



How HR Analytics Shapes Financial Decision-Making: The Mediating Role of Managerial Information Quality and the Moderating Effect of Digital Capability in the Hotel Industry

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Abstract: The hotel industry increasingly relies on data-driven managerial practices to improve operational and financial effectiveness. However, prior studies have predominantly examined HR analytics in relation to HR performance and organizational outcomes, while its role in financial decision-making remains underexplored. This study aims to examine the effect of HR analytics on financial decision-making in the hotel industry, mediated by managerial information quality and moderated by digital capability. A quantitative explanatory approach was employed using a cross-sectional survey design. Data were collected from 234 respondents working at 78 three- and four-star hotels in Bandung and the surrounding areas, including hotel managers, HR managers, finance managers, supervisors, and hotel administrators with at least 3 years of work experience. The data were collected between January and February 2026 using an online questionnaire distributed through Google Forms and measured using a five-point Likert scale. The proposed model was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The findings indicate that HR analytics positively influences financial decision-making and managerial information quality. Managerial information quality was also found to significantly mediate the relationship between HR analytics and financial decision-making. In addition, digital capability significantly strengthens the relationship between HR analytics and managerial information quality. The novelty of this study lies in integrating HR analytics, managerial information quality, digital capability, and financial decision-making into a single framework in the hospitality context. The study contributes to hospitality management literature by emphasizing the strategic role of analytics and digital capability in improving managerial and financial practices. Nevertheless, the findings are limited to hotels located in Bandung and the surrounding regions.

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INTRODUCTION

The hospitality industry, such as hotels, fundamentally depends on how effectively companies manage and interpret workforce data. These issues typically relate to payroll and staffing decisions, which impact operating costs and financial decision-making (Carneiro et al., 2023). Various hotels have implemented HR analytics as a data-driven capability, but its role in shaping financial decisions has remained underexplored in prior research (Aziz et al., 2024; Khalil, Aziz, Long, et al., 2023). The focus is mostly on HR outcomes rather than cross-functional impacts. Drawing on the resource-based view and

information processing theory, HR analytics can serve as a strategic capability when transformed into high-quality managerial information that supports decision-making, especially financial decisions (I. E. Diavastis, 2024; Rady et al., 2024). In this way, this information can reduce uncertainty and also enable more accurate cost control, budgeting, and resource allocation (Yu, 2021). However, the value of HR analytics lies not only in the availability of data, but also in the quality of the managerial information it generates and the organization's ability to utilize it (Ratna et al., 2023). This means that effective financial decision-making in hotels depends not only on the application of analytics but also on translating it into high-quality information with relevant digital capabilities.

Prior research has widely examined HR analytics and big data analytics in relation to HR performance, operational efficiency, employee productivity, organizational agility, and overall firm performance (Carneiro et al., 2023; Khalil, Aziz, Ariffin, et al., 2023). Studies in the hospitality sector have emphasized the contribution of analytics capabilities to innovation, hotel performance, business process improvement, and organizational competitiveness (Enad Al-Qaralleh & Atan, 2021). However, existing literature is limited on how HR analytics affects managerial financial decision-making, particularly in industries such as hospitality, where staffing, payroll allocation, and labor productivity directly affect financial outcomes (Krisnadewi et al., 2026). Most previous studies position analytics capabilities as a driver of organizational performance in general, rather than as a factor that specifically supports the financial decision-making process (Rosyafah & Pudjowati, 2024).

Furthermore, limited attention has been given to the mediating role of managerial information quality in translating HR analytics into effective financial decisions. Although recent studies acknowledge the importance of accounting information systems, data quality, and analytical information in hotel management, the way in which HR analytics generates high-quality managerial information for financial decision-making remains underexplored (I. E. Diavastis, 2024). In addition, prior studies rarely examine digital capability as a boundary condition that may strengthen or weaken the effectiveness of HR analytics utilization (Abdou, 2025). This issue is particularly important in the hotel industry, where organizations differ substantially in terms of digital readiness, analytical competence, and technology integration across managerial functions.

