

Best internal control system on goal achievement of instant foods and convenience foods businesses in Thailand

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Keywords

Best Internal Control System, Organizational Structure Clarity, Policy and Plan Appropriateness, Duty and Responsibility Classification, Information and Communication Efficiency, and Goal Achievement.

Abstract

The objectives for this study are: 1) to study a good internal check system having an effect on organizations' achievement, and 2) to study antecedents and consequent variables of the best internal control system. Best internal control system consists of organizational structure clearly, policies and plans appropriate, separate duty and responsibility, information and communication efficiency, and internal audit efficiency. Data were gathered through the set of questionnaires and execution toward the internal audit chiefs and the directors of internal audit of instant foods and convenience foods businesses in Thailand, 145 entire questionnaires were employed for analysis. The results from the OLS regression analysis recommend that organizational structure clarity, duty and responsibility classification, information and communication efficiency, have an important positive effect on stakeholder acceptance. In addition, operational efficiency and organizational excellence have an important positive association with goal achievement. Similarly, top management vision, employee participation, and environment uncertainty are the independent variables of best internal control system. Likewise, the results indicate that the ethical climate is on the moderating variables. The implications help very good recommendation for the additional research and limitations.

1. Introduction

Under the environments, the uncertainty of business operations, high competitions in technologies, and risks in ethics at present, Enron is the best example of experiencing bankruptcy in the financial record of the United States of America owing to economic crises. Current organizations have realized the importance of a good internal check system. They have employed the mentioned system to be an approach for laying out the internal check system for organization continuously and adaptation for using the internal check system for a management tool, developing organizations, and supporting management to be more effective. Accordingly, the internal check system is a tool to make advantages in any competitions for organizations. It is a key device for management, becomes good governance, and creates beliefs for interested persons in order that organizations' operations are effective and achievable.

For the reasons as above, a researcher is interested in studying the effect of Best International Control System on goal achievement: In the case of Instant Foods and Convenience Foods Businesses in Thailand. The research questions: 1) how does a good internal check system have an effect on organizations' achievement? , and 2) how do antecedents, consequences, and moderate variables have an effect on the best internal control system? The objectives for this study are: 1) to study a good internal check system having an effect on organizations' achievement, and 2) to study antecedents and consequent variables of the best internal control system.

2. Research model of best internal control system and hypotheses development

In this study verifies the relation between best internal control system and goal achievement. Best internal control system is an independent variable, which incorporates organizational structure clarity, policy and plan appropriateness, duty and responsibility classification, and information and communication efficiency. Similarly, dependent variable is a goal achievement. Accordingly, the linked concepts and the research models have presented the relationships between best internal control system and goal achievement as demonstrated in figure 1.

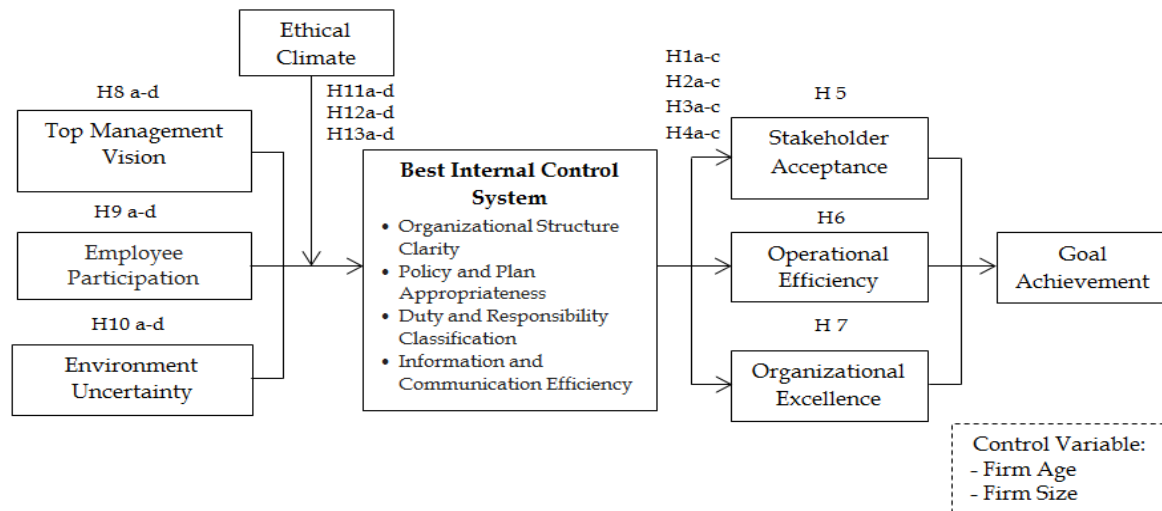


Figure 1: Conceptual model of best internal control system and goal achievement

2.1 Best Internal Control System

Most importantly, best internal control system should not only cover the entire activity of the business, but this is to determine the objectives and works for making its commercial economic activity as effectively as possible. Its basis is to perform the fundamental values needed for the internal control system: integrity, trust, respect, openness, experience, courage, economy, initiative, etc. (Lakis and Giriuнас, 2012). Moreover, the five components of the framework, including environment control, policy and plan appropriateness, duty and responsibility classification, data and communication, and investigating, are usually employed to prove the effectiveness of the internal control system (Gupta, 2008; Jokipii, 2010; Al- Qudah, 2011). Best internal control system is the system linking up enterprise performances, and this helps organizations achieve the settled goals, clearly organizational structure, policy and plan appropriateness, duty and responsibility classification, information and communication efficiency. Besides, it is the system which is linked with goal achievement of firms and helps organizations intentionally obtain the following objectives and determination.

