

Journal of Hospitality Financial Management

The Professional Refereed Journal of the International Association of Hospitality Financial Management Educators

Volume 19 | Issue 1

Article 3

Spring 1-2011

Digitizing Financial Reporting: A Profile of Early Hospitality Industry XBRL Adopters and Implications For the Industry

Leonard A. Jackson
University of Memphis

Francis Kwansa
University of Delaware

Follow this and additional works at: <https://scholarworks.umass.edu/jhfm>

Recommended Citation

Jackson, Leonard A. and Kwansa, Francis (2011) "Digitizing Financial Reporting: A Profile of Early Hospitality Industry XBRL Adopters and Implications For the Industry," *Journal of Hospitality Financial Management*: Vol. 19 : Iss. 1 , Article 3.

Available at: <https://scholarworks.umass.edu/jhfm/vol19/iss1/3>

This Refereed Article is brought to you for free and open access by ScholarWorks@UMass Amherst. It has been accepted for inclusion in Journal of Hospitality Financial Management by an authorized editor of ScholarWorks@UMass Amherst. For more information, please contact scholarworks@library.umass.edu.

Digitizing Financial Reporting: A Profile of Early Hospitality Industry XBRL Adopters and Implications For the Industry

Cover Page Footnote

This work was supported in full or in part by a grant from the Fogelman College of Business & Economics at the University of Memphis

Digitizing Financial Reporting: A Profile of Early Hospitality Industry XBRL Adopters and Implications for the Industry

INTRODUCTION

In recent years, the need for better disclosures, transparent, timely and accurate financial reporting have gained significant momentum, especially in light of recent accounting and financial reporting scandals. Today, several international accounting and financial reporting jurisdictions have embraced and adopted eXtensible Business Reporting Language (XBRL) as a tool to overcome these issues and enhance financial reporting efficiency and the usefulness of financial statements for all users. In fact, XBRL is poised to become the global reporting standard for financial information. For example, the U.S. Securities & Exchange Commission (SEC) and several other global financial bodies have mandated its use for financial report filings. Since March 16, 2005 firms have submitted financial information to the SEC in XBRL format on a voluntary basis. These filings came as a result of the SEC issued Final Rule 33-8529, which encouraged companies to voluntarily file reports on the Electronic Data Gathering Analysis and Retrieval (EDGAR) system using this format. However, on April 13, 2009, the SEC issued a three-year phased mandate requiring all filers to submit reports in XBRL format by the middle of 2011. According to the mandate, during the first year (fiscal period ending on or after June 15, 2009), the first group of XBRL filers, which comprised the largest accelerated filers (approximately 500 companies adhering to US Generally Accepted Accounting Principles (US GAAP) and have worldwide public float exceeding \$5 billion, were required to file reports (10-Q, 10-K, 20-F, 40-F, 8-K, and 6-K) in XBRL format by the second quarter of 2009. The second group which includes other accelerated filers (approximately 1,500 firms adhering to US GAAP) were required to file reports in XBRL format for the fiscal period ending on or after June 15, 2010. Finally, the third phase starts with the fiscal period ending on or after June 15, 2011. This group comprises all remaining filers adhering to US GAAP as well as foreign registrants adhering to International Financial Reporting Standards (IFRS). Under the guidelines of the mandate, firms will be given a thirty-day grace period to submit their first set of interactive XBRL documents. Firms are also required to post XBRL financial documents concurrently on their investor relations website. Financial reports from companies

failing to meet these deadlines will be deemed “not current” according to SEC Rule 144. However, once these companies file the XBRL interactive reports, the deficiency will be remedied.

Currently, the extent of XBRL use varies amongst jurisdictions. Several jurisdictions use XBRL to report limited, standardized information while in the US, firms are required to submit complete financial statements and disclosures using this new format (Taylor & Dzurainin, 2010). This requirement has slowed the US adoption process due to the large number of tags (explained later) required to accurately document standardized meanings of accounting concepts for various industries. Consequently, these other jurisdictions are currently leading the US in XBRL adoption. Countries currently mandating use of XBRL for financial reporting include: Ireland, The United Kingdom, India, Poland, South Africa, United Arab Emirates, China, Ireland, United States, India, Australia, New Zealand, Belgium, Japan, South Africa, Canada, South Korea, the Netherlands, Sweden, France, Singapore and Chile (XBRL International, n.d.).

