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Financial Performance Analysis and Investment Efficiency among Hotels in Kendari

Riski Andriana Putri [1*], Sitti Zakiah [2], Fajar Saranani [3]

[1*,2,3] Fakultas Ekonomi dan Bisnis Islam, Universitas Muhammadiyah Kendari, Indonesia.

Email: reskyandriana@gmail.com [1*], stzakiah132@gmail.com [2], fajar.saranani31@gmail.com [3]

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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh kinerja keuangan dan disiplin manajerial terhadap kinerja hotel melalui efisiensi investasi sebagai variabel mediasi. Latar belakang penelitian ini berfokus pada tantangan hotel regional dalam mengelola sumber daya secara efektif untuk mempertahankan daya saing. Penelitian ini menggunakan metode kuantitatif dengan menyebarkan kuesioner terstruktur kepada 200 manajer dan karyawan hotel di Kendari. Data dianalisis menggunakan Structural Equation Modeling–Partial Least Squares untuk menguji hubungan langsung dan tidak langsung antar variabel penelitian. Hasil menunjukkan bahwa kinerja keuangan dan disiplin manajerial berpengaruh signifikan dalam meningkatkan efisiensi investasi. Efisiensi investasi terbukti menjadi faktor yang memberikan kontribusi paling kuat terhadap peningkatan kinerja hotel. Temuan ini menunjukkan bahwa kemampuan finansial yang baik dan pengelolaan manajerial yang disiplin sangat penting dalam mendukung keputusan investasi yang efektif. Penelitian ini menyimpulkan bahwa peningkatan sistem keuangan, penguatan tata kelola manajemen, serta evaluasi investasi yang lebih terstruktur dapat mendorong kinerja hotel yang berkelanjutan. Penelitian selanjutnya dianjurkan memperluas wilayah studi dan menambahkan pendekatan kualitatif untuk menggali perspektif manajerial secara lebih mendalam.

Kata Kunci: Financial Performance; Managerial Discipline; Investment Efficiency; Hotel Performance.

Abstract

This study explores how financial performance, managerial discipline, investment efficiency, and hotel performance are related among the hotels in Kendari, Southeast Sulawesi. The quantitative method was adopted where 200 hotel managers and employees complete structured questionnaires and then analysed using Structural Equation Modeling-Partial Least Squares (SEM-PLS). The findings indicate that financial performance and managerial discipline have a significant and positive effect on investment efficiency that consequently affect the hotel performance. The efficiency of investment is an intermediate variable between financial and managerial variables and performance. The results confirm agency and efficiency theories, meaning that financial stability and disciplined management increase capital use and performance in general. The research is relevant to the literature of hospitality finance and offers practical advice on how to enhance managerial governance and sustainable competitiveness in the functioning of the regional hotel business.

Keyword: Financial Performance; Managerial Discipline; Investment Efficiency; Hotel Performance.

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1. Introduction

The hospitality sector has a very crucial role to play in enhancing the economic growth of the region, especially in the emerging tourist destinations in Indonesia (Purwono *et al*., 2024). Hotels have also played a critical role in the development of tourism over the last ten years, through offering employment opportunities, better service infrastructure, and improving the experience of the visitors. The growth of hotels in the South-Eastern province of Sulawesi is observed in Kendari, where the increase in domestic mobility, the development of transportation infrastructure by the government, and the growth of business-related mobility have stipulated the growth of hotels (Puguh, 2025). Although this growth has been realised, most of the hotels experience difficulties in ensuring consistent financial results and competitiveness (Amoah *et al*., 2023) in their operations. Such obstacles occur because of varying occupancy rates, inefficiency in operation and the necessity to constantly invest in facilities, technology, and human resources to satisfy the demands of the global services Since regional hotels are considered to exist in a highly competitive and dynamic market environment, knowledge about financial and managerial capacities lies at the heart of the long-term survival (Noor & Firdausi, 2024). Financial performance is one of the main indicators of the capacity of a hotel to make profits, control liquidity, and make good use of assets. Good financial performance increases the ability of hotels to invest in service innovation and facility renovation and digitalization that is crucial in addressing customer expectations and staying competitive (Makena *et al*., 2023). Nonetheless, good financial performance is not necessarily an effective allocation of capital. It has been argued that even the financially stable organizations can make suboptimal investment decisions because of mismanagement, lack of analytical planning, or lack of evaluation of return on investment (Mirko & Agostino, 2023). In the hospitality industry, where profit margins are easily affected by both occupancy rates and management expenses, poor decisions made in investments may result in either under-investment (no allocation of enough resources to undertake the necessary upgrades) or over-investment (spending too much on the initiatives that fail to generate benefits of similar magnitude) (Chafai *et al*., 2024) The two types of inefficiency are detrimental to growth in the long run particularly among the small and medium sized hotels in developing economies such as Kendari.

