the Three Pillars Basic Model (Centre for Environment Education, 2007). These three pillars have served as common ground for numerous *sustainability standards and certification* systems in recent years. The idea of sustainability as a business opportunity has led to the formation of organizations such as the Sustainability Consortium of the *Society for Organizational Learning*, the Sustainable Business Institute, and the World Council for Sustainable Development. One consequence was the inclusion of sustainability into the commercial strategy of the company. A concept used is that brought into attention by Schaltegger and Wagner (2006) of sustainability performance management, which requires a sound management framework which on the one hand links environmental and social management with the business and competitive strategy and management and, on the other hand, integrates environmental and social information with economic business information and sustainability reporting.

Among the most significant initiatives in the standardization of sustainability accounting, as mentioned by Carol and Venkat (2007), we have found the Global Reporting Initiative (GRI), International Standards organization (ISO) 14000 series of standards; the World Business Council for Sustainable Development (WBCSD); the Institute of Social and Ethical Accountability AA1000 standard and the Sustainability Integrated Guidelines for Management Project (SIGMA).

Saarinen (2006) points out the importance of sustainability in tourism, taking into consideration in the same time the discussions and critics, as well as the need of understanding the nature of growth limits.

According to Sharpley (2000) over the last decade, the concept of sustainable tourism development has become the focus of increasing attention among tourism theorists and practitioners alike. It has now achieved widespread acceptance as a desirable objective of tourism development policy and practice and many organizations representing destinations or tourism industry sectors have published sustainable tourism development plans and sets of principles. He also draws the attention to several existing differences between sustainable development and sustainable tourism. He bases his theory on the fact that although it contains objectives of environment protection, sustainable tourism doesn't focus enough on the development component. In the same direction, Dabija and Băbuț (2013) emphasize the dimensions of sustainable development – orientation towards environment protection, society and economic component, characteristic to tourism businesses, while investigating the way they can be perceived by the consumers.

It can also be emphasized that in the current economic context, characterized by the increasingly wider recognition of the interdependence between environment and development, the idea that the social responsibility of companies and the approach to sustainable development should become integral parts of economic concepts used by businesses in order to ensure the maintenance of balance between economic growth, stocks of natural resources and social progress, is more and more shared.

In tourism, all interested parties must have the possibility to influence the management and the sustainable development, through formal partnerships and agreements, as well as through the reinforcement and use of the local structures. Stakeholders are those entities that represent a part of the microenvironment of the company that could manifest certain interests in direct relations with a public held company (Popa, Negescu and Popescu). According to the IFRS framework, as issued by IASB (International Accounting Standards Board), the primary users of general purpose financial reporting are present and potential investors, lenders and other creditors, who use that information to make decisions about buying, selling or holding equity or debt instruments and providing or settling loans or other forms of credit. They are interested in information about the resources of the entity not only to assess an entity's prospects for future net cash inflows, but also to analyze the way management has effectively and efficiently discharged their responsibilities to use the entity's existing resources. Lăptes and Popa (2011) point out that national standard setters should ensure that IFRS meet the needs of the stakeholders in their countries.

Furthermore, we have to underline the role of accounting in optimizing the economic performance of organizations. Management accounting techniques have helped managers to plan and control their activities, mostly in case of commercial entities, in a manner designed to maximize their profits. These techniques are also useful for communicating aspects of economic performance of the organization to the stakeholders (mainly to the shareholders). On another hand, broader techniques of sustainability accounting have the potential to be powerful tools in management, planning, control and accountability of organizations for their social and environmental impacts (Unerman, Bebbington and O'Dwyer, 2007).

Many documents show the importance towards managerial accounting when discussing sustainability reporting and the key performance indicators. In our research though we only referred to financial accounting and its contribution to providing the necessary data for the computation of most used KPIs in the Romanian hotel industry, in terms of the continuous evolution of financial and economic performance.