Jurisdictions are embracing use of XBRL because of its ability to transform corporate financial statements and other corporate information into a digital format that is easily understood and accessible via the internet. It also eliminates or reduces problems associated with information sharing due to incompatible computer systems and software, thereby enabling easier comparisons, more accurate, timely, transparent and economical reporting. Fundamentally, XBRL is a comprehensive extension of Extensible Markup Language (XML), and was developed specifically for businesses to communicate and exchange financial information and other business related data in unambiguous language. Essentially, XBRL, as a business language, transform companies' financial statements into interactive database which can be accessed via the World Wide Web. It (XBRL) uses clear language to succinctly describe financial information as well as relationships and concepts found in financial statements. This is accomplished through use of taxonomies and descriptive pop-up tags, which are standardized labels or definitions of accounting terms and concepts. These definitions and terms are developed by accountants and accounting bodies and are written in a manner that can be easily understood and interpreted by prudent users. Tags as used in XBRL applications contain specific descriptive financial information such as line items in financial statements as well as words or labels such as headers in the notes to

financial statements. Numbers are also tagged to associated text on financial statements, and includes information contained in footnotes. Tags allow computers to automatically search for and assemble data so it can be readily accessed and analyzed by investors, analysts and other users. The tags are attached as pop-ups to each number or item of information on financial statements, which makes the information and its context available to all users who can utilize such information to decipher the true meaning of the information and the context in which it was used.

Another important concept germane to XBRL use is taxonomies. Taxonomies as used in XBRL are standard descriptions and classification systems used for business and financial reporting. Hence, taxonomies can for example include a tag for a balance sheet item such as inventory and accompanying tags for components such as raw material, disclosed in the foot notes. In essence, taxonomies are lists of computer-readable terms in XBRL that allows companies to tag the thousands of pieces of financial data included in typical long-form financial statements and related footnote disclosures. Hence, for the first time, all users of financial statements have access to the same information presented by the company, at virtually the same time. In the past, companies prepared reports in various applications- PDF, Microsoft Word, Excel, or HTML depending on the users and their needs. However, with XBRL, companies can now prepare one document with accompanying disclosures and tagged labels for all users (Taylor & Dzurainin, 2010). This XBRL document can be downloaded by users into any XBRL reader software applications and converted into user specific formats.

Currently, taxonomies in the US are in a state of flux as existing taxonomies are expanded and specific industry level taxonomies are being developed. The sequence and priority for developing industry level taxonomies are driven by the percentage of companies (within economic sectors) that will be covered. Hence, industry level taxonomies are developed based on the highest percentage of companies that will be covered in reverse sequential order (Pryde, 2004). There are three categories of taxonomies in the US: *current* which are taxonomies that are finalized and ready for use; *legacy taxonomies*, which are historical taxonomies, are expanded and superseded by new taxonomies and; *public review taxonomies* which are taxonomies that are published on XBRL US website for review and comment by the public. Constructive comments are

incorporated into public review taxonomies. Table 1 presents a list of current, legacy and public review US taxonomies. Taxonomies for several industries are absent from this list including taxonomies that address the financial reporting needs of the hospitality industry.

[Table 1: about here]

XBRL is used by both public and private sector entities, including stock exchanges, commercial financial services, government agencies, accounting firms, and corporations. Global use of XBRL is spearheaded by XBRL International, a consortium of over 550¹ companies comprising financial services, technology and accounting organizations and regulatory bodies (XBRL International, n.d.). In the United States, use, development and application of XBRL is spearheaded by the SEC working jointly with XBRL International and the Financial Accounting Standards Board (FASB). XBRL US Inc. is an independent nonprofit organization that is currently responsible for the development, research and provision of educational programs to facilitate the adoption of XBRL for business report tagging purposes in the various business segments. The Financial Accounting Standards Board is responsible for ensuring that the technical accounting standards and the GAAP conceptual frameworks and concepts are captured in the taxonomies. Ongoing maintenance and upkeep of the XBRL US GAAP Financial reporting taxonomies (including updating to account for changes in US GAAP as well as taxonomy extensions and enhancements) will be undertaken by the Financial Accounting Foundation (FAF).

Currently, over 340 or over 68 percent of the accelerated filers have already adopted XBRL (Gross, 2009), while globally, XBRL is currently being used by companies representing in excess of 75% of global market capitalization (Forbes.com, 2010). Use of XBRL represents a general trend by society and businesses as a whole towards using technology to enhance business processes and efficiency. As companies become more fluent and knowledgeable in use of this application, it is reasonable to expect that it will be used for both internal and external financial reporting since it provides a more effective and efficient method to report

¹ As of May, 2010

financial information. XBRL adoption and use will undoubtedly impact the hospitality industry which historically is perceived as lagging behind other industries in regards to technology adoption and implementation (Meyers, 1999; Whitford, 1999). Furthermore, adoption of new technology in this industry is usually driven by the need to improve organizational performance and gain competitive advantages (Nyheim, McFadden, & Connolly, 2004; Wang & Qualls, 2007), not necessarily to provide company specific financial performance information to third party entities. These arguments suggest that hospitality firms will be slow to comply with the SEC XBRL mandate. Further, it is conceivable that hospitality related industries will be skittish about adopting XBRL due to its actual or perceived impact on various segments of the industry for which specific uniform systems of accounts were been developed (lodging, restaurants, clubs, and spas). Although the industry (US) adheres to US GAAP, financial reports are prepared in accordance with uniform systems of accounts, to reflect the subtle nuances germane to the industry. However, to date, XBRL US has not develop industry specific taxonomies to address the financial reporting needs of the hospitality industry.