The other important element that impacts hotel performance is managerial discipline, which refers to the observance of budgeting process, financial transparency, accountability, and alignment to organizational objectives (Residence *et al*., 2024). Hotels, which have the disciplined management practices, eliminate wastage in operations, misallocation of funds, and assure efficient monitoring of financial operations. Managerial discipline, through the prism of the agency theory, reduces the conflict of interest between hotel owners and managers since the ethical conduct and strategic alignment are imposed (Koeswayo *et al*., 2024). Conversely, lax managerial discipline contributes to the inconsistency in decision-making, documentation, and financial variances that adversely impacts the investment decision-making. Various small and medium hospitality enterprises in Indonesia are still struggling with these issues because of the lack of managerial training, financial illiteracy, and informal governance (Sikabanga, 2025). The efficiency of investment is also becoming one of the most important factors that condition hotel competitiveness. This is the degree of investment in productive activities with quantifiable returns (Zhao *et al*., 2023). Effective investment contributes to improving the performance of the hotel by facilitating the advancement of infrastructure, the introduction of technologies, developing human resources, which directly affect the quality-of-service provision and customer experience. According to the efficiency theory, organizations can be more efficient than their competitors when they make the best use of the transformation of inputs into outputs and reduce waste (Folashade & Walton, n.d.). Efficiency in investments is yet more critical in the context of regional hospitality since hotels usually experience resource limitations, uncertainty in the market, and financing opportunities. Nevertheless, investment efficiency is a crucial issue that has been given less empirical consideration in researches conducted on performance of regional hotels in Indonesia. An examination of the past literature indicates that there is no combined analysis of the relationship between financial performance and managerial discipline in terms of their influence on investment efficiency. Although many studies have investigated financial determinants of hotel performance or managerial capability role in the governance process, few of them have associated

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these variables in the framework of one study (Ansell, 2023).In addition, the majority of the already available literature is based on large hospitality markets in big cities, which create a gap in research related to new tourism destinations such as Kendari .There are unique operation issues that impact the operation of hotels within such areas, which include low scale operation, low managerial discretion and variable client demand. Such contextual dissimilarities imply that a local hospitality ecosystem can have distinct financial-managerial conditions that shape the efficacy of investment. It is vital to fill this gap to come up with more precise and context-sensitive financial management approaches. The originality of this study is in the fact that it is a combined study of financial results, managerial discipline, and investment efficiency of regional hotels in Structural Equation Modeling-Partial Least Squares (SEM-PLS). In contrast to the previous research where specific variables in services are considered, this research proposes investment efficiency as the mediating factor that correlates the financial and managerial variables with the performance of hotels. Moreover, the current paper presents new empirical data presented by Kendari, which is not a well-explored area of hospitality finance research. The paper uses both the agency theory and efficiency theory theoretical perspectives to form a comprehensive theoretical framework that shows the interaction of managerial accountability and financial strength in determining effective use of capital. In light of these reflections, this research aims at examining how financial performance and managerial discipline can be useful in enhancing hotel performance using investment efficiency as a facilitating factor. This research aims at: (1) investigating the impact of financial performance on investment efficiency, (2) testing the impact of managerial discipline on investment efficiency, and (3) testing the mediating effect of investment efficiency between financial performance, managerial discipline and hotel performance. This study will contribute to the development of the theoretical and the practical decisions in order to improve the financial governance and competitiveness of the regional hospitality industry through these contributions.