As an example of adapting the general to particular in terms of accounting, we bring out the case of The Financial Management Committee of the American Hotel and Lodging Association (AH&LA), in partnership with the Hospitality Financial and Technology Professionals (HFTP), which published the tenth edition of the Uniform System of Accounts for the Lodging Industry (USALI) in the fall of 2006. The first edition of the USALI was published in 1926 by the Hotel Association of New York City. The purpose of the first USALI was to establish a uniform responsibility accounting system for the lodging industry.

3. Methodology

Our research focused on a survey having as a tool a questionnaire of 16 questions. The purpose of the research was to identify which correlations between some general information about firms and their accounting and financial data are, as well as to establish the main financial characteristics (attributes) of the tourism industry and how they influence the company's activity, in terms of the current economic crisis (the research was conducted in 2013). Our research was based on the opinions of some entrepreneurs and managers of small and medium sized companies activating in tourism, which responded to the administered questionnaire. The survey was a conducted one, based on voluntary activity regarding the requested responses.

The research methodology was mainly a quantitative one, aiming at finding out the level of understanding and use of various accounting information by entrepreneurs and managers in managerial decisions.

The questionnaire was administered online in May 2013 using as database the information obtained through the Tourism Employers Federation, from its members and other collaborators, following our request. We originally sent a message online to inform small and medium sized companies from tourism about this questionnaire, emphasizing the purpose and the importance of their involvement and of expressing their opinion (for more details see www.isondaje.ro/res/28256639815630/). The responses collection period lasted three weeks.

We obtained responses from a total of 42 entrepreneurs and managers of small and medium sized enterprises operating in tourism, out of an estimated total of 180, representing a response rate of 23.33%.

The questionnaire started with general questions that requested information about the company such as the year when the company was set up, the value of net sales, the number of employees, the field where it operated and others required information about financial and accounting elements that characterized the activity of the entity. The questionnaire had both closed and open questions. Regarding the closed questions, some of them restricted the answer to specific options, like "How high is the risk of failure to pay the loan installments?", "How is the weekly/monthly activity conducted?" and others. There were

also questions where the possibilities of answering were „yes”, „no” or „I don't know”, while the rest of them required for respondents to use a Likert scale to establish which the main objective of the entity is.

The data were statistically analyzed and treated by using the SPSS program, version 20. As a fact, the variables were coded using numbers, where the value „1” was conferred to the first option (answer) of the question. There were variables with 3 or 5 numbers in the scaling grade. The data was processed and important conclusions were drawn. Several statistic techniques were applied in order to detect the correlation between variables encountered. The simple correlation test was performed, followed by cross-table correlation and the correspondence analysis method. Other indicators like the value of net sales per employee or the value of net result per employee were calculated in order to identify if their correlation is present or not. The validation of the results was done using the relevance of statistic tests like the Pearson Chi-Square test. Moreover, for numeric variables the frequency statistic was conducted in order to detect some general characteristics like the media and the standard deviation. For the nominal variables the frequency pointed out how the division between the categories was made.

The motivation was to identify if multiple correlation could be detected between variables encountered in the study or if detection of a general framework or behavior could be properly done.

4. Results and discussions

The results from processing the responses from the 42 entrepreneurs and managers of small and medium sized enterprises in tourism are, in our opinion, interesting. It should be noted that although respondents were individuals (entrepreneurs or business managers), they represented on behalf of those small and medium sized enterprises owned or managed. The first question was about the value of net sales obtained in the last financial year. All companies reported a positive value. While the minimum value was under 10.000 lei, the maximum value exceeded 10 million lei, which meant that the tourism field includes both big and small entities, trying to develop their activity. The big companies could have an advantage over the small ones, as they could have a better implemented managerial system.

The second question referred to the industry where the respondent company operated. Even if the answers were different, it could be said that the majority of the entities operated in the hotel industry. There were a few that have guesthouses and are involved in agro tourism or operate only in tourism, but most of them, as it was said, have connection with the hotel industry.