2.1.1 Organizational Structure Clarity

Organizational structure clarity refers to the structure which is defined suitably with organizations' operation sizes and empowers responsibilities through the extent of any fields to be proficient. The organizational structure which is suitable for sizes and organization's operations is the basis to facilitate executives able to plan, direct, and control performance productively. In addition, organizations can be flexible according to changeable circumstances (Leatt, Shortell and Kimberly, 1987 cited in Rakich, Longest, and Dare, 1944: 209). According to Chevalier and Blaye (2009), organizational structure clarity which is suitable for sizes and types of bossiness can lead to accomplishment and efficiency for performances. Moreover, dealings are trustworthy more confident from stakeholders under analyses, inspection, and continuous resolution within best internal control system (Barney and Griffin, 1992). Organizational structure clarity is likely to show a positive relationship with stakeholder acceptance, operational efficiency, and organizational excellence. Therefore, the following hypothesis is posted:

Hypothesis 1: Organizational structure clarity is positively related to (a) stakeholder acceptance, (b) operational efficiency, and (c) organizational excellence.

2.1.2 Policy and Plan Appropriateness

Policy and plan appropriateness refers to determined directions and objectives to be approaches to be applied for operations, tools for control, and assessment in organizations' performances in order to be successful. Previous research indicates that all organizations' operations are necessary to effectively consider clarity and correctness of directions for proper operations. Ochieng and Njeru, 2004 indicated that an operational plan in Nyanza hospital approved concerning validity of the budget for virtual expenses was positively significant to the efficiency of organizations' operations.

Consequently; the hospital possessed clear ways for its operations and planned solving problems in advance correctly. Best internal control system with policies and plan which organizations can employ usefully will ensure the validity in a financial report that is checked continuously, decrease the risks regarding operational corruptions, increase the efficiency of performances (Altamuro and Beatty2010), and increase worthiness and acceptance of stakeholders in performances (Lopez, Vandervelde et al .,2010). Best internal control system is likely to show a positive relationship with stakeholder acceptance, operational efficiency, and organizational excellence. Consequently, the following hypothesis is posted:

Hypothesis 2: Policy and plan appropriateness is positively related to (a) stakeholder acceptance, (b) operational efficiency, and (c) organizational excellence.

2.1.3 Duty and Responsibility Classification

Duty and responsibility classification is defined systematically as a frame, a range, and empowerment of employees while they work in any organizations in order to protect overlap, check inappropriate performances and mistakes which may occur while they are on duty. Any organizations must realize their roles and functions strictly so as to lower a mistake and operate most effectively. Ochieng and Njeru, 2004 illustrated that hospital's departments in Nyanza placed importance on duty classification of appropriate good corporate from senior to junior. Clarity which is checked will address validity which is improved continuously by hospital as to respond patients and lower a mistake significantly from performances to operational efficiency. Furthermore, the hospital can ensure confidence for stakeholders regarding significantly effective management. Duty and responsibility classification is likely to show a positive relationship with stakeholder acceptance, operational efficiency, and organizational excellence. Hence, the following hypothesis is posted:

Hypothesis 3: Duty and responsibility classification is positively related to (a) stakeholder acceptance, (b) operational efficiency, (c) organizational excellence, and (d) goal achievement.

2.1.4 Information and Communication Efficiency

Information and communication efficiency has delivered information between personnel and organizations rapidly, correctly, expressively, timely, and communicably. Sending and receiving information occur to each other to be useful for operations and decisions effectively. Previous research indicates that information and communication are essential for effective control, and performances must be communicated up, down and across organizations (Steihoff, 2001). Likewise, information and communication efficiency becomes an important part of best internal control system in organizations. It is used for inter-personal communication and any departments thoroughly for current performances. Managers who realize the importance of information and communication efficiency will be able to increase operational efficiency and to be acceptable to stakeholders on mentioned performances. Organizations can check performances all the time; as a result, managers are able to predict the future. Information and communication efficiency (Azeveo et al., 2010) is likely to show a positive relationship with stakeholder acceptance, operational efficiency, and organizational excellence. Thus, the following hypothesis is posted as follows:

Hypothesis 4: Information and communication efficiency is positively related to (a) stakeholder acceptance, (b) operational efficiency, and (c) organizational excellence.