Nevertheless, as acceptance of XBRL in the US increases and the SEC implementation deadline draws close, it is essential that hospitality executives position their companies to adopt this technology and leverage its benefits. However, adoption is not without questions. In fact, the questions faced by today's hospitality firms include: What is XBRL and what are the purported benefits and reasons for adoption? How will XBRL affect reporting standards and systems in the industry? What steps should be taken to ensure that data and information security are not compromised? Who are the early hospitality adopters and what unique characteristics if any, do they possess? Are there reasons why they adopted XBRL earlier than other hospitality firms? How can hospitality firms report in XBRL format if there are no industry specific taxonomies? These are questions that must be answered within the industry to ensure full and speedy acceptance. The purpose of this exploratory research is to provide answers to these questions. The study specifically presents a profile of early hospitality XBRL adopters and offers implications and suggestions for the hospitality industry. The study also addresses the issues of the impact of XBRL on the Uniform Systems of Accounts used by the industry, and maintaining data security and integrity within an open standard XBRL framework. This research is important since it will

add to our understanding of XBRL adoption in the hospitality industry and establish a platform for future hospitality research in this area. For purposes of this research, early hospitality adopters are defined as hospitality related businesses that adopted XBRL prior to the SEC issued mandate (such as Papa Johns Inc.), or within one year of the SEC (April 13, 2009) issued three-year phased mandate.

LITERATURE REVIEW

Understanding XBRL and its Components

Extensible Business Reporting Language (XBRL) is a new open standard that eliminates constraints associated with different reporting formats and vocabularies through the use of tags and jurisdictional taxonomies (Thomas, 2003/4). It is quickly becoming the international business reporting language because of its ability to electronically communicate clearer and timely business and financial information to stakeholders (Willis, 2002). The term extensible, simply indicates that if there is a need to add new descriptions to explain information or data on financial statements (to comply with new accounting or jurisdictional rules), it can be easily accomplished by extending the vocabulary or taxonomy (XBRL International, n.d.). XBRL can be defined by its purpose and its technical aspects and relate to the core competencies of a company's financial reporting structure (Gunn, 2007; PricewaterhouseCoopers, 2004). XBRL is also described as a new standard that eliminates constraints associated with different reporting formats and vocabularies and therefore, should not be perceived as purely a new technological application. Instead, it should be perceived as a key element of a company's financial reporting and as a computer language into which jurisdictional accounting standards can be expressed in a clearer and more visible format (PricewaterhouseCoopers, 2004).

Technically, XBRL is a comprehensive version or extension of XML (Extensible Markup Language), which is developed specifically for businesses to communicate financial information via the internet. Hence, XBRL is one of the extensible or tagged computer languages that enable companies to use tags to identify, capture, explain and present to users the concepts and context of company specific information as well as the semantics of GAAP and IFRS (Udell, 2006).

XBRL is also described as a universally accepted open standard that greatly enhances how a company's information is presented for stakeholder communication purposes (Gunn, 2007). The software itself is free, non-proprietary and integratable thereby enabling users to share information online and communicate financial reports, despite differences in accounting methods and technological platforms (Stafford, 2005). This shared context enables seamless and timely movement of data back and forth between applications from enterprise resource planning systems (ERPs), spreadsheets, and other types of applications (Willis & Hannon, 2005). This openness also removes the need for jurisdictional adjustments of financial statements and reports. In this regard, XBRL is similar in concept to bar-coding, since it is open and not owned by any particular entity. Additionally, like barcodes, tags found on XBRL financial statements are unique to each piece of financial data or other disclosed information (Hodge, Kennedy, & Maines, 2004).

All information on XBRL financial reports are tagged with descriptions which make it easier to interpret and understand embedded data, in the context of how it is presented, meant and used by specific companies and specific reporting jurisdictions. Tags are the crux of XBRL information sharing; they enhance clarity in communication since they identify and describe the source, meaning, content, and context of each piece of information despite its location on the document (Lester, 2007). Tags make it easier to create, analyze, and distribute data in clear and unambiguous terms and can be standardized to meet the accounting reporting requirements for all industries in global markets. They are configured to adhere to jurisdictional rules and procedures and are standardized despite the country, accounting jurisdiction or industry in which they are applied. (EDGAROnline, 2009). They can be language and jurisdictional specific, meaning that it can be modified to meet and satisfy specific accounting and reporting standards (Lester, 2007). Definitions found in tags are computer readable (KPMG International : Audit and Risk Advisory Services, 2004) and offer users of financial statements the option of utilizing search facilitating technology to analyze information both within, and across industries, thereby increasing financial statement transparency (Farewell & Pinsker, 2005). The search facilitating capability of XBRL enhances transparency of recognition and disclosure of information due to error reduction and omissions since users can utilize this capability to perform more rigorous and targeted

searches and analysis of financial statements (Hodge, Kennedy, & Maines, 2004). Tags also help non-financial professionals to acquire and use financial statements to make better decisions, since they are able to utilize information contained in the financial statements in conjunction with the footnotes as well as discussion and analysis by the firm's management and the auditor's report (Hodge et al., 2004).