The third question concerned the value of the net profit from the last financial period. Out of the answers obtained, about 7 entities (approximately 16.66% from the entire sample) had negative results, while a firm was at breakeven point. The values were used to calculate other indicators in order to accept or to reject the correlation between the analyzed variables.

The year when the company was set up was the subject of the fourth question. By analyzing this element it could be said that in 1991 6 companies from those which responded to our questionnaire were set up, approximately 14.28% from the entire sample. It could be also observed that after Romania adhered to European Union, about 23.80% from the interviewers arose.

The fifth question requested the number of employees that the entity had. Considering it, some other indicators like the value of net sales per employee or the value of net profit per employee could be calculated (productivity per employee). The ratios were used to identify particular features of the analyzed companies. Considering the average number of employees registered, a correlation with the company's legal status was realized. As a fact, about 64.3% were Ltd companies, 33.3% were joint-stock companies, while 2.4% was represented by a freelancer.

The sixth question had as objective to determine the period of time when the company operated in tourism. The idea was to detect if tourism was their initial business idea or the companies decided to change their initial activity as they considered that higher performance could be obtained in tourism. The results point out that 16.7% from the respondents were acting in the field for a short period of time, between one year and five years, while about 31% act in the tourism domain for more than 10 years. Most of them, approximately 52.4%, were in the tourism area from a period between six and ten years.

Considering the seventh question, a deep correlation could be realized between the variables encountered. The eighth question was asked in order to find information about the ways of obtaining funding such as bank loans, own financing, European funds, other types of loans or no use of external or internal source of financing. The results obtained are revealed below (figure no. 1) and show that 59% from the respondents use bank loans for financing their activity, while only 2% are self-financed. The absorption of European funding for financing the business is weak (10% from the respondents).

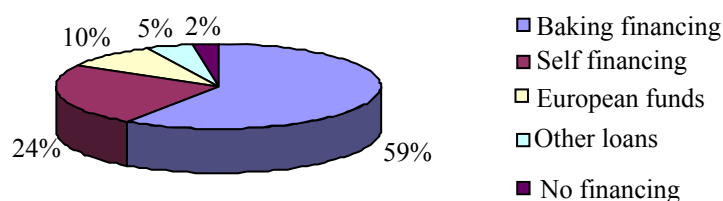


Figure no. 1: The funding sources of the companies that participated in the survey

Source: Authors' computations based on the data obtained from response processing

The ninth question referred to the settlement date for accounts receivable and for accounts payable, used in the weekly or monthly managerial activity. The answers are summarized below (table no. 1).

Table no. 1: The results for the settlement date for accounts receivable and accounts payable

Element	Between 15-30 days	Between 30-60 days	Up to 60 days
Accounts payable	21 (50%)	17 (40.5%)	4 (9.5%)
Accounts receivable	30 (71.4%)	10 (23.8%)	2 (4.8%)

Source: Authors' computations based on the data obtained from response processing

It could be said that approximately half of the entities use information about the settlement date for accounts receivable, as well as for accounts payable in order to manage their weekly or monthly activity related to the cash flows. This information can help them in optimizing their financial resources and, moreover, in realizing a proper analyses of the risk associated with the tourism industry. Another important element that should be considered is that using these ratios in establishing their managerial system, the companies can improve the performance indicators that they have and can adopt proper strategies for developing on the market.

The tenth question referred to the risk of failure to pay the debts from bank loans considering that all companies had in their portfolio several debts to financial institutions. The answers revealed that 42.96% from the entire sample had a lower risk of failure to pay the debts owed to the bank, 38.1% had a medium level, while 19% had a high level of risk encountered. This indicator is important as the last group of companies could have financial problems which impact on their activity and on the performance that they obtained. This indicator could be firstly correlated with the problems regarding the lack of liquidity that were analyzed in question no.15. About 66.7% of the entities answered that in general they have financial problems. Approximately 16.7% from this sample frequently encounter monthly liquidity problems, while about 19% had a couple of times this kind of problems. Considering all these results, a correlation between companies that had a higher risk of failure to pay their debts and the companies that have frequently liquidity problems was detected. As a fact, there are some entities which have a weak managerial system and important changes should be done in order to survive on the market or to maintain their market share. We consider that the manager should consider the correlation between them as he can take decisions about the way the available resources could be better allocated and used.