2. Literature Review

Literature review offers both theoretical and empirical basis of the relationships between financial performance, managerial discipline, investment efficiency, and hotel performance. Past research in the hospitality management sphere focuses on the significance of financial and managerial competency in determining the competitiveness of hotels. Most research has however narrowed down to large-scale hotels or service-related variables including customer satisfaction and service quality and did not engage the financial-managerial dynamics in regional hotels (Shah & Aryal, 2025). The review summarizes the major findings of the prior studies, recognizes the gaps in knowledge, and provides the theoretical framework of the proposed conceptual framework. Financial performance has been well known as a key determinant of organizational stability and the ability to operate. According to the previous research, good financial performance provides companies with easier access to investment capital, increased resource location flexibility, and resilience to market variations. Financial performance has an impact on the hospitality industry by determining the capacity of the hotel to make service improvements, embrace digital technologies, and invest in the growth of staff members (Adamba, 2024). The empirical study in Indonesia indicates that financial capability is highly influencing the operations efficiency of the hotels, especially in competitive tourist markets. Nevertheless, various scholars observe that excellence in financial performance does not necessarily indicate successful investment choices and that it is essential to investigate how financial assets can be converted into the productive resource. Another determinant in organizational performance is managerial discipline. Managerial discipline has its foundations on the agency theory, which is compliance with budgeting mechanisms, financial responsibility and the match between managerial behavior and organizational objectives. Studies of hotel governance indicate that financially sound management practices decrease irregularities in finances, enhance transparency, and effective utilization of organizational resources (Rahmah & Peter, 2024) has discovered that managerial discipline enhances accuracy of budgeting and financial reporting in small and medium hospitality businesses.

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Although it is significant, the body of research on managerial discipline as a source of investment efficiency is low despite its significance especially in the regional context where the management systems are mostly informal and uneven. The efficiency in investments has been gaining a growing significance in finance and management literature. The term investment efficiency means the capacity of an organization to invest in productive activities that yield the best returns. Competitiveness in the hospitality industry is facilitated by effective investments aimed at enhancing infrastructure, digitalization, and quality of services, among which the latter improves competitiveness (Nafei, 2025). Efficiency theory interprets that organizations can be efficient when they make the most out of the available inputs and reduced wastages. Though a number of surveys are available in terms of investigating investment decision in the hotel, not many studies examine efficiency as a mediating factor that can connect financial and managerial capabilities and performance outcomes. This is one of the basic research gaps. The general comparative study results indicate that financial performance and discipline of managers determine investment outcomes. Investment decisions across the service industry mediate the impact of financial resource on organizational performance (Weston *et al*., 2023) discovered that the managerial capability defines the effectiveness of investments through the enhancement of risk evaluation and resource planning. Nonetheless, these researches are usually concerned with large businesses or urban hotels. Minimal studies will apply to small regional hotels, which have their agencies with specific restrictions (little capital, changing demand, and not official management structure). The differences result in a contextual gap in the literature. Besides this, available evidence demonstrates inconsistencies in the interaction between financial performance and managerial discipline to affect investment efficiency. Other researchers consider strong financial capability to have a direct positive effect on investment efficiency, whereas others believe that managerial discipline is more decisive, particularly in an environment with a weak financial control. This discrepancy indicates that a composite model incorporating both the financial and managerial factors is required in order to gain sufficient insight into the efficiency of investment in a hotel. Additionally, theoretical explanations are not well developed because much of the Indonesian hospitality research is based on descriptive or simple correlational analysis, as opposed to the study of mechanisms, including mediation (Lu, 2024).

According to the literature reviewed, there is an evident gap in the research on the joint role of financial performance and managerial discipline in investment efficiency in the context of regional hotels. Majority of the past researches fail to describe the combined effect of these variables on investment performance in the small and resource-constrained hotels. This disclosure is notable since regional hotel has specific issues that are not what large metropolis hotels experience, such as resource constraints, informality among managers, and unreliable tourism traffic. This gap can be filled with theoretical development and practical application. This research is theoretically based on the agency theory and the efficiency theory. The agency theory emphasizes the role of managerial discipline in making sure that managers are pursuing the goals of the owners and as well as being financially responsible. The efficiency theory describes the process through which organizations can effectively make use of resources to produce an output, and the efficiency of investments in enhancing performance. The combination of these theories promotes an all-inclusive model that connects financial performance, managerial discipline, investment efficiency and hotel performance. From this theoretical and empirical foundation, the following hypotheses are proposed:

H1: Financial performance has a positive effect on investment efficiency.
H2: Managerial discipline has a positive effect on investment efficiency.
H3: Investment efficiency mediates the relationship between financial performance and hotel performance.
H4: Investment efficiency mediates the relationship between managerial discipline and hotel performance.