2.2 Best internal control system consequences and goal achievement

2.2.1 Stakeholder Acceptance

Stakeholder acceptance refers to confident and believable activities from interested persons during operations which cause trustfulness and operate continuously and regularly. Stakeholders are important to organizations' performance achievement because they are directly related to organizations' achievement. Stakeholders are the persons who are directly affected by organizations' impacts which may influence on changes, promotion, and improvement to be successful through objectives or unsuccessful (Freeman, 1984). From prior research, accepted that stakeholders were related to any organizations which were confident and trustful in the quality of a disclosed financial report. What's more, organizations must produce transparence and clarity for reasonable

performances, they must be aware because performances are able to indicate organizations' achievement (Taylor et al., 2003). Stakeholder acceptance is likely to show a positive relationship with goal achievement. As a result, the following hypothesis is posted:

Hypothesis 5: Stakeholder acceptance which is positively related to firms will cause greater goal achievement.

2.2.2 Operational Efficiency

Operational efficiency refers to organizations' ability to achieve objectives and employ resources worthily and profitably for organizations. An efficiency measurement is important to consider ability levels for performances. It is an assistant in performances, operational plans, project budgets, and activities to achieve defined objectives or decrease risks not to achieve objectives. According to prior research, organizations' operational efficiency is the ability of resources issued to be useful to activities, decreasing costs, and it is worthwhile and ensures that firms can make profits which will be shown through figures and specified in organizations' achievement (Mentzer and Konrad, 1991). Organizations which possess operational efficiency do not depend on not only figure growth but also the ability to drive them to operate continuously which will actually obtain organizations' achievement (Quinn and Hilmer, 1994; Quelin and Duhamel, 2003). Operational Efficiency is likely to show a positive relationship with goal achievement. Thereby, the following hypothesis is posted:

Hypothesis 6: Higher operational efficiency which is positively related to firms will cause greater goal achievement.

2.2.3 Organizational Excellence

Organizational excellence refers to improve and develop processes for operations constantly, produce operational strategies, and be able to analyze and check future operations. From previous research, organizational excellence is based on a customer orientation, stakeholders' values, and performances through using work system of the quality of performances and business-performing tools which focus on improving effectiveness and efficiency to respond to customers' needs (Rivard et al., 2006). Organizations' organizational excellence is defined to be an approach for applying new strategies to improve operations, develop processes for analysis, investigate performances continuously, and predict the future so as to accomplish organizations' objectives (Pansuppawattand and Ussahawanitchakit, 2001; Hardjono and Marrewijk, 2001; Ritchie and Dale, 2000). According to the literature reviewed above, organizational excellence possesses the possible feasibility to affect goal achievement, and it is likely to show a positive relationship with goal achievement. By this reason, the following hypothesis is posted:

Hypothesis 7: Higher organizational excellence which is positively related to firms will cause greater goal achievement.

2.3 Best Internal Control System of the Antecedent

Top management vision refers to future prospect which can describe organizations' directions or trends associated with economic states, society, culture, values, objectives, missions, and commitment. Previous research indicates that top management styles represent characteristics of internal control system. According to Holmes et al., (2002) found that top management who supports internal control system can help firms to reduce fraud. Furthermore, the states of vision built by top ranking manager are reflected in all aspects of administrator's activities. The commitments involved, and supported by high ranking government officials. The regulators are setting to "the top official's voice" the foster has a positive attitude and supportive opinion towards internal control in organization. Therefore, the hypothesis is posted as follows:

Hypothesis 8: Top management vision is positively associated with (a) organizational structure clarity, (b) policy and plan appropriateness, (c) duty and responsibility classification, and (d) information and communication efficiency.

2.3.1 Employee Participation

Employee participation refers to all employees operating together for expressing opinions, making a decision, and participating in activities with other personnel in organizations in order to be

more efficient. Prior research indicates that, to manage organizations to be successful, executives have to learn motivation to stimulate employees to work effectively. Employees' participation can cause them to feel that they are a part of organizations, and they will exchange experiences among one another. Useful opinions to organizations' development will be expressed by employees obviously (Bennet, 2010). Employees' participation purposes due to internal control system are methods and measures adopted by promoting a thoughtful and efficient use and all other resources. A successful internal control system depends on the participation of all employees at every level. Employees' participation is likely to show a positive relationship with organizational structure clarity, policy and plan appropriateness, duty and responsibility classification, and information and communication efficiency (Wheeler, 2015). Therefore, the following hypothesis is posted as follows:

Hypothesis 9: Employee participation is positively related to (a) organizational structure clarity, (b) policy and plan appropriateness, (c) duty and responsibility classification, and (d) information and communication efficiency.

2.3.2 Environment Uncertainty

Environment uncertainty refers to a rapidly changing environment and it is unexpected. It can affect operation difficulty and businesses experience many obstacles in operations. Furthermore, environmental uncertainty is the variation of technologies in the globalization (Dilts and Prough, 2001; Ghosh, Olsen, 2009). And previous research indicates that environmental dynamics would result to a control system to render greater qualities, and best internal control system changes to be more essential by the time uncertainty is higher Gordon and Miller, (1976). Furthermore, Evans et al. (1986) discovers the evidence for support: an organization is going to alter best internal control system spending much time to adjust the changing situations. Thus, environmental uncertainty may focus on the significance for control. From one viewpoint, firms' operations in very uncertain environments need an elastic, natural structure to adjust to environmental changes (Free, 2000). Besides, the internal auditors have to suitably modify the best internal control system method adapted to this circumstance (Imhoff, 2003). Therefore, the following hypothesis is posited:

Hypotheses 10: Environment uncertainty is positively related to (a) organizational structure clarity, (b) policy and plan appropriateness, (c) duty and responsibility classification, and (d) information and communication efficiency.