The strategies that the managers use in order to improve the activity of the company have to be correlated with the answers received at question no. 11. Furthermore, the manager usually uses information regarding the volume and value of net sales, the operational costs, the cash amount and the bank account. The results are further presented (table no. 2).

Table no. 2: The results for weekly/monthly information that the manager use in order to manage the company

Element	Yes	No	I don't know
Turnover in volume	17 (40.5%)	23 (54.8%)	2 (4.8%)
Value of turnover	31 (73.8%)	9 (21.4%)	2 (4.8%)
Operational costs	26 (61.9%)	12 (28.6%)	4 (9.5%)
Cash amount	32 (72.6%)	7 (16.7%)	3 (7.1%)
Bank amount	31 (73.8%)	5 (11.9%)	6 (14.3%)

Source: Authors' computations based on the data obtained from response processing

As we can see, all the indicators encountered in the analysis are mainly taken into consideration when the managers are establishing their strategy. This could be explained by the fact that these elements should be properly calculated as the risk encountered by the enterprise could increase otherwise. Moreover, these elements are important when internal and external control is evaluating the company in order to reveal if no financial fraud has been done. Considering these, approximately 16.7% use frequently the financial statements

for establishing their activity and about 38.1% use them a couple of times. 28.6% rarely use them, while one company don't use them at all.

When they take strategic decisions, like the increase of their market share, the funding using bank loans or the increasing of additional investments, the managers' focus on the indicators like the clients degree of satisfaction, detected through questionnaires or feedback forms, (45.2%), their employees degree of satisfaction, detected through questionnaires or feedback forms, (35.7%), the liquidity ratio (64.3%), the solvency ratio (57.1%), the debt ratio (61.9%), the profitability ratio (73.8%), the occupancy level (64.3%), the degree of orders that were cancelled (28.6%), the employee's productivity (38.1%), the value of employee's cost divided to total costs (59.5%), the costs with cleaning the tourist accommodation capacity (73.8%). From the previous data, it can be said that in general managers tend to analyze the classical financial indicators and moreover they are inclined to develop their activity, even if they rarely take into consideration the contracts that were cancelled. This question can be related to the 14th one, where there were pointed out the managers' main objectives. As a fact, about 59.5% considered that increasing the profit is one of their main objectives, about 52.4% are focusing on reducing their costs, 64.3% want the increase of their turnover, 52.4% want their company's development, 45.2% want to have access to an external market, while 57.1% want to maintain their market share. In our opinion, considering the results obtained, we can notice that in general, managers want to make sure that their company has the necessary resources to improve its activity and to develop in the afferent field.

Furthermore, several correlations were done in order to form a proper opinion about the tourism industry and the features that characterize it, related to the KPIs. It was considered that individual correlations were not enough in order to have a reliable opinion about the tourism market. As a fact, the Pearson correlation was calculated between several indicators. The acceptance of the correlation was conducted as the significance associated (significance 2 tail - the coefficient is different from zero and the correlation is presented) with the coefficient obtained was smaller or appropriate with 5%. The correlations detected are pointed out below (table no. 3).

Table no. 3: The results for correlation variables that can additionally affect the company's position on the market

Element	Correlated indicator	Value
The way of obtaining financing	Turnover per employee	0.312 (sig 0.045)
	The risk of failure to pay the bank loans	-0.331 (sig 0.032)
	Liquidity problem	0.320 (sig 0.39)
Turnover per employee	The costs with cleaning the tourist accommodation capacity	334 (sig 0.038)
Account receivable term	Employee's cost	0.324 (sig 0.036)
The risk of failure to pay the bank loans	The cost reduction	0.367 (sig 0.017)
	Increase the value of turnover	0.302 (sig 0.52)
	Liquidity problems	-0.588 (sig 0.00)

Source: Authors' computations based on the data obtained from response processing

Taking these elements into consideration, a deep analysis was also realized as these elements can provide information about how the companies are managing their financial

situation and their financial statements. As a fact, there was made an analysis regarding the correlations with the way of financing. The results are further presented (table no. 4).