2.1 Conceptual Framework

The conceptual framework of this study is developed based on the theoretical and empirical findings discussed in the literature review. It illustrates the relationships among financial performance, managerial discipline, investment efficiency, and hotel performance. This framework serves as the foundation for formulating the study's hypotheses and explains how the variables interact within the research model.

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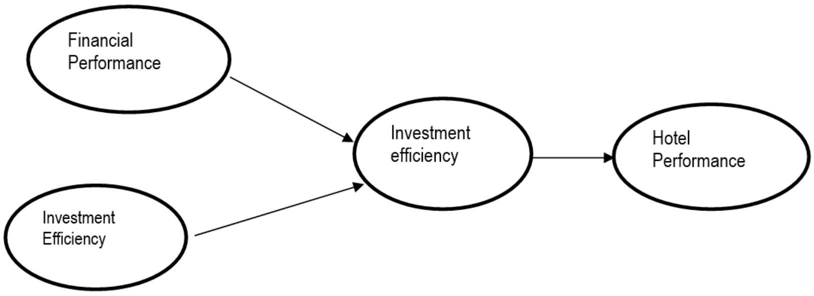

Gambar 1. Conceptual Framework of the Study

Figure 1 demonstrates the hypothesized causal relationships between the research variables. Managerial discipline and financial performance is assumed to have a direct effect on the efficiency of the investment which is mediated by the effect on the hotel performance. The arrows show the direction of the hypothetical effects.

3. Research Methodology

The research design applied in this research was a causal-associative form of a quantitative research design to study the role of financial performance and managerial discipline on the hotel performance in the form of investment efficiency as a mediator variable. Quantitative design was selected because it is able to statistically test the relationship amongst many constructs to provide empirical support on the theoretical assumptions. To collect the data, the structured questionnaire was provided to the managers of the hotels which operate in Kendari, Southeast Sulawesi, and employees by the means of Google Form. The respondents were the hotel employees in the financial, human resource, housekeeping and food and beverage service departments. Two hundred valid responses were received which included level of managerial and operational level. They were chosen using purposive sampling and used inclusion criteria that the respondent should be working within one of the hotels in Kendari, at least six months of work experience, directly involved in operations or financial operations and also, they should have volunteered to participate in the study. There were four question constructs that were used in this questionnaire in the form of financial performance, managerial discipline, investment efficiency and hotel performance. The various indicators of each construct were based on the previous studies of empirical research. Measurement of all the items was done with the five-point Likert scale namely 1 (strongly disagree) to 5 (strongly agree).

Table 1. Operational Definitions and Indicators

Construct	Operational Definition	Indicators (2025)
Financial Performance	Ability of the hotel to generate profit, manage assets, and maintain liquidity effectively.	Profit level, revenue growth, cost control, asset utilization
Managerial Discipline	The extent to which managers follow procedures, maintain accountability, and align actions with organizational goals.	Compliance with SOPs, budgeting discipline, reporting accuracy
Investment Efficiency	The effectiveness of allocating capital to productive activities that improve hotel performance.	ROI of investments, allocation accuracy, utilization efficiency
Hotel Performance	Outcomes of hotel operations reflected through service quality, occupancy, and financial achievements.	Occupancy rate, service improvement, profitability

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Data were analysed with the help of the SmartPLS software by the Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach. The use of SEM-PLS was informed by the fact that it is very flexible to exploratory models, requires less sample sizes, and non-normality of data, which is common in social science and hospitality research. Besides, SEM-PLS allows the estimation of measurement and structural models at the same time and supports complex intervening relationships such as investment efficiency in this study. The purpose of the study is sufficiently adequate to predict and explain variation in the endogenous variables and not to verify a pre-determined theoretical broth using this methodology. This suggests that the analytical flexibility and that of predictive relevance offered by the application of the SEM-PLS is appropriate to examine the correlations between performances of hotels operating within a regional context and the profiles of the respondents are diverse. The analysis was done under two steps which include the measurement model and the structural model. The reliability and validity of constructs were tested on the measurement model based on Cronbachs Alpha, Composite Reliability and Average Variance Extracted (AVE). The discriminant validity was checked with FornellLarcker criterion. The structural model was subsequently evaluated to test the hypotheses that were put forward to test the strength and significance of relationship between variables. To ensure that the parameter estimates can be robust, the bootstrapping was done with 5,000 subsamples to yield the t-statistics and the p-value. The methodological innovation of the study is in the fact that it is using SEM-PLS to explore financial and managerial relationships within regional hospitality companies, which has not been explored quantitatively. This study is a strong one because it not only confirms the theoretical constructs in a developing country set-up, but it also shows a flexible approach in evaluating investment efficiency and performance within small and medium-sized hotels.