Accordingly, this study aims to examine how HR analytics influences financial decision-making in the hotel industry by investigating the mediating role of managerial information quality and the moderating role of digital capability. This study contributes to the existing literature in several ways. First, it extends HR analytics research beyond traditional HR and operational outcomes by positioning financial decision-making as an important managerial consequence of analytical capability. Second, this study develops a more comprehensive explanatory mechanism by introducing managerial information quality as a mediating variable that links HR analytics to the effectiveness of financial decision-making. Third, this study highlights the contingent role of digital capability in strengthening the effectiveness of analytics utilization within hotel organizations. The novelty of this research lies in integrating HR analytics, managerial information quality, digital capability, and financial decision-making into a single conceptual framework within the hospitality context, a gap left by prior studies. Practically, the findings are expected to provide hotel managers with insights into the strategic importance of analytical and digital capabilities in improving financial management and the quality of organizational decisions.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The theoretical foundation of this study is primarily grounded in the Resource-Based View (RBV) and Information Processing Theory (IPT). From the RBV perspective, HR analytics can be considered a strategic organizational capability that enables firms to generate valuable, rare, and actionable insights from workforce-related data (Shet, 2025). In the hotel industry, the ability to analyze employee productivity, staffing patterns, labor costs, and workforce efficiency may provide competitive advantages in operational and financial management (Jibril & Yeşiltaş, 2022). In addition, Information Processing Theory suggests that organizations require high-quality information to reduce uncertainty and improve the effectiveness of managerial decision-making (Gao et al., 2022).

In the hotel industry, financial decisions are closely associated with labor cost allocation, staffing efficiency, payroll management, productivity monitoring, and operational budgeting (Afandy, 2024). Using analytical systems, managers can more accurately identify workforce trends, predict labor demand, evaluate employee productivity, and optimize resource allocation. From the perspective of the Resource-Based View, HR analytics represents a strategic capability that enhances organizational effectiveness by improving the quality and speed of managerial decisions (Abdou, 2025; Enad Al-Qaralleh & Atan, 2021). In addition, Information Processing Theory suggests that analytical capabilities reduce uncertainty by providing relevant, timely information to support managerial actions (Ma, 2021). Therefore, organizations with stronger HR analytics capability are expected to make more accurate and effective financial decisions. Then, we propose:

H1: *HR analytics positively influences financial decision-making.*

The effectiveness of managerial decisions largely depends on the quality of information available to decision-makers. HR analytics facilitates the collection, integration, and analysis of employee data. It allows organizations to generate information that is more accurate, timely, relevant, and useful for managerial purposes (Hassan & Eassa, 2025). HR analytics may enhance managerial information quality by transforming raw organizational data into meaningful insights that support managerial evaluation and planning processes. Prior studies also suggest that analytical systems contribute significantly to organizational information quality and managerial responsiveness (I. E. Diavastis et al., 2024). So, from this preposition, we develop:

H2: *HR analytics positively influences managerial information quality.*

Accurate, relevant, understandable, and timely information enables managers to evaluate financial conditions, allocate resources efficiently, control operational costs, and reduce uncertainty in decision-making (Ma, 2021). In the hospitality industry, financial decisions often involve dynamic operational conditions, fluctuating occupancy rates, staff activities, and rapidly changing customer demands. Therefore, managers require reliable information to support budgeting, forecasting, payroll planning, and strategic financial allocation. Hotels with better information quality are more capable of processing uncertainty and improving managerial decision effectiveness (Savandha, 2025). According to these, then the hypothesis 3 is:

H3: *Managerial information quality positively influences financial decision-making.*

Although HR analytics may directly support financial decision-making, its effectiveness depends on whether analytical outputs can be translated into useful managerial information (Aziz et al., 2024). The mere existence of analytical systems does not automatically improve managerial decisions unless organizations can generate high-quality information from available data. HR analytics contributes to information integration, analytical interpretation, and reporting quality, thereby enhancing the effectiveness of managerial decision-making. Therefore, managerial information quality may serve as an important explanatory factor through which HR analytics influences financial decision-making (Yağmur et al., 2023). In this context, HR analytics improves the quality of managerial information, which in turn supports more effective financial decisions within hotel organizations (Cheng et al., 2023). The linkage is hypothesized as follows:

H4: *Managerial information quality mediates the relationship between HR analytics and financial decision-making.*

Digital capability reflects the organization's ability to utilize digital technologies, integrate information systems, and support analytical processes effectively within managerial activities (Abdou, 2025; Shet, 2025). Organizations with strong digital capability are more likely to maximize the benefits of HR analytics because they possess better technological readiness, system compatibility, and managerial competence in interpreting analytical outputs. In the context of HR analytics, the availability of analytical systems alone may not be sufficient to improve managerial information quality unless supported by adequate digital competence and technological readiness (Glaveli et al., 2023). Hotels with strong digital capability are more likely to utilize HR analytics effectively because managers can interpret analytical outputs more accurately. Therefore, digital capability may strengthen the effectiveness of HR analytics in generating high-quality managerial information for organizational decision-making (Afandy, 2024; Mtebe & Gao, 2026). So, hypothesis 5 is developed as follows:

H5: *Digital capability positively moderates the relationship between HR analytics and managerial information quality (the relationship becomes stronger when digital capability is higher).*

The development of this hypothesis can be illustrated in the research model in Figure 1 as follows.

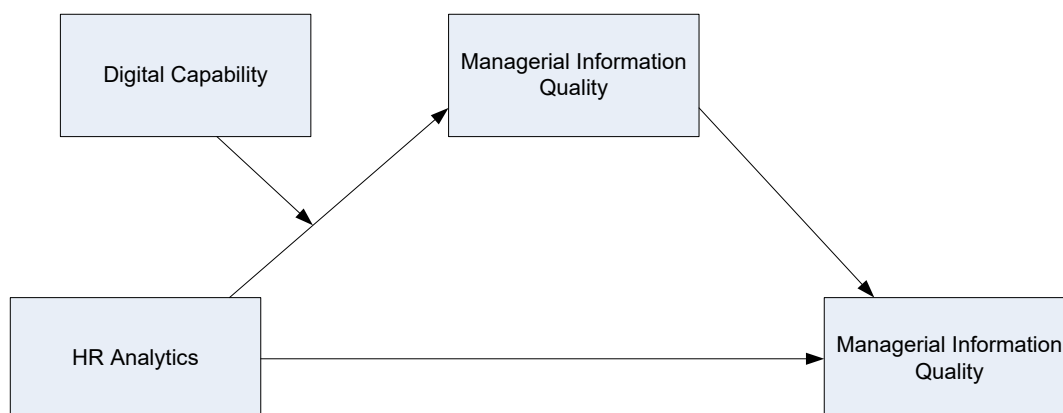


Figure 1. Research Model

METHODS

This study employed a quantitative, explanatory research design to examine the relationships among HR analytics, managerial information quality, digital capability, and financial decision-making in the hotel industry. A cross-sectional survey design was utilized because the study aimed to test the proposed hypotheses and examine the structural relationships among variables at a single point in time. The research model was developed based on the Resource-Based View and Information Processing Theory to explain how HR analytics capability contributes to managerial and financial decision-making processes within hotel organizations.

The population of this study comprised managers and administrative employees working in three- and four-star hotels in Bandung and the surrounding areas, including Bandung City, Bandung Regency, Cimahi City, and West Bandung Regency, Indonesia. The hotel sector was selected because hotel organizations are highly intensive and heavily reliant on managerial decisions for workforce allocation, operational efficiency, and financial management.

A convenience sampling technique was employed to obtain respondents who met the research criteria. Data were collected from 78 hotels, resulting in 234 valid responses. The respondents included hotel managers, HR managers, finance managers, supervisors, and hotel administrators. To ensure adequate organizational experience and familiarity with managerial processes, respondents were required to have worked in their respective hotels for at least three years. This criterion was considered important because experienced employees are more likely to understand how HR analytics, quality of managerial information, digital capability, and financial decision-making practices are implemented within hotel operations.