Table no. 4: The correlation between the accounts payable settlement date and the financing means

Financing means		Account payable settlement date			Total
		15-30 days	30-60 days	60 days	
Bank Loans	% within	36.0%	52.0%	12.0%	100.0%
	% without	42.9%	76.5%	75.0%	59.5%
	% of Total	21.4%	31.0%	7.1%	59.5%
Own sources	% within	60.0%	40.0%	0.0%	100.0%
	% without	28.6%	23.5%	0.0%	23.8%
	% of Total	14.3%	9.5%	0.0%	23.8%
European Funds	% within	75.0%	0.0%	25.0%	100.0%
	% without	14.3%	0.0%	25.0%	9.5%
	% of Total	7.1%	0.0%	2.4%	9.5%
Other loans	% within	100.0%	0.0%	0.0%	100.0%
	% without	9.5%	0.0%	0.0%	4.8%
	% of Total	4.8%	0.0%	0.0%	4.8%
No financing sources	% within	100.0%	0.0%	0.0%	100.0%
	% without	4.8%	0.0%	0.0%	2.4%
	% of Total	2.4%	0.0%	0.0%	2.4%
Total	% within	50.0%	40.5%	9.5%	100.0%
	% without	100.0%	100.0%	100.0%	100.0%
	% of Total	50.0%	40.5%	9.5%	100.0%

Source: Authors' computations based on the data obtained from response processing

In conclusion, 52% of the firms that obtain sources through financial loans have settlement dates between 30 and 60 days, while 76.5% of those with commercial credits settled between 30 and 60 days are financed through bank credits.

In order to prove that there is a significant correlation between the studied variables there were analyzed the obtained results. As a fact, to see if the funding sources influence the period associated with the payments, the *chi* test and *lambda* test were conducted. The first one reveals that there is no significant difference when financial sources are encountered considering the period for which the accounts payable are registered. Due to this aspect, if the significance associated with chi-square test is less than 5% then the way of financing can influence the accounts payable term. On the other hand, the lambda coefficient test was calculated to see if the correlation is persistent or, in other words, if the independent variables influence the dependent one. We admit that there is a correlation between the variables encountered, but because of the dimension of the sample, no generalization of the conclusions on the entire market could be done. On the other hand, the strength of a relationship is revealed using the phi test and Cramer's V test. The first test is a chi-square based measure of association. This is the average percent of the variables encountered that are considered as having a mutual causality.

The null hypothesis considers that there is no correlation between the analyzed variables, while the alternative one considers that there is an association between the variables encountered. In our case, the value of phi is 0.469 with an associated probability of 0.323. As a fact we can decide that a correlation between the sources of financing and the account payable elements could be detected due to the fact that we are in the indecision area. The Cramer V's test acts as measure of nominal association. If it is accepted, then there could not be done any difference between which the dependent variable is and which the independent one. In our case, the value associated with it is similar for both the dependent and independent variables. Regarding the interpretation, it could be said that there is a probability of obtaining an account payable term between 30-60 days for funding sources related with bank loans.

Summarizing the results of our research we can highlight the following:

- Most of the small and medium sized enterprises operating in tourism, respectively in the hospitality industry, and who responded to our questionnaire, reported profit last year. They are limited liability companies which have activated in tourism, for at least 6 years;
- Most of the responding entities turn to bank loans to finance their current activity and have a medium to high risk of default of bank loans. The general cause of this operational risk is determined by the current lack of liquidity. Moreover, the average payment period is between 30 and 60 days;
- Most of the responding businesses base their management strategies on the classic key performance indicators. When taking strategic decisions such as increasing the market share, bank loan financing or additional investments, the orientation of the managers is particularly to indicators such as customers satisfaction (45.2%), liquidity (64.3%), solvency ratio (57.1%), debt ratio (61.9%), occupancy (64.3%), productivity of employees (38.1%), cost per employee relative to total costs (59.5%), the costs of cleaning tourist accommodation places (73.8%). This conclusion is contrary to another result obtained by processing the data received, which refers to the fact that 16.7% of respondents frequently use financial statements to establish their business, about 38.1% use them occasionally and 28.6% rarely use them.