2.4 Moderating Effect of Ethical Climate.

Moderating effect of ethical climate refers to recognizing ethical climate in personnel's working smoothly and achievably by way of moral and ethics as principles. Prior research has few studies on ethical climate. The findings suggest that ethical climate in organizations is a dimension of organizations' performances to support employees to develop themselves to possess moral and ethics, and to be smooth for all (Victor & Cullen, 1978). Moreover, firms believe that employees can create good behaviors for moral and ethics towards self-development. Performances will be more acceptable. If executives have clear visions, they are able to see trends in the future. Creating ethical climate can bring about best internal control system. If firms realize employees' participation and support employees being honest, moral, ethic, best internal control system will be. However, organizations which support ethical climate are under rapidly and continuously change will not help support best internal control system (Roberson and Anderson, 1993). Therefore; ethical climate is likely to be moderator in the relationship antecedent between and best internal control system.

Hypotheses 11: Ethical climate will positively moderate between (a) top management vision-organizational structure clarity, (b) policy and plan appropriateness, (c) duty and responsibility classification, and (d) information and communication Efficiency.

Hypotheses 12: Ethical climate will positively moderate between (a) employee participation-organizational structure clarity, (b) policy and plan appropriateness, (c) duty and responsibility classification, and (d) information and communication Efficiency.

Hypotheses 13: Ethical climate will positively moderate between (a) environment uncertainty-organizational structure clarity, (b) policy and Plan appropriateness, (c) duty and responsibility classification, and (d) information and communication efficiency.

3. Research Methods

3.1 Sample Selection and Data Collection Procedure

The populations in this study were Instant Foods and Convenience Foods Businesses in Thailand which were chosen as the examined samples. The technique of mail survey by means of the questionnaires was utilized for gathering data. The key informants of this study were the internal audit managers and the directors of internal audit. The units for analysis were firms. The set of questionnaires was sent to 671 Instant Foods and Convenience Foods Businesses in Thailand. 90 questionnaires used were not receivable because of the companies' problems such as the firms address were unknown, and some companies were closed. Finally, 145 valid mailings surveys were actually received and the rate of correspondence was 24.95%. According to Aaker, Kumer and Day (2001), not less than 20% of valid mailing surveys were considered passable.

For testing potential and non-response bias of identifying and as well thinking of probably problems with non-response errors, the evaluation and examination of non-response bias focused on two distinct methods: (1) similarly, the sample statistics and known values of the populations related to firm age and size, and (2) the comparison of the first and second data as suggested by Armstrong and Overton, (1977). Hence, there were no procedures indicating any significance.

3.2 Variable Measurements

All on developed constructions were drawn up from the literatures; furthermore, the greater models were tested by multi-item scales. Five-point Likert scale was used in measuring of dependent variables, independent variables, mediating variables, moderating variables, and control variables were explained as follows:

3.2.1 Dependent Variables

For measurement of goal achievement used by a five-item scale. Generally, goal achievement contained a business including both together achieving business's efficiency and effectiveness. The organization's administration and potentiality to deliver the business to a goal achievement were prosperity in both up-to-date and forever. Gatewongsa, (2013).

3.2.2 Independent Variables

Three items measured *organizational structure clarity (OSC)*. This research had expanded and built a new scale for measure by definitions. It had been measured by the right, appropriate size, and the decentralization of operations.

Four item measured *policy and plan appropriateness (PPA)*. This research was constructed to develop as a new scale about its definition. It was measured by appropriate direction, and clear operational approach, the action plans were effective, consistent with many objectives.

Duty and responsibility classification (DRC) was measured by four items. This research had developed and built a new scale for measure by definitions. It was measured by the power of attorney in writing, empower employees to make decisions, guide systems clearly works, and documentary job descriptions.

Information and communication efficiency (ICE) is measured by four items. This research had developed and built a new scale for measure by definitions. It was measured by reflect reality, system thorough publicity, communication between individuals and departments, and timely decisions.

3.2.3 Consequence Variables

Stakeholder acceptance (STA) is four items adapted from the measurement of Prasertsang, (2012). It is measured by Famous, Admittedly, Reliability, and the trusts.

Operational efficiency (OPE) is four items adapted from the measurement of Bunnoon and Ussahawanitchakit, (2012). It is measured by Implementation goal, reduction process, cost reduction, and timely set.

Organizational excellence (ORE) is four items adapted from the measurement of Pansuppawattand and Ussahawanitchakit, (2011). It is measured by improvement and development continuous, to develop apply knowledge, skills, and performance analysis continues.

3.2.4 Antecedent Variables

Top Management vision (TOP) is four items adapted from the measurement of Ninlaphay, S. and P. Ussahawanitchakit, (2012). It is measured by clear aim; the focus is on policy, future goals, and a mission.