Data collection was conducted between January and February 2026 using an online questionnaire distributed through Google Forms. Participation in the survey was voluntary, and respondents were informed that all responses would remain confidential and be used solely for academic purposes. Before completing the questionnaire, respondents were provided with a brief explanation regarding the purpose of the study and the operational meaning of each construct to reduce potential misunderstandings.

The questionnaire utilized a five-point Likert scale ranging from 1 (lowest positive perception) to 5 (highest positive perception). The use of a Likert scale was considered appropriate because it allows respondents to indicate their level of agreement with organizational practices and managerial conditions for each variable.

All measurement items used in this study were adapted from previously validated studies related to HR analytics, managerial information quality, digital capability, and financial decision-making in the hospitality, information systems, and management literature. Minor wording adjustments were made to ensure suitability with the hotel industry context in Indonesia. Each dimension was measured using two items.

1. HR analytics was measured using four dimensions: descriptive analytics, diagnostic analytics, predictive analytics, and prescriptive analytics, adapted from previous studies on analytics capability and data-driven management in the hospitality sector (Aziz et al., 2024; Carneiro et al., 2023; Khalil, Aziz, Long, et al., 2023; Shet, 2025).
2. Managerial information quality was measured through five dimensions consisting of accuracy, timeliness, completeness, relevance, and consistency, adapted from prior studies on information systems and managerial information quality in hotel management (Cheng et al., 2023; I. E. Diavastis et al., 2024; Rady et al., 2024).

3. Digital capability was measured using four dimensions: digital basic capability, digital integration capability, digital application capability, and digital optimization capability, adapted from previous studies concerning digital transformation and technological capability in hospitality organizations (Abdou, 2025; Mtebe & Gao, 2026; Ratna et al., 2023; Yağmur et al., 2023).
4. Financial decision-making was measured using four dimensions including goal setting, budgeting and analysis, risk management, and resource allocation, adapted from prior studies related to financial management and operational decision-making within hotel organizations (Afandy, 2024; I. E. Diavastis, 2024; Krisnadewi et al., 2026; Savandha, 2025).

This study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS software to analyze the proposed research model. PLS-SEM was selected because it is suitable for predictive and exploratory research models involving mediation and moderation relationships, as well as complex latent constructs measured by multiple indicators (Hair Jr et al., 2021). In addition, PLS-SEM is considered appropriate for studies with relatively moderate sample sizes and non-normal data distributions.

The analysis procedure consisted of two main stages: evaluation of the measurement model and evaluation of the structural model. The measurement model assessment included convergent validity, discriminant validity, indicator reliability, composite reliability, and average variance extracted (AVE). Meanwhile, the structural model assessment included path coefficient analysis, coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and hypothesis testing via bootstrapping. The mediation effect of managerial information quality and the moderating effect of digital capability were also examined within the structural model analysis. The mediating effect of managerial information quality was further evaluated using the Variance Accounted For (VAF) approach to determine the magnitude of the indirect effect (Nitzl et al., 2016) in explaining the relationship between HR analytics and financial decision-making. Furthermore, the moderating effect of digital capability on the relationship between HR analytics and managerial information quality was examined using the interaction effect approach in SmartPLS. The interaction term between HR analytics and digital capability was generated to evaluate whether digital capability strengthens or weakens the effect of HR analytics on managerial information quality. A significant interaction effect indicates moderation within the proposed structural model.

RESULTS AND DISCUSSION

1. Descriptive Statistics

The descriptive statistics of the research variables are presented in Table 1 to provide an overview of respondents' perceptions regarding HR analytics, managerial information quality, digital capability, and financial decision-making in the hotel industry.