4. Hasil dan Pembahasan

4.1 Hasil

Table 2. Path Coefficients of the Structural Model

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
FP -> IE	0.235	0.238	0.060	3.895	0.000
IE -> HP	0.877	0.879	0.019	46.419	0.000
MD -> IE	0.448	0.449	0.059	7.611	0.000

This table shows the direct correlations between variables according to the SEM-PLS analysis. The connection between Financial Performance (FP) and Investment Efficiency (IE) has t -statistic of 3.895 and a p-value of 0.000 which is significant and positive. This implies that an increase in financial performance of the hotels in Kendari results in an increase in investment efficiency, which validates hypothesis H1. The designation between Investment Efficiency (IE) and Hotel Performance (HP) has the greatest impact with the coefficient of 0.877, t-value of 46.419, and the p-value of 0.000 showing that the utilization of investments in an efficient manner has a significant impact on the hotel performance, proving hypothesis H3. Lastly, the relationship between Managerial Discipline (MD) and Investment Efficiency (IE) has a 0.448 coefficient, t-value of 7.611 and the p-value of 0.000, which indicates that disciplined managerial practices have a key role to play in enhancing investment efficiency, and as such, the relationship between the two variables is upheld in hypothesis H2. The statistical significance of all relationships is 5 percent, which proves the strength of the model.

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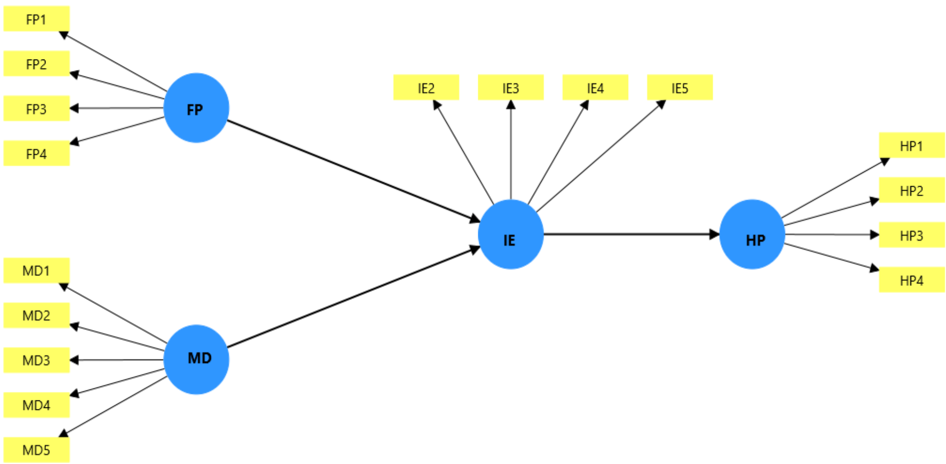

Gambar 2. Structural Model Output (Graphic Output)

This is a visual figure that shows the structural relationships among the variables Financial Performance (FP), Managerial Discipline (MD), Investment Efficiency (IE) and Hotel Performance (HP) as tested with the help of SEM-PLS model. The direction and the strength of influence between constructs is shown by the arrows in the diagram. Financial Performance and Managerial Discipline both lead to the Investment Efficiency indicating their direct influences in enhancing the manner in which hotels use their capital. Investment Efficiency, in its turn, is directly related to Hotel Performance, and it proves that it mediates the conversion of financial and management contributions to the actual performance outputs. These path coefficients in the figure correspond to the ones of Table 2 with all the relationships being significant. Generally, the structural model output provides a pictorial validity of how effective investment is a major connecting mechanism between financial power, management discipline, as well as excellent hotel performance in Kendari.

Table 3. Outer Loadings of Indicators

	FP	HP	IE	MD
FP1	0.734			
FP2	0.815			
FP3	0.836			
FP4	0.870			
HP1		0.814		
HP2		0.873		
HP3		0.844		
HP4		0.761		
IE2			0.890	
IE3			0.880	
IE4			0.776	
IE5			0.846	
MD1				0.560
MD2				0.730
MD3				0.778
MD4				0.731
MD5				0.788

This table demonstrates the extent to which measurement items cover their respective underlying constructs. The loading values of the Financial Performance (FP1-FP4) indicators are between 0.734 and 0.870 which shows that it is very reliable in assessing the financial performance. The Hotel Performance

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indicators (HP1-HP4) have ranges of 0.761-0.873, which are high in validity. The relationship between Investment Efficiency (IE2-IE5) also indicates high loading in the range of 0.776 to 0.890, which implies that the indicators are over and capture the efficiency construct. Managerial Discipline (MD1 -MD5) indicators have loadings ranging between 0.560 and 0.788; MD1 has a slightly lower value but the values of all indicators are above the minimum of 0.5 which makes the indicators acceptable. All in all, the outer loadings indicate that every construct is adequately portrayed by the indicators of the constructs.

Table 4. R-Square Values

	R-square	R-square adjusted
HP	0.769	0.767
IE	0.378	0.372

This table reports the explanatory power of the model. Hotel Performance (HP) has a R-square of 0.769 implying that 76.9 percent of hotel performance variation can be attributed to the predictors, most of which are investment efficiency. This shows that the performance of hotels in Kendari is highly determined by their efficiency in their use of capital. In the meantime, the R-square of Investment Efficiency (IE) is 0.378 which implies that financial performance and managerial discipline explain 37.8 percent of the efficiency variation. This mediocre explanatory capacity demonstrates that despite the critical role of financial and managerial variables, there are other external factors like conditions in the market and adoption of technologies that might also influence efficiency.

Table 5. Construct Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
FP	0.831	0.836	0.888	0.665
HP	0.843	0.854	0.894	0.680
IE	0.871	0.876	0.912	0.721
MD	0.769	0.775	0.843	0.521

This table tests the reliability and validity of constructs of the study. The values of Cronbach Alpha (as well as Composite Reliability) are above 0.70, which validates the existence of strong internal consistency. Financial Performance (alpha = 0.831; CR = 0.888), Hotel Performance (alpha = 0.843; CR = 0.894), Investment Efficiency (alpha = 0.871; CR = 0.912) and Managerial Discipline (alpha = 0.769; CR = 0.843) are within the recommended standards. FP (0.665), HP (0.680), IE (0.721), and MD (0.521) values of Average Variance Extracted are also higher than 0.50 and hence good convergent validity. These findings show that all the constructs are always measured and reflect their theoretical concept well making the model reliable and valid.

Table 6. Discriminant Validity (Fornell–Larcker Criterion)

	FP	HP	IE	MD
FP	0.816			
HP	0.466	0.824		
IE	0.495	0.877	0.849	
MD	0.581	0.582	0.584	0.722

This table is used to test the integrity of each of the constructs. The square roots of AVE are even greater than the construct-construct correlations: FP = 0.816, HP = 0.824, IE = 0.849 and MD = 0.722. This ascertains that there is no overlapping of constructs with the rest. The moderate correlations between constructs (between 0.46 and 0.58) indicate that the variables are correlated although they gauge different

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notions. In this way, the discriminant validity criterion is met, and the constructs of the model are conceptually and empirically different.

4.2 Discussion

The results of the current research indicate that financial performance and managerial discipline are critical in influencing the hotel performance via the mediating role of investment efficiency. These findings indicate that financial and managerial strengths of hotels have a direct effect on the manner in which resources are distributed thereby impacting the operational performance. The upward and high positive correlation between financial performance and investment efficiency are signs that hotels that have more and better profitability and liquidity are in a better position to direct their investments towards productive activities. This is consistent with the previous literature that indicates that organizations that are financially stable enjoy more flexibility in the ability to respond to changes in the market as well as embrace technological advancements. Though the financial performance plays a significant role in determination of investment efficiency, the moderate explanatory power identified in the study also indicates that there are other contextual mechanisms such as the market conditions and competitive pressures, which may determine the extent to which the hotels can use their financial resources. The high impact of managerial discipline in investment efficiency shows the importance of accountability, the compliance with budgetary systems, and the following of organizational procedures. The results show that those hotels that can sustain disciplined managerial practices are more inclined to use their resources in a more effective way, reduce the waste of operations, and enhance the transparency of the decision-making process. This finding is consistent with the agency theory, which focuses on the disciplined managerial behavior minimizing conflicts of interest and improving alignment to organizational goals. Managerial discipline is an important process of enhancing financial control and advancing investment choices in the environment of hotels in Kendari, where the managerial experience and the governance structure could be different (Ochuba *et al*., 2024).