Employee participation (EMP) is four items adapted from the measurement of Wheeler, (2015). It is measured by acquiring new knowledge, reduction of errors, and direction collaboration.

Environment uncertainty (ENU) is four items adapted from the measurement of Gatewongsa, (2013). It is measured by difficulties in implementation, unpredictable in advance, labor faced with the serious competition, and trouble administration.

3.2.5 Moderating Variables

Ethical climate (ETC) is four items adapted from the measurement of Prasong and Ussahawanitchakit, (2013). It is measured by compliance and regulatory, teams focus, ethical and moral development, and honesty.

3.2.6 Control Variables

The control variable was similar to the impact on the association, both firm age and size observed in the past exploration to be identified with achievement. (Wijewardena and Tibbits, 1999).

3.3 Methods

3.3.1 Factor Analysis

It was firstly employed to explore the fundamental association of a big amount of items and to impose if they could be downsized to a small group of factors. The factor analyses were done distinguishably on each set of the items substituted a respective scale by reason of restricted observations. As for confirmatory factor analysis, this study as analysis had an uplift ability to expand the component loadings. Therefore, as a higher rule-of-thumb, a cut-off value of 0.40 was applied (Nunnally and Bernstein, 1994).

For all factor loadings were less than the 0.40 must be taken off and were statistically significant. Secondly the scale's reliability, Cronbach alpha coefficients were more than 0.70 (Nunnally and Bernstein, 1994). The scales for all measurements showed the internal accordant results; therefore, these measurements are expected reasonable for additional analysis, due to their expression an accepted validity and reliability in this research. According to, Table 1 this study showed the results of both used factor loadings and Cronbach alpha coefficient of multiple-item scales.

Items	Factor Loadings	Cronbach Alpha
Goal Achievement (GOA)	0.880-0.959	0.913
Organizational Structure Clarity (OSC)	0.859-0.945	0.899
Policy and Plan Appropriateness (PPA)	0.789-0.908	0.879
Duty and Responsibility Classification (DRC)	0.800-0.937	0.918
Information and Communication Efficiency (ICE)	0.872-0.925	0.917
Stakeholder Acceptance (STA)	0.939-0.966	0.961
Operational Efficiency (OPE)	0.836-0.938	0.896
Organizational Excellence (ORE)	0.875-0.959	0.917
Top Management Vision (TOP)	0.903-0.970	0.950
Employee Participation (EMP)	0.884-0.964	0.945
Environment Uncertainty (ENU)	0.596-0.905	0.794
Ethical Climate (ETC)	0.808-0.948	0.910

Table1: Results of measure validation

3.3.2 The Ordinary Least Squares Regression Analysis

For statistical analysis of this study was the ordinary least squares (OLS) regression analysis was used to examination the hypothesized relationships between best internal control system consequences and goal achievement. Due to the dependent variable, independent variables, and control variables therefore were neither nominal data nor categorical data, OLS was a reasonable method for investigating the hypothesized relationships (Aulakh, Kotabe and Teegen, 2000). For testing the hypothesized relationships the researcher shows in regression equations as following:

$$\begin{aligned}
 \text{Equation 1: STA} &= \beta_{01} + \beta_{11}OSC + \beta_{21}PPA + \beta_{31}DRC + \beta_{41}ICE + \beta_{51}FA + \beta_{61}FS + \epsilon_1 \\
 \text{Equation 2: OPE} &= \beta_{02} + \beta_{71}OSC + \beta_{81}PPA + \beta_{91}DRC + \beta_{101}ICE + \beta_{111}FA + \beta_{121}FS + \epsilon_2 \\
 \text{Equation 3: ORE} &= \beta_{03} + \beta_{131}OSC + \beta_{141}PPA + \beta_{151}DRC + \beta_{161}ICE + \beta_{171}FA + \beta_{181}FS + \epsilon_3 \\
 \text{Equation 4: GOA} &= \beta_{04} + \beta_{191}STA + \beta_{201}OPE + \beta_{211}ORE + \beta_{221}FA + \beta_{231}FS + \epsilon_4 \\
 \text{Equation 5: OSC} &= \beta_{05} + \beta_{241}TOP + \beta_{251}EMP + \beta_{261}ENU + \beta_{271}FA + \beta_{281}FS - \epsilon_5 \\
 \text{Equation 6: OSC} &= \beta_{06} + \beta_{291}TOP + \beta_{301}EMP + \beta_{311}ENU + \beta_{321}ETC + \beta_{331}(TOP*ETC) \\
 &+ \beta_{341}(EMP*ETC) + \beta_{351}(ENU*ETC) + \beta_{361}FA + \beta_{371}FS + \epsilon_6 \\
 \text{Equation 7: PPA} &= \beta_{07} + \beta_{381}TOP + \beta_{391}EMP + \beta_{401}ENU + \beta_{411}FA + \beta_{421}FS + \epsilon_7 \\
 \text{Equation 8: PPA} &= \beta_{08} + \beta_{431}TOP + \beta_{441}EMP + \beta_{451}ENU - \beta_{461}ETC + \beta_{471}(TOP*ETC) \\
 &+ \beta_{481}(EMP*ETC) + \beta_{491}(ENU*ETC) + \beta_{501}FA + \beta_{511}FS + \epsilon_8 \\
 \text{Equation 9: DRC} &= \beta_{09} + \beta_{521}TOP + \beta_{531}EMP + \beta_{541}ENU + \beta_{551}FA + \beta_{561}FS + \epsilon_9 \\
 \text{Equation 10: DRC} &= \beta_{10} + \beta_{571}TOP + \beta_{581}EMP + \beta_{591}ENU + \beta_{601}ETC + \beta_{611}(TOP*ETC) \\
 &- \beta_{621}(EMP*ETC) + \beta_{631}(ENU*ETC) + \beta_{641}FA + \beta_{651}FS - \epsilon_{10} \\
 \text{Equation 11: ICE} &= \beta_{11} + \beta_{661}TOP + \beta_{671}EMP + \beta_{681}ENU + \beta_{691}FA + \beta_{701}FS + \epsilon_{11} \\
 \text{Equation 12: ICE} &= \beta_{12} + \beta_{711}TOP + \beta_{721}EMP + \beta_{731}ENU + \beta_{741}ETC + \beta_{751}(TOP*ETC) \\
 &- \beta_{761}(EMP*ETC) + \beta_{771}(ENU*ETC) + \beta_{781}FA + \beta_{791}FS + \epsilon_{12}
 \end{aligned}$$