Table 1. Descriptive Statistics of Research Variables

Variable	Dimension	Mean (1–5)	Index (0–100)
HR Analytics	Overall	3,88	72,1
	Descriptive Analytics	3,80	70,0
	Diagnostic Analytics	3,78	69,5
	Predictive Analytics	3,96	74,0

	Prescriptive Analytics	3,99	74,8
Managerial Information Quality	Overall	3,81	70,3
	Accuracy	3,83	70,8
	Timeliness	3,92	73,0
	Completeness	3,81	70,3
	Relevance	3,72	68,0
	Consistency	3,79	69,8
Digital Capability	Overall	3,62	65,5
	Digital Basic Capability	3,56	64,0
	Digital Integration Capability	3,75	68,8
	Digital Application Capability	3,46	61,5
	Digital Optimization Capability	3,71	67,8
Financial Decision-Making	Overall	3,77	69,3
	Goal Setting	3,74	68,5
	Budgeting & Analysis	3,73	68,3
	Risk Management	3,79	69,8
	Resource Allocation	3,83	70,8

Table 1 indicates that respondents generally perceived the implementation of HR analytics, managerial information quality, digital capability, and financial decision-making in hotels as relatively favorable. Among the variables, HR analytics obtained the highest mean score (3.88), suggesting that hotels have increasingly utilized analytical approaches in workforce-related decision processes. In particular, predictive analytics and prescriptive analytics showed the highest scores, indicating growing managerial reliance on data-driven forecasting and strategic recommendations. Meanwhile, digital capability recorded the lowest overall mean score (3.62), especially in digital application capability, implying that several hotels may still face challenges in fully integrating and optimizing digital technologies across operational and managerial activities. Furthermore, financial decision-making was perceived positively, particularly in resource allocation and risk management, reflecting the importance of analytical information in supporting managerial financial practices within hotel organizations.

2. Measurement Model Assessment

In this section, the measurement model assessment is presented, including evaluations of convergent validity, discriminant validity, indicator reliability, internal consistency reliability, and collinearity. Convergent validity was assessed using outer loadings and Average Variance Extracted (AVE), while construct reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR). Furthermore, discriminant validity was examined using the Heterotrait-Monotrait Ratio (HTMT) to ensure adequate empirical distinction among constructs.

Table 2. Convergent Validity and Construct Reliability

Variables	Dimensions	Loading	Composite Reliability	AVE
HR Analytics			0.855	0.597
	Descriptive Analytics	0,845		
	Diagnostic Analytics	0,805		
	Predictive Analytics	0,711		
	Prescriptive Analytics	0,722		
Managerial Information Quality			0.844	0.520
	Accuracy	0,714		
	Timeliness	0,715		
	Completeness	0,725		
	Relevance	0,748		
	Consistency	0,703		
Digital Capability			0.837	0.563
	Digital Basic Capability	0,735		
	Digital Integration Capability	0,809		
	Digital Application Capability	0,740		
	Digital Optimization Capability	0,712		
Financial Decision-Making			0.832	0.553
	Goal Setting	0,758		
	Budgeting & Analysis	0,709		
	Risk Management	0,787		
	Resource Allocation	0,719		

Table 2 presents the results of the convergent validity and construct reliability assessment. All indicator loadings exceeded the recommended threshold of 0.70, indicating satisfactory indicator reliability. In addition, all constructs achieved Composite Reliability (CR) values above 0.70, demonstrating adequate internal consistency reliability. The Average Variance Extracted (AVE) values for all constructs were also above the recommended threshold of 0.50, confirming satisfactory convergent validity. These findings indicate that the measurement items used in this study were reliable and capable of adequately representing their respective latent constructs within the proposed research model.