The maximum impact on hotel performance is reflected in investment efficiency, which suggests that the skills of using capital effectively become the primary focus in enhancing the results of the operations (Xin *et al*., 2000). Efficient resource utilization in hotels has the effect of increasing occupancy rates, quality of services offered, and profitability. This observation is in line with the theory of efficiency where an organization is expected to perform optimally in the face of maximizing output through current inputs. High explanatory power of the hotel performance suggests that efficiency of investment is a major determinant of competitive advantage of hotels in the Kendari, and therefore, strategic investments in infrastructure, staff development, and technology are very important. The findings of this study compare with the findings of other research studies because the findings of the study are consistent with prior research findings which highlight the influence of financial capability and managerial discipline on organizational performance based on the investment decisions. Nonetheless, the study brings in new findings as it focuses more on the relationships within the context of the regional hotels which tend to encounter various problems as opposed to the larger hotels in the cities. The theoretical value of the current research is that it incorporates the use of both agency theory and efficiency theory to describe the interaction between managerial accountability and financial strength and its final results of promoting efficient investment practices and, consequently, improving the performance of hotels. This integration would give a broader picture of the interaction of these variables in the hospitality industry. This paper has shortcomings, although it has made its contribution. The study is only restricted to the hotels in Kendari thereby reducing the external validity of the data concerning other areas with varying touristic attributes. The cross-sectional characteristic of the study also limits its capacity to curb transformation in the financial performance, discipline in management and efficiency in the investments overtime. Moreover, there is a possibility that the dependence of quantitative data cannot be used to fully understand the complexity of the managerial decision-making process or circumstances that affect investment decisions. Future studies should involve broader geographical scope, use longitudinal designs and incorporate qualitative studies to get a better understanding of managerial views and practices.

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The study implications have a lot of significance on the managers of hotels, researchers and policymakers. Financial management practices should be reinforced, budgeting controls should be employed, and accountability mechanisms should be strengthened by managers in order to increase the efficiency of investments (Rashied *et al*., 2024). The results are also theoretically relevant as they increase the knowledge on the interaction of financial and managerial factors in terms of driving performance, especially within the context of regional environments. To the policymakers, the findings point out that capacity-building program that will enhance financial literacy, managerial competence and investment planning by the stakeholders in the hospitality industry are required. These would facilitate the growing tourism sustainability and competitive power in the new tourism destinations such as Kendari. The influence of external economic factors like inflation, fluctuations of tourism demand, and regulatory policies in determining the efficiency of investment should also be further researched in the future. A comparative analysis between small regional hotels and larger hotel chains might give more insight into structural difference of financial decision-making. It would also be of help to consider the qualitative research, i.e., the interview or case study, to examine the perception of risk, innovation, and strategy by managers in making the choice of investments to make, as it would provide more detailed information that would intersect with quantitative results.

5. Conclusion

The research findings suggest that managerial discipline and financial performance have a significant effect on the performance of the hotel by mediating the effects of investment efficiency. The key results indicate that hotels, which have good financial base, and have strong-minded managerial practices are better placed to deploy resources efficiently and make better investments in order to accomplish better operational outcomes. These results add to the existing body of knowledge in demonstrating how financial capability and managerial accountability interrelate to reinforce investment-related decisions in regional hotels and also supporting the applicability of agency theory and efficiency theory to the explanation of outcomes in performance in the hospitality industry. The analysis offers a better insight into the internal processes that make the hotels more competitive, especially in the new tourist destinations. When it comes to implications, the study points to the fact that hotels should be more serious about financial management frameworks, employ uniform budgeting processes, and become more transparent in an attempt to increase the efficiency of investments and their performance, altogether. Another aspect of sustainable development that can be addressed by policy makers is to come up with capacity-building initiatives centered on financial literacy and managerial competency to facilitate sustainable development in the hospitality industry. To conduct the research in the future, it is suggested that they should extend their geographical area, use longitudinal techniques to trace the changes over time, and use qualitative techniques to gain further understanding of managerial behaviour and decision-making. These measures will assist in the narrowing of the knowledge in relation to performance dynamics and give greater recommendations to both academic and practical implementation.

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