4. Results and discussion

For in table 2, the descriptive statistics and correlation matrix of all variables were presented. With regard to the potential problems relating to multicorlinearity, variance inflation factors (VIF) were used to give information on the scope to which non-orthogonality among independent variables dilates standard errors. The VIFs range from 1.067 to 4.452, which was good less than the cut-off value of 10 suggested form Hair et al., (2006), meaning the independent variables were not correlated with each other. Thus, there were no concrete multicorlinearity problems fined for this research.

Variables	GOA	OSC	PPA	DRC	ICE	STA	OPE	ORE	TOP	EMP	ENU	ETC	FA	FS
Mean	3.97	4.05	4.07	4.03	3.97	4.04	4.01	4.05	4.07	4.09	3.97	4.14	0.61	0.54
S.D.	0.64	0.62	0.70	0.70	0.67	0.63	0.65	0.70	0.64	0.68	0.72	0.65	0.49	0.50
GOA	1.00													
OSC	.551**	1.00												
PPA	.465**	.553**	1.00											
DRC	.573**	.680**	.648**	1.00										
ICE	.645**	.555**	.513**	.641**	1.00									
STA	.530**	.525**	.380**	.577**	.641**	1.00								
OPE	.699**	.576**	.498**	.580**	.641**	.704**	1.00							
ORE	.769**	.521**	.465**	.599**	.659**	.476**	.675**	1.00						
TOP	.547**	.484**	.368**	.459**	.449**	.557**	.596**	.473**	1.00					
EMP	.618**	.445**	.439**	.549**	.556**	.505**	.535**	.541**	.592**	1.00				
ENU	.283**	.333**	.292**	.354**	.281**	.316**	.318**	.207**	.194*	.318**	1.00			
ETC	.605**	.534**	.479**	.535*	.506**	.474*	.626**	.510**	.530*	.565**	.389**	1.00		

**p<0.01, *p<0.05, Beta coefficients with standard errors in parenthesis.

Table 2: Descriptive statistics and correlation matrix

Independent Variables		Dependent Variables			
		EQ1	EQ2	EQ3	EQ4
		STA	OPE	ORE	GOA
Organizational Structure Clarity (OSC)	H1	.141* (.087)	.241** (.086)	.111 (.086)	
Policy and Plan Appropriateness (PPA)	H2	-.080 (.083)	.088 (.081)	.029 (.082)	
Duty and Responsibility Classification (DRC)	H3	.253** (.100)	.121 (.099)	.245** (.099)	
Information and Communication Efficiency (ICE)	H4	.445*** (.082)	.400*** (.081)	.446*** (.081)	
Stakeholder Acceptance (STA)	H5				.078 (.073)
Operational Efficiency (OPE)	H6				.275** (.085)
Organizational Excellence (ORE)	H7				.544*** (.068)
Firm age (FA)		.257** (.126)	-.119 (.124)	-.050 (.124)	-.044 (.105)
Firm size (FS)		-.051 (.132)	-.125 (.130)	-.196 (.130)	.037 (.105)
Adjust R²		.46	.48	.48	.64

*p<0.1, **p<0.05, ***p<0.01, Beta coefficients with standard errors in parenthesis.

Table 3: Results of the relationships between control system consequences and goal achievement

Table 3 showed the results of OLS regression testing the relationships among best internal control system and its consequences (stakeholder acceptance, operational efficiency, organizational excellence, and goal achievement). The results showed for tested hypothesis 1a-c to hypothesis 4a-c. In this study, the first hypothesis was related to the relationship between the first dimension of best internal control system that was stakeholder acceptance (H1a), operational efficiency (H1b), and organizational excellence (H1c).