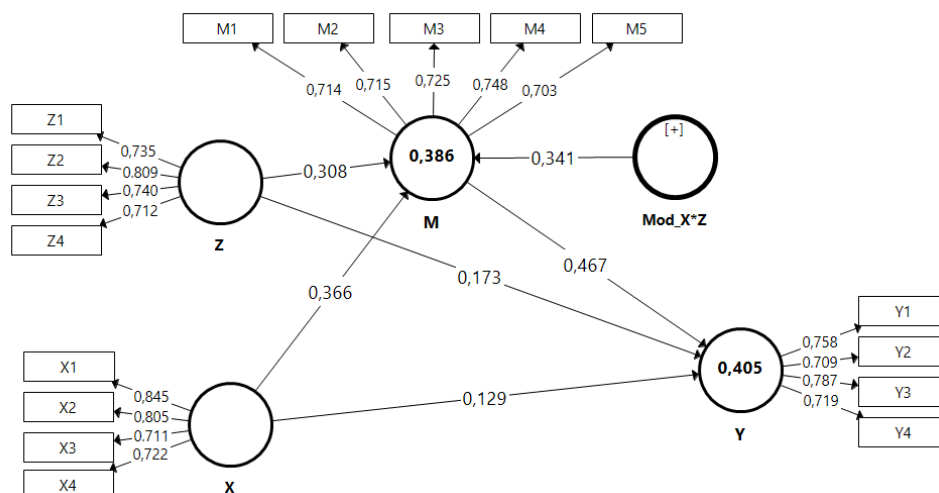
Table 3. Discriminant Validity Assessment Using HTMT Ratio

Variables	HR Analytics (X)	Digital Capability (Z)	Managerial Information Quality (M)	Interaction Effect (X*Z)	Financial Decision-Making (Y)
HR Analytics (X)	—				
Digital Capability (Z)	0,509	—			
Managerial Information Quality (M)	0,511	0,589	—		
Interaction Effect (X*Z)	0,232	0,094	0,316	—	
Financial Decision-Making (Y)	0,480	0,577	0,787	0,244	—

Table 3 presents the results of discriminant validity assessment using the Heterotrait-Monotrait Ratio (HTMT). All HTMT values were below the recommended threshold of 0.90, indicating satisfactory discriminant validity among the constructs in the proposed research model. These findings confirm that each construct demonstrates adequate empirical distinction and measures different conceptual dimensions within the study.

3. Structural Model Assessment

The overall model (measurement and structural models) produced by SmartPLS is presented in Figure 2.

**Figure 2.** Overall Model Output by SmartPLS

Based on the structural model output, several important aspects can be evaluated, including the coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). The R^2 value explains the proportion of variance in endogenous constructs explained by the predictor variables in the model. Meanwhile, the f^2 value measures the effect size of each exogenous construct in explaining endogenous constructs, indicating whether the effect is small, medium, or substantial. In addition, the Q^2 value obtained through the blindfolding procedure assesses the model's predictive relevance, with values greater than zero indicating adequate predictive capability.

Table 4. Structural Model Assessment

Construct	R Square	R Adjusted	Square Q^2	Predictive Relevance
Managerial Information Quality (M)	0,386	0,378	0,182	Moderate
Financial Decision-Making (Y)	0,405	0,398	0,214	Moderate

Table 5. Effect Size (f^2) Assessment

Relationship	f^2	Effect Size Interpretation
HR Analytics → Managerial Information Quality	0,177	Medium
Digital Capability → Managerial Information Quality	0,131	Small
Interaction Effect (X*Z) → Managerial Information Quality	0,183	Medium
Managerial Information Quality → Financial Decision-Making	0,266	Medium
HR Analytics → Financial Decision-Making	0,022	Small
Digital Capability → Financial Decision-Making	0,038	Small

The structural model assessment demonstrates that the proposed model possesses acceptable explanatory and predictive capability. The R^2 values indicate that HR analytics, digital capability, and their interaction explain 38.6% of the variance in managerial information quality, while HR analytics and managerial information quality explain 40.5% of the variance in financial decision-making. Furthermore, the f^2 analysis reveals that managerial information quality has a medium effect on financial decision-making, whereas HR analytics and the interaction between HR analytics and digital capability have medium effects on managerial information quality. The Q^2 values for both endogenous constructs are greater than zero, confirming that the model has adequate predictive relevance and can satisfactorily predict the observed data.

4. Hypothesis Testing

The hypothesis testing results obtained from the PLS-SEM structural model analysis are presented in Table 6.

Table 6. Hypothesis Testing

Hypothesis Path		β	t-value	p-value	Decision
H1	HR Analytics → Financial Decision-Making	0,129	2,030	0,043	H1 supported
H2	HR Analytics → Managerial Information Quality	0,366	6,172	0,000	H2 supported
H3	Managerial Information Quality → Financial Decision-Making	0,467	7,182	0,000	H3 supported
H4	HR Analytics → Managerial Information Quality → Financial Decision-Making	0,171	4,340	0,000	H4 supported
H5	Interaction Effect (HR Analytics × Digital Capability) → Managerial Information Quality	0,366	6,172	0,000	H5 supported

The results indicate that HR analytics has a positive and significant effect on financial decision-making. HR analytics also significantly improves managerial information quality within hotel organizations. Furthermore, managerial information quality positively influences financial decision-making and demonstrates the strongest direct effect in the model. The mediation analysis confirms that managerial information quality significantly mediates the relationship between HR analytics and financial decision-making. Digital capability significantly strengthens the effect of HR analytics on managerial information quality, indicating a positive moderating effect.

5. Discussion

The findings indicate that HR analytics positively influences financial decision-making in the hotel industry. This result supports the Resource-Based View, which suggests that analytics capability represents a strategic organizational resource that enhances managerial effectiveness (Abdou, 2025; Garmaki et al., 2023; Shet, 2025). Hotels operate in highly dynamic, resource-intensive environments where staffing allocation, payroll efficiency, and operational cost management significantly affect financial outcomes. The relatively high mean score of HR analytics indicates that hotels have increasingly implemented predictive and prescriptive analytics to support strategic planning and operational control. In particular, prescriptive analytics showed the highest score, suggesting that managers increasingly rely on analytical recommendations in financial and operational decisions. This finding is consistent with previous studies emphasizing that analytics capability improves organizational performance, operational efficiency, and managerial responsiveness in hospitality organizations (Aziz et al., 2024; Hamsal et al., 2022; Khalil, Aziz, Long, et al., 2023; Savandha, 2025). Practically, the result implies that hotels should strengthen their analytical infrastructure and the utilization of workforce data to improve the accuracy of financial planning and resource allocation.

The results also demonstrate that HR analytics has a positive and significant effect on managerial information quality. This finding suggests that the implementation of analytical capabilities enables hotels to generate more accurate, timely, relevant, and consistent managerial information for organizational decision-making. From the

perspective of Information Processing Theory, HR analytics reduces uncertainty by transforming workforce data into meaningful insights that support managerial interpretation and operational planning (Chang & Werther, 2021; Gao et al., 2022). The relatively high mean score of HR analytics, particularly in predictive and prescriptive analytics, indicates that hotels increasingly utilize data to support managerial activities. Meanwhile, managerial information quality also received favorable perceptions, particularly regarding timeliness and accuracy, reflecting the growing effectiveness of information systems within hotel operations (Enad Al-Qaralleh & Atan, 2021). This result is consistent with previous studies emphasizing that analytics capability improves information quality, managerial responsiveness, and organizational coordination in hospitality organizations (Carneiro et al., 2023; I. E. Diavastis, 2024; Rady et al., 2024; Shamim et al., 2021). The findings imply that hotels should strengthen analytical integration to improve the quality of managerial information across operational and financial functions.

Moreover, it is found that managerial information quality positively affects financial decision-making in the hotel industry. This indicates that financial decisions become more effective when managers receive information that is accurate, timely, complete, relevant, and consistent. Among the dimensions of managerial information quality, timeliness recorded the highest mean score, suggesting that rapid access to information plays an important role in hotel financial management, particularly in budgeting, workforce allocation, and operational cost control. In service-oriented industries characterized by operational complexity and fluctuating customer demand, high-quality managerial information helps organizations reduce uncertainty and improve decision precision (Ababneh, 2021). This finding emphasizes the importance of high-quality information in supporting the effectiveness of organizational decision-making (Gao et al., 2022). The result also supports previous hospitality studies that show that information systems quality and accounting information quality significantly improve managerial and financial performance in hotel organizations (I. E. Diavastis, 2024; Glaveli et al., 2023; Ma, 2021). In this case, hotels should prioritize enhancing information quality to support more accurate and responsive financial decisions.

The mediation analysis confirms that managerial information quality significantly mediates the relationship between HR analytics and financial decision-making. This finding indicates that HR analytics does not directly improve financial decisions merely through data availability, but through its ability to generate high-quality managerial information. In other words, managerial information quality serves as an important factor that transforms analytical outputs into actionable financial decisions. The relatively high scores for HR analytics and managerial information quality further support this result, suggesting that hotels increasingly rely on analytical information that is timely, accurate, and relevant for financial planning and operational control. This finding extends relevant theories by emphasizing the strategic role of information quality in data-driven decision-making (Cheng et al., 2023; Hou et al., 2023). The result is also consistent with previous studies highlighting the importance of analytics capability and information systems quality in improving managerial and organizational performance in the hospitality industry (I. E. Diavastis et al., 2024; Khalil, Aziz, Ariffin, et al., 2023; Nitzl et al., 2016; Rady et al., 2024).

Finally, the findings indicate that digital capability significantly strengthens the effect of HR analytics on managerial information quality. This suggests that the effectiveness of HR analytics depends not only on analytical systems themselves but also

on the organization's ability to integrate and utilize digital technologies effectively (Iranmanesh et al., 2022). Hotels with stronger digital capabilities are better able to transform analytical outputs into accurate, timely, and useful managerial information. Although digital capability recorded the lowest overall mean score, the significant moderating effect suggests that even moderate improvements in digital readiness may substantially enhance the effectiveness of analytics. In particular, digital integration capability was perceived favorably, indicating the importance of system connectivity across managerial functions. This finding supports prior studies that emphasize how digital capability and technological integration strengthen organizational agility, information quality, and analytics utilization in hospitality organizations (Abdou, 2025; Mtebe & Gao, 2026; Ratna et al., 2023; Yağmur et al., 2023)(Abdou, 2025; Ratna et al., 2023; Yağmur et al., 2023; Mtebe & Gao, 2026).

Overall, the findings demonstrate that HR analytics plays a strategic role in improving financial decision-making within hotel organizations, particularly through the mediating role of managerial information quality and the strengthening effect of digital capability. These results highlight the importance of integrating analytical and digital capabilities to support more effective managerial and financial practices in the hospitality industry.

CONCLUSION

This study examined the role of HR analytics in shaping financial decision-making in the hotel industry by investigating the mediating effect of managerial information quality and the moderating effect of digital capability. The findings demonstrate that HR analytics positively influences financial decision-making in hotel organizations. More importantly, the study reveals that managerial information quality serves as a significant mediator through which HR analytics improves the effectiveness of financial decision-making. This indicates that the strategic value of HR analytics lies not merely in data availability but in the organization's ability to transform workforce data into accurate, timely, relevant, and useful managerial information. Furthermore, digital capability was found to strengthen the relationship between HR analytics and managerial information quality, suggesting that organizations with greater digital readiness are better positioned to maximize the benefits of implementing analytics.

The study contributes to hospitality management literature by extending the discussion of HR analytics beyond traditional HR outcomes and operational performance toward financial decision-making processes. In addition, this research enriches the understanding of the Resource-Based View and Information Processing Theory by highlighting the importance of managerial information quality and digital capability within analytics-driven managerial environments in the hotel sector. Practically, the findings have important implications for hotel, HR, and financial managers. Hotel organizations should strengthen analytical capabilities and improve digital integration across managerial functions to support more effective financial planning, budgeting, labor cost management, and resource allocation. The findings also emphasize the importance of digital transformation strategies that support the use of analytics and improve information quality in hospitality operations.

This study is limited by its focus on three-star and four-star hotels located in Bandung and the surrounding areas, which may restrict the generalizability of the findings to other hospitality contexts. We encourage future studies to examine the role of

organizational culture and sustainability performance in strengthening analytics-driven managerial practices within the hospitality industry.

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