Conclusions

Sustainability reporting is an admirable target to work towards in business, despite the sometimes unclear and disputed ways of accomplishing it. As mentioned before, sustainability in tourism is mostly linked to the ecological, cultural, social and infrastructural issues. That is mainly due to the fact that tourism operates with natural renewable resources and is directly influenced by communities, culture, customs and lifestyle, which have a significant contribution to the tourism experience. The economic benefits are supposed to be shared with the people and communities involved. The development of a sustainable tourism industry is accomplished through stakeholders' involvement.

Reviewing the literature, we found out that there is not so much written on the dynamic of the most used KPIs in hotel industry and neither on the limits of their interpretation and usage in term of evolution of financial and economic performance at an entity's level. Furthermore, there aren't many papers about sustainability reporting in tourism, especially in terms of reporting performance and of specialized accounting information. This happens even if it is widely acknowledged that accounting data is supposed to convey information on the profitability and value of the entity.

Our research is based on a survey, having as a tool a complex questionnaire with 16 questions, conducted in May 2013, with a total number of 42 responses received. The received data was statistically processed using SPSS version 20 and a series of correlations were determined by statistical analysis techniques.

We addressed mainly small and medium sized entities operating in tourism, as they represent a large part of the nowadays economy. These SMEs were represented by the entrepreneurs (owners) or their managers. We used the value of net sales obtained in the last financial year as a way of assessing the size of the company and the net profit information

The aim of the research was to verify the relevance and usage degree of the key performance indicators in tourism in the context of a sustainable business, taking into account the current state of the economy in general, and of the hotel industry in particular, given their operating conditions in a time of a deep financial crisis.

In conclusion, we consider that even if there isn't a standardized model, several key performance indicators were used by the majority of the respondent entities, mostly for assessing the business development degree and performance (customers satisfaction degree, liquidity, solvency ratio, debt ratio, occupancy, productivity of employees, employee costs relative to the total costs of cleaning tourist accommodation places). Another important conclusion is that most of these companies are financed by bank loans, making the risk of default important, its main cause being the lack of liquidity risk.

We have also shown that the financing sources strongly influence the liquidity risk. Therefore, we can say that the higher the contribution of the owners' equity in the financing sources, the lower the associated financial risk.

The results of our research are relevant for providing useful information in managing the weekly or monthly activity of the entities. Accurate and timely information can help the entity in optimizing their resources and, moreover, in realizing a proper analysis of the risk associated with tourism industry. Another important element that should be considered is that using these ratios in establishing their managerial strategies, the companies can improve the key performance indicators that they use and can adopt proper strategies for developing on the market.

Furthermore, we conclude that viable management solutions should have impact on a long term in order to support the sustainability of the entities acting in tourism.

We are fully aware of the limitations of our research due to the novelty of this topic in our research activity and to the limited number of respondents; therefore further research will be done in order to continue this approach of providing solutions for improving the key performance indicators in this domain in the context of developing a sustainable business.

We must point out some limitations of our study, namely that the number of respondents is unable to lead us to extrapolating the results and conclusions obtained to the whole population considered (small and medium sized enterprises in tourism). An interview-based qualitative research should have better clarified, perhaps, the structure of the questionnaire, enabling the formulation of some interesting hypotheses, further to be tested through quantitative instruments. We intend to address these issues in more extensive future research.

We also intend, in a future research, to extend the concept of sustainability reporting in tourism and in the accounting field and to support the development of some financial reporting standards dedicated to this topic.

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