The finding demonstrated the outcomes of organizational structure clarity on stakeholder acceptance ($\beta_1=0.14$, $p<0.01$), operational efficiency ($\beta_7=0.24$, $p<0.05$), and organizational excellence ($\beta_{13}=0.11$, $p>0.10$) also, organizational structure clarity had an essential positive effect on stakeholder acceptance and operational efficiency. Therefore, hypotheses 1a, 1b were supported and a hypothesis 1c was not supported.

Hypotheses 2 testing examined the relationships among policy and plan appropriateness. The second dimensions of best internal control system with its consequences (stakeholder acceptance, operational efficiency, and organizational excellence). The finding that the results of policy and plan appropriateness on stakeholder acceptance ($\beta_2=-0.08$, $p>0.10$), operational efficiency ($\beta_8=0.08$, $p>0.10$), and organizational excellence ($\beta_{14}=0.02$, $p>0.10$) also, policy and plan appropriateness had not an essential positive effect on stakeholder acceptance, operational efficiency, and organizational excellence. Thus, all hypotheses 2 were not supported.

Hypotheses 3 testing examined the relationships among duty and responsibility classification. The third dimensions of best internal control system and consequences (stakeholder acceptance, operational efficiency, and organizational excellence). The finding that the results of duty and responsibility classification on stakeholder acceptance ($\beta_3=0.25$, $p<0.05$), operational efficiency ($\beta_9=0.12$, $p>0.10$), and organizational excellence ($\beta_{15}=0.24$, $p<0.05$) Also, duty and responsibility classification had an essential positive effect on stakeholder acceptance and organizational excellence. Thus, hypotheses 3a, 3c were supported and a hypothesis 1b was not supported.

Hypotheses 4 testing examined the relationships among information and communication efficiency. The third dimensions of best internal control system and its consequences (stakeholder acceptance, operational efficiency, and organizational excellence). The finding that the results of information and communication efficiency on stakeholder acceptance ($\beta_4=0.44$, $p<0.10$), operational efficiency ($\beta_{10}=0.40$, $p<0.05$), and organizational excellence ($\beta_{16}=0.44$, $p<0.10$) also, information and communication efficiency had an essential positive effect on stakeholder acceptance, operational efficiency, and organizational excellence. Thus, all hypotheses 4 was supported.

In addition to, hypotheses 5-7 predict testing examined the relationships among stakeholder acceptance. The third dimensions of best internal control system and its consequences (stakeholder acceptance, operational efficiency, and organizational excellence) and affecting goal achievement. The finding that the outcomes were shown in table 3 illustrating that stakeholder acceptance and organizational excellence was related to goal achievement ($\beta_{20}=0.27$, $p<0.05$; $\beta_{21}=0.54$, $p<0.10$). Then, hypotheses 6, 7 were supported. In contrast, stakeholder acceptance was not related to goal achievement ($\beta_{19}=0.07$, $p>0.10$). Therefore, a hypothesis 5 was not supported.

Independent Variables		Dependent Variables							
		OSC		PPA		DRC		ICE	
		EQ5	EQ6	EQ7	EQ8	EQ9	EQ10	EQ11	EQ12
TOP	H8	0.315** (0.088)	0.201** (0.087)	0.174* (0.093)	0.084 (0.096)	0.194** (0.084)	0.103 (0.083)	0.174** (0.086)	0.078 (0.083)
EMP	H9	0.192** (0.090)	0.016 (0.095)	0.283** (0.095)	0.177* (0.105)	0.373*** (0.086)	0.204** (0.091)	0.418** (0.088)	0.207** (0.090)
ENU	H10	0.201** (0.078)	0.120 (0.078)	0.141* (0.082)	0.068 (0.086)	0.142* (0.074)	0.051 (0.074)	0.070 (0.076)	-0.014 (0.073)
ETC			0.278** (0.088)		0.280** (0.097)		0.225** (0.084)		0.188** (0.083)
TOP* ETC	H11		-0.153* (0.085)		0.015 (0.094)		0.057 (0.081)		-0.053 (0.081)
EMP* ETC	H12		0.008 (0.086)		-0.040 (0.095)		-0.193** (0.082)		-0.157* (0.082)
ENU* ETC	H13		-0.048 (0.078)		-0.004 (0.086)		-0.014 (0.074)		-0.065 (0.074)
Firm age (FA)		0.151 (0.146)	0.109 (0.141)	-0.145 (0.154)	-0.141 (0.156)	-0.062 (0.139)	-0.119 (0.135)	-0.036 (0.142)	-0.122 (0.133)
Firm size (FS)		0.092 (0.155)	0.061 (0.146)	0.148 (0.163)	0.156 (0.162)	0.352 (0.147)	0.323** (0.140)	0.280* (0.150)	0.221 (0.138)
Adjust R ²		.29	.38	.21	.24	.36	.43	.33	.44

*p<0.1, **p<0.05, ***p<0.01, Beta coefficients with standard errors in parenthesis.