Essential to the operation and functioning of XBRL are taxonomies, which function like traditional charts of accounts. Taxonomies as used in XBRL are electronic descriptions and classifications of the contents found in financial statements and other business reports and accompanying disclosures (Taylor & Dzurainin, 2010). They are agreed-upon conventions developed for generic use for each industry segment and are influenced by jurisdictional and industry specific accounting and reporting regulations. Taxonomies also define and explain business reporting concepts, mathematical, as well as definitional relationships between concepts and text labels. Further, taxonomies also provide references to authoritative literature and explain how information and concepts should be displayed to users. Finally, they act as jurisdictional dictionaries and define the tags used for specific items of data (XBRL International, n.d.).

XBRL Benefits and drawbacks

XBRL users obtain three distinct advantages over previous reporting methods- *accessibility*, *comparability*, and *usability* (Taylor & Dzurainin, 2010). In the past, companies prepared several versions of their financial reports and documents in various applications-PDF, HTML, Excel, Word or some other application. However, with XBRL, companies can create a single document and make it accessible to all users online thereby increasing accessibility, which ultimately improves financial reporting and analysis. Secondly, standardized industry specific taxonomies makes information across companies more comparable since all companies will use the same taxonomies to describe elements on their financial reports. Finally, XBRL enhances usability since it eliminates transcribing from Word; PDF or HTML formats into a format that can be analyzed using computer enabled search facilitating technologies. Collectively, these three factors combine to increase transparency, which ultimately improves overall company value (Ward, 2004).

A major benefit of XBRL is that it enables real time reporting which is timely communication of financial information to all stakeholders (Willis, 2002). Benefits of timely information include: improved analytical capabilities and decision making process for companies (Willis, 2002); better investment decisions for the public and their agents and; faster completions of assessments by auditors (Willis & Hannon, 2005). There is also a symbiotic relationship between XBRL and real time reporting since it removes the constraints of time from information reporting compared to the traditional reporting methods. XBRL's open architecture and streamlined reporting processes enable and enhances real time reporting by providing companies the ability to prepare report, publish and access reports on a continuous basis (Barton, 2003). Real time reporting increases the speed of obtaining and analyzing information since company information can be accessed virtually instantaneously by analysts and other stakeholders. Furthermore, the corporate reporting supply chain is strengthened because all members of the supply chain have the ability to access and share information; the need to reformat and translate information across the supply chain is eliminated and; new application software can be developed and added to the chain without compromising information (PricewaterhouseCoopers, 2004) Finally, real time communication is enhanced since information entered into XBRL by a company is shared as it is transmitted between users and applications and the context of the information (term definitions, period covered, information currency, and entity) are maintained and are less susceptible to misinterpretations (Willis & Hannon, 2005).

In addition to providing timely information to users, XBRL also improves the quality of information communicated to constituents resulting in: cleaner data, more accurate data, faster data inflow, increased productivity, faster data access, greater efficiency and seamless throughput. Better communication of financial information also reduces perceived user risks since users have richer data to work with. Further, improved communication enhances credibility of financial reporting by improving transparency of reported financial information in a cost effective manner (Ward, 2004). Additionally, since XBRL data is machine readable, analysts do not have to re-key information which not only speeds up processing time, but also reduces the likelihood of human errors associated with such processes. Financial statement users can easily and quickly

search statements for terms and concepts and ascertain how each company reports and interprets each concept. Prior to XBRL, companies prepared financial statements in electronic format, either as HTML, ASCII or PDF files. These statements were basically electronic versions of the paper based versions. Hence, investors and other users of these documents often overlooked important information hidden in block of texts in footnotes. XBRL, as a search facilitating technology overcomes this shortcoming by increasing transparency and reducing the likelihood that information contained in footnotes is overlooked (Hodge et al., 2004). Further, the range of information and speed of data extraction is greatly improved over other types of report formats (Lester, 2007).

Benefits of XBRL accrue to companies, the general public, regulators, auditors and the financial markets. For *companies*, benefits include: reduction in report preparation and generation time; reduced costs associated with report preparation and dissemination; greater flexibility to prepare reports based on a company's specific situation, while adhering to jurisdictional standards; much greater control of company information since third party intervention is eliminated; enhanced compliance with jurisdictional standards; more timely and accurate data for better decision making process which enhances the company's analytical capabilities; offers better control; speeds up reporting while reducing reporting costs. For *the Public* benefits include: reduction in effort required to convert reports to serve various user needs; better investor protection due to much more transparency-investors have the same information as analysts; ability of investors to process more information-more and clearer information leads to better decision making by a more informed market. For *regulators*: better validation of information reported by companies; better flexibility for common changes in reporting requirements; provides for a more detailed analysis of reports by regulators; helps regulators achieve goals of frequent and more concise reporting (Taylor & Dzurainin, 2010;XBRL International). XBRL also assists regulators in regulating and standardizing reporting standards. For example, it has helped the IFRS in its harmonizing efforts by providing a common reporting platform that incorporates the semantics of IFRS for various jurisdictional taxonomies and effectively removed complications associated with jurisdictional reconciliations, thereby reducing gaps that existed in the various member states reporting standards. XBRL therefore provided IFRS reporters with the ability to prepare common illustrative financial statements, but also

allows for jurisdictional flexibility and nuances (Debreceeny & Gray, 2001; Premuroso & Bhattacharya, 2008; XBRL International). For *auditors*: more accurate, timely and complete data for analysis which makes it easier to identify anomalies; offers the opportunity for more frequent assessments; enables faster and more efficient research of documents; allows for easier identification of reporting changes and compliance with standards and faster completions of assessments (Willis & Hannon, 2005). Web based XBRL searches also afford auditors the ability to examine and search reports for fraud, compliance and other assessment quicker and more efficiently (Ward, 2004). Benefits for *Financial Markets Financial Institutions & Stock Exchanges* include: access to more and richer information for investors and their agents to make better investment decisions; faster and easier analysis of reported information; more transparency of information which can lead to increased and better trading; better information from international companies; more timely data collection by stock exchanges; lower compliance costs (Taylor & Dzurainin, 2010; XBRL International).

XBRL use is also associated with cost savings. According to XBRL International (XBRL International, n.d.), companies can achieve cost savings through reduction in capital costs due to the availability of timely, real-time, transparent disclosures in XBRL format. Cost savings are also achieved through reduction in costs associated with information gathering, analyzing, report production, data re-entry and report dissemination since XBRL eliminates the need for incompatible report formats (Hodge et al., 2004). Furthermore, cost savings are also achieved through XBRL use since it enhances transparency and thus has the potential of improving efficiency of capital markets through reduction of costs associated with company coverage (AICPA, n.d.). Overall it is estimated that XBRL user companies can reduce costs associated with collecting and reporting financial information by as much as between 30-70 percent and increase productivity by 20 percent if XML formats are used (Willis & Hannon, 2005).

Like most new applications, adoption and implementation of XBRL are associated with drawbacks which include: risks inherent in automating processes; unauthorized changes to master data files and transmission of inaccurate data; costs to upgrade legacy systems and reengineer business processes; concerns about data information security; risks inherent in automating legacy systems and processes (Sandoe, Corbitt, &

Boykin, 2001). To avoid adoption and implementation challenges, companies can assess their own internal structure and select from one of two currently available approaches to convert to XBRL. Companies can either convert to XBRL using in-house capabilities or they can outsource the conversion process. Companies should select the option that will minimize errors in reporting, since recent studies indicate that there was a high level of errors and exceptions in the first 400 mandatory filings (Pawlicki, 2010). Financial statements can be converted in-house to XBRL from existing formats (such as Microsoft Excel or Microsoft Word) through usage of XBRL mapping and instance creation application. Conversely, companies lacking in-house resources and technical expertise should outsource the XBRL conversion process. In spite of the approach taken by companies, it is advisable that firms implementing XBRL technology do so in the early stages of the business reporting cycle (Taylor & Dzurainin, 2010), since it allows for efficient use of financial information at the start of the reporting supply chain (Garbellotto, 2009). Another potential drawback to XBRL implementation is that users could erroneously believe that all published XBRL reports are assured by auditors, hence; this may create an expectation gap (Padlock, 2010).

The literature suggests that XBRL is poised to become the global standard for corporate financial reporting. Global jurisdictions have adopted XBRL because it: facilitates cheaper preparation of reports; accelerates report processing time; eliminates the need for trans-border and jurisdictional reconciliations; communicates richer information; enhances analytical capabilities; provides more information to all parties and; provides more trustworthy and transparent information. Additionally, XBRL allows for data to be collected and shared from multiple and disparate sources cheaply, quickly and efficiently. It also streamlines internal and external reporting processes and facilitates the convergence of accounting standards and concepts through generic taxonomies. All corporate stakeholders therefore benefit from XBRL through overall improvement in the reporting supply chain.

DATA AND METHODOLOGY

Sample Selection and Data Description

The aim of this study was to identify and develop a profile of early hospitality XBRL adopters and offer implications and suggestions that would address the issues of data security, possible reasons for early adoption by some companies and the impact of XBRL on the uniform systems of accounts for the hospitality industry. To this end, a sample of hospitality firms filing financial information in interactive XBRL format was obtained from the United States Securities and Exchange Commission (SEC) website. Initially, companies were selected using Standard Industrial Classification (SIC) codes 7011 (hotels and motels), 6798 (real estate investment trusts), and 5812 (retail eating places). Collectively these companies are described as hospitality SEC filers for the purpose of this study. All companies were examined to verify that they operated as lodging companies, hotel REITs or food and beverage companies and further that they filed periodic reports on forms 10-Q, 10-K, 20-F, 40-F, 8-K, or 6-K since these reports must be submitted in interactive format by the 2011 deadline. Only 8 of the hospitality SEC filers submitted reports in interactive XBRL format as of May 31, 2010. Of the 8 firms, 7 were US domiciled firms while Tim Hortons, a Canadian company was the sole foreign registrant. Interestingly, the first hospitality XBRL filing was by Papa Johns International, which filed its first interactive report in 2007, two years before the next hospitality XBRL filing. The company is also one of the SEC's voluntary filers (one of the first 500 companies), and is the only hospitality voluntary filer since it adopted XBRL prior to the SEC's April 13, 2009 announcement of XBRL mandatory filings. Papa Johns Inc. remained the sole hospitality filer for two years until Marriott International (2009), became the first hotel and motel filer. Papa Johns International Inc. is the smallest of all hospitality early XBRL adopters in terms of market capitalization (\$668 million) and revenues (\$1.1 billion). The size of the sampled firms as indicated by market capitalization covered a wide range, with a span of \$668 million to \$75 billion, and a mean of \$8 billion (SD=\$7 billion). Similar results are displayed for revenue, net income, profit margin, return on equity and return on assets. Net income ranged from -\$346 million to \$4.6 billion (mean, \$726 million, SD=\$1.6 billion), while profit margin ranged from -6.1 % to 20% (mean, 5.7%, SD=8.6%). Return on equity ranged from -27.4% to 233.6%, with a mean of was 41% (SD=80.8%), while return on asset ranged from -4.11% to 16%, (mean, 8%, SD=8.6%). Table 2 presents a summary profile of the early hospitality XBRL filers.

[Insert table2: about here]

Corporate Governance Ratings

Since XBRL enhances transparency, it would be expected that the sampled companies would display positive corporate governance ratings since corporations and their boards will be cognizant that prudent users have full access to all corporate information and thus would exercise good corporate citizenship. Further, it is plausible that early adopters are confident about their corporate governance practices, and as such are not skittish about adopting XBRL and the transparency and openness it brings. Therefore, this study examined the corporate governance practices of the sampled firms.

Several commercial summary ratings are available that succinctly and objectively quantify the overall quality of companies' corporate governance. The most prominent of these companies are the RiskMetrics Group which produces the Governance Risk Indicator (GRId), The Corporate Library (TCL), Institutional Shareholder Services (ISS), Governance Metrics International (GMI) and Standards & Poors. These ratings typically utilize a combination of quantitative and qualitative data to derive scores or summary ratings. The data collection and analysis process include accessing and analyzing both publicly available source documents (annual reports, tax filings, press releases, media reports about the company, and SEC filings), and private source documents germane to companies, in conjunction with interviews of key company executives. Typical areas covered in the ratings process are companies' ownership structure and external influence, shareholder rights and shareholder relations, transparency, company disclosures and audits and the structure and effectiveness of the companies' boards. Each rating company utilizes propriety evaluation and scoring methods to assess these factors and produce a relative score or rating (relative to industry benchmarks and other companies in the evaluated company's primary stock market index) that indicates the effectiveness of each company's corporate governance practices. While these companies differ in the range of services they offer and evaluation methodologies, the common factor is that the ratings impact the reputation of companies and their perceived value. Hence, overall negative or adverse scores can have negative consequences for companies since

today's stakeholders equate low ratings or poor governance to higher risks. Conversely, companies that obtain favorable scores are perceived as less risky.

This study utilizes corporate governance scores provided by RiskMetrics Group. RiskMetrics was utilized because of its prominence as a leader in the corporate governance ratings industry. In addition, unlike most other corporate governance rating companies that combine governance into a single score, RiskMetrics Group assesses companies across four independent dimensions: board, compensation/remuneration, shareholder rights, and audit. It was deemed that examining these dimensions independently would provide a clearer picture of the corporate governance of each company. The availability of RiskMetrics data was also a factor in using RiskMetrics GRI scores. RiskMetrics Group provides governance risk indicators for companies in the United States, Canada, the U.K., France, Germany, the Netherlands and Sweden. GRI scores encapsulate four critical governance categories or standards: the companies' board, audit, compensation /remuneration and shareholders' rights. The evaluation process starts with the company (RiskMetrics) asking 59 to 95 questions depending on the market in which the subject company operates. Answers to each question are scored on a 10 point scale which ranges from -5 to 5, with the higher numbers representing the market's best practices. A zero score (neutral score) indicates that the company meets, but does not exceed local or market governance standards. Negative scores indicate areas of concerns while positive scores indicate that the company exceeds the local best practice. Further, answers to questions in each category are weighted to account for market differences and each category's weighted sum is normalized on a 0-100 scale to provide scores that indicate levels of concerns for the company's audit, board, shareholder rights and compensation/remuneration. Hence, the scores for each subsection (the companies' board, audit, compensation /remuneration and shareholders' rights) are weighted and summated to provide a composite score for each category, which are reported as a "levels of concern." These levels of concern range from "high concern," to "medium concern," to "low concern." Concern levels categorized as "low" suggests that the company's practices are in keeping with or exceed the standard's best practices. A "medium" concern suggests that some practices within a particular category are not in line with market standards; however, they are not large enough to warrant a significant concern. Finally, a score of

“high” concern suggests significant variance between the company’s practices and the market standards and hence suggests long term high risks. Since levels of concerns indicate the levels of perceived risks, GRID scores are also termed as “high risk” (high concern), “medium risk” (medium concern) and “low risk” (low concern). GRID scores were obtained for all firms except Tim Hortons (see table 2) whose scores were unavailable due to the reporting and timing of their proxy statements submissions.

[Insert Table 3: about here]

DISCUSSION AND IMPLICATIONS

Overall, the results suggest that on a whole, the hospitality industry has been slow to adopt XBRL. As of May, 2010, only eight of over sixty hospitality SEC filers utilized XBRL. This finding is in congruence with previous research suggesting that hospitality related businesses are slow to adopt and embrace new technologies (Meyers, 1999; Whitford, 1999), especially if such adoptions will not enhance profitability or enhance guest satisfaction. Further, previous studies indicated that adoption of new technologies by hospitality related entities is usually done to improve organizational performance and gain competitive advantages (Nyheim, McFadden, & Connolly, 2004; Wang & Qualls, 2007). Since XBRL does not provide direct tangible and easily discernable benefits for adopters, and instead provides direct benefits primarily to third party users of financial statements, the direct and indirect costs of adoption appear to be a disincentive for early adoption. Hence, the long term benefits might not be a strong enough incentive to induce early adoption. This therefore suggests that hospitality companies might wait and adopt the technology when they have no other choice or option, but to comply with the SEC mandate. This last minute adoption approach could have important implications for hospitality firms. First and foremost, there will be a strong impetus by companies to adopt XBRL and meet the SEC mandated deadline. It is conceivable that this last minute haste to meet the deadline will take place during the last months or weeks prior to the SEC deadline. Companies lacking in-house expertise will have to outsource the conversion process to consultants who will undoubtedly charge a premium for their services,

which undoubtedly will increase as the deadline approaches. Hence, prudent hospitality executives should start the adoption process early to avoid paying such premiums. It is also advisable that companies with in-house expertise also start the adoption process early as well. If not, resources will have to be diverted from existing projects or employees will be diverted from their primary responsibilities to work on the XBRL conversion process. Further, companies that do not allow ample time for the conversion and implementation process also run the risk of increasing the likelihood of errors in reporting as well as validation errors. In addition, poorly timed adoption and implementation could also disrupt the company's normal reporting cycle. Hence, it is important that sufficient time is allowed for the conversion process, especially since early conversions have been fraught with errors (Aguilar, 2009; Pawlicki, 2010). It is therefore advisable that hospitality companies start the process as quickly as possible. In this regard, it is advisable that companies adopt the technology and associated processes via a phased approach so that errors and challenges can be identified and steps taken to correct these errors prior to publishing XBRL documents. The phased approach should also take into consideration the firm's normal reporting cycle and hence, the process of going live with XBRL documents should be timed so that the cycle is not disrupted. Further, it is imperative that adoption via the phased approach is timed to meet the SEC mandate.

The range in company sizes as indicated by market capitalization, revenue and net income suggests that there is no clear relationship between firm size and early XBRL adoption in the hospitality industry. In fact, it is interesting to note that the first XBRL adopter in the hospitality industry is in fact, the smallest of the early adopters. Interestingly, of the eight early adopters, five were from the retail eating places or the restaurant segment of the industry. This finding could suggest that this segment appears to be more likely to adopt cutting edge technology than other hospitality segments. In addition, the slow adoption by hospitality firms registered with the SEC could also be a reflection of the US market as a whole which has lagged behind European and Asian markets in regards to XBRL adoption. Nonetheless, the fact that only 8 hospitality SEC filers are currently filing reports using XBRL suggests that education and promotion of the benefits of XBRL is needed to encourage hospitality firms to embrace and adopt the technology prior to the mandated deadline. Hence, it is

advisable that leading hospitality lobbying bodies such as the American Hotel and Lodging Association (AH&LA), the Hospitality Financial and Technology Professionals (HFTP) and the National Restaurant Association (NRA), particularly their Financial Management committees work jointly with XBRL US to develop awareness and educational programs aimed at conveying the importance and benefits of XBRL adoption. Furthermore, the fact those new industry specific taxonomies are continually being developed and are in a state of flux, suggest that these bodies such should work collaboratively with XBRL US to develop taxonomies that address the reporting needs of the various segments of the hospitality industry. These needs are highlighted by the fact that the hospitality industry unlike most other industries (such as banking) that adhere to GAAP had its own specific uniform systems of accounts prior to XBRL development. It is also recommended that the AH&LA, HFTP, the NRA and other hospitality trade and professional associations engage XBRL International, and most particularly get involved and participate in the numerous XBRL webinars sponsored and administered by XBRL International which are designed to help companies prepare for the SEC mandate. Hospitality professionals should also review “public review” taxonomies (available on XBRL US Website) and offer input that will enhance the industry’s reporting needs.

Early Filers Corporate Governance Scores

In general, early hospitality XBRL filers displayed good results on the corporate governance components. All seven firms were scored as having low risk for the “board” and “audit” components. This suggests that the firms: had boards which comprised at least 75% of independent members who were elected by shareholders; the directors of the boards attended at least 75% of all board meetings or were excused for valid reasons; and the audit committee is 100% independent. Regarding the audit component, the low risk suggests the following about early hospitality XBRL filers: they had no disclosed material weaknesses during the past two years; securities regulators have not taken enforcement actions against these companies in the past two years; the firms have not made late financial disclosures in the past two years; and the firms have not restated financials within the past two years. Both Papa Johns Inc. and Marriott International Inc. were ranked as low

risk on the compensation component which suggests that these firms displayed the following characteristics: they have double trigger change in control agreements; the average annual burn rate over the previous three fiscal years is 2% or less or is within one standard deviation of the industry mean; and they have not repriced options or exchanged them for shares, options or cash without shareholder approval. Host Hotels & Resorts, McDonalds Inc. and Yum! Brands, Inc. received medium risk scores on the compensation component which suggests that these firms did not excel in this category. However, the concerns were not strong enough to warrant significant concern. Starwood Hotels & Resorts Inc was the only firm that received a high risk score on the compensation component. This suggests that Starwood Hotels and resorts Inc. displayed all or some of the following characteristics: it did not disclose performance measures or targets for short-term cash incentive programs; the company had at least one equity plan that permits option repricing and /or cash buyout; there is no disclosure regarding stock ownership guidelines for executives; and not all directors with one or more years of service own stock. Interestingly, Starwood Hotels & Resorts adopted XBRL less than one year prior to this study. It will be interesting to see if the results change in the next fiscal year and beyond. Results were also mixed on the shareholder rights component. Marriott International Inc., Starwood Hotels & Resorts, Host Hotels & Resorts and Yum! Brands Inc. all received low risk scores. This suggests that these firms displayed all or some of the following characteristics: their charter and bylaws may be amended by a simple majority vote; and mergers and business combinations may be approved by a simple majority vote. Conversely, McDonalds Corporation Inc. received high risk score suggesting that the company displayed a combination of the following characteristics: it had a poison pill that was not approved by shareholders; the company's board is authorized to issue blank check preferred stock and; the board is classified. Papa Johns Inc. received a medium risk score on this standard suggesting that concerns are present but minimal. Only one of the sampled companies, Marriott International Inc. received low risk rating on all four components.

Except for Papa Johns International Inc., all sampled firms adopted and implemented XBRL less than one year at the time of this study. The overall good scores on the assessed standards could suggest that these companies are confident about their corporate governance and hence, are not skittish about implementing XBRL

and the openness and transparency that it brings. The overall low rating on the audit standard could also suggest that they have the resources that will ensure adequate security of data and hence, were not skittish about XBRL adoption and violating section 404 of the Sarbanes-Oxley Act.

Hospitality executives should also pay close attention to another key element of XBRL-*real time reporting*. Real time reporting will report companies' performance as the business cycle progresses. Real time reporting could be disadvantageous to hospitality companies, many of which are characterized by seasonal and cyclical fluctuations and hence usually require an entire business cycle to provide a fair representation of performance. This increases the possibility that losses or low profits during slow periods could have adverse impact on shareholders. However, prudent executives can embed tags into financial statements explaining the current stage of the business cycle and also include explanations of expected profits and performance during each stage. Such tags could help assuage investor anxieties.

Real time reporting and XBRL adoption and use have strong implications for hospitality education. For a fact, XBRL is the way of the future in regards to financial reporting. As such, today's students, especially those with aspirations of working in hospitality accounting and finance are expected to be aware of XBRL as a tool, and most importantly, how to access and use XBRL documents since they will likely become either users or consumers of XBRL documents. It therefore seems natural that accessing and using XBRL documents should become a critical component of hospitality financial management or financial analysis courses. In fact, XBRL could also enhance the teaching and learning experience since, once XBRL is adopted and used widely, students on a whole will be exposed to an unprecedented amount of information. Further, financial statements prepared in XBRL format can enhance the teaching and learning experience over paper based versions or electronic copies of the paper based versions, since, all items on XBRL financial statement can be searched and analyzed by students.

As previously noted, data security could be a major source of concern for current and potential XBRL adopters. The concerns surround the fact that XBRL is an open standard based on the XML platform. For users to leverage its true potential and benefits, firms have to generate documents, store

them and allow them to be accessed and queried seamlessly in real time. In simple terms, XBRL based reporting systems are developed and designed around the notion that data reported by firms are extracted from their source documents, converted into XBRL format or XBRL document using XBRL processors and the relevant taxonomy that defines the concepts presented in the documents. These issues understandably present security concerns for organizations. It is therefore imperative that adopters of XBRL should expand existing data security policies and procedures to include XBRL data security. While the security policies and systems chosen by each company should be germane to the particular company, there are general guidelines that should be followed and areas that should be addressed. Policies and procedures should explicitly address how firewalls should be configured, how operating systems should be hardened, how sensitive digital information should be classified and who should be responsible for ensuring organizational compliance