Table 4: Results of the relationships between best internal control system antecedents

Table 4 presented the outcomes of the effect on antecedent of best internal control system that comprise such as top management vision, employee participation, and environment uncertainty. The outcomes illustrated that top management vision and employee participation had

an important positive relationship effect about organizational structure clarity, policy and plan appropriateness, duty and responsibility classification, and information and communication efficiency ($\beta_{24}=0.31, p>0.05$; $\beta_{38}=0.17, p<0.10$; $\beta_{52}=0.19, p<0.05$; $\beta_{66}=0.17, p<0.05$), ($\beta_{25}=0.19, p<0.05$; $\beta_{39}=0.28, p<0.05$; $\beta_{53}=0.19, p<0.05$; $\beta_{67}=0.41, p<0.1$). Therefore, hypotheses 8a, 8b, 9a-9c were supported but were not supported hypotheses 8c. Meanwhile, environment uncertainty had an important positive relationship about organizational structure clarity, policy and plan appropriateness, duty and responsibility classification, and information and communication efficiency ($\beta_{26}=0.20, p<0.05$; $\beta_{40}=0.14, p<0.05$; $\beta_{54}=0.14, p<0.05$;) but it had not an important positive effect with information and communication efficiency ($\beta_{68}=0.07, p>0.10$) Therefore, hypotheses 10a, 10b and 10c were supported.

Ultimately, table 4 the outcomes indicated that of the relationship among best internal control system and the antecedents top management vision, employee participation, and environment uncertainty including the moderating effect of ethical climate. The outcomes presented that top management vision and employee participation had an important negative impact on organizational structure clarity, duty and responsibility classification, and Information and communication efficiency ($\beta_{33}=-0.15, p<0.10$), ($\beta_{62}=-0.19, p<0.05$), ($\beta_{76}=-0.15, p<0.10$). Therefore, hypotheses 11a-11c, H12a-12c were not supported. In addition to this, the outcomes suggested that environment uncertainty had an important negative relationship toward organizational structure clarity, policy and plan appropriateness, duty and responsibility classification, and information and communication efficiency. Consequently, hypotheses 13a-13c was not supported.

In conclusion, four dimensions of this study are the outcomes, about third dimension that are associated with best internal control system, about that organizational structure clarity, duty and responsibility classification, and information and communication efficiency. This is stable with previous research from Chevalier and Blaye (2009), organizational structure clarity which is suitable for sizes and types of business can lead to accomplishment and efficiency for performances. In addition to, Ochieng and Njeru, 2004 illustrated that hospital's departments in Nyanza placed importance on duty classification of appropriate good corporate from senior to junior. It can ensure confidence for stakeholders regarding significantly effective management. Moreover, information and communication efficiency will be able to increase operational efficiency and to be acceptable to stakeholders on mentioned performances. Organizations can check performances all the time; as a result, managers are able to predict the future. Information and communication efficiency (Azeveo et al., 2010)

Furthermore, the outcomes present that best internal control system impacts operational efficiency and organizational excellence, which are associated with the literature review that effects goal achievement. Furthermore, best internal control system is able to help organizations 'operational efficiency employ the ability of resources issued to be useful to activities, decreasing costs, and it is worthwhile and ensures that firms can make profits which will be shown through figures and specified in organizations' achievement (Mentzer and Konrad, 1991).

5. Contributions and future directions for research

5.1 Theoretical Contributions and Future Directions for Research

This research plans to give obvious clear comprehension of best internal control system that impacts positively and directly on goal achievement. The research concerning participation in the theory of knowledge on best internal control system is interesting. The participation is challenging and it is a new dimension for work to obtain organizations' objectives through employing best internal control system. To increase best internal control system and goal achievement, future research is then required, and the importance of use adapted for mediating and moderating variables which ought to be included in the previously stated conceptual model. Similarly, to enlarge the research contributions and examine the research generalizability, future research is required to collect data from various groups of samples, comparative populations or from internal audit to expand the level of reliable results in this research.

5.2 Managerial Contribution

This study provides information of the internal audit managers of Instant Foods and Convenience Foods businesses groups to distinguish and legitimize key parts of internal control for

goal achievement in more challenge environments. Moreover, this study recognizes both the antecedents and consequences of best internal control system which helps acquire goal achievement. The implication for the directors of internal audit and the internal audit managers are that this research can support any organizations to understanding and emphasize best internal control system which leads to goal achievement.

6. Conclusion

This study investigates to best Internal control system on goal achievement: In the case of Instant Foods and Convenience Foods businesses in Thailand. The consequence is the goal achievement. Furthermore, this study also investigates the moderating impacts on ethical climate related to a moderator. The questionnaire is used as instrument and the participants are the internal auditors and the directors of internal audit. The outcomes of the OLS regression analysis present that organizational structure clarity, duty and responsibility classification, and information and communication efficiency have an important positive effect on stakeholder acceptance. Furthermore, operational efficiency and organizational excellence have an important positive relation with goal achievement. Moreover, top management vision, employee participation, and environment uncertainty are the antecedents of best internal control system. Similarly, the outcomes present that the ethical climate is the moderating variables. The implications help very good recommendation for the additional research and limitations.

7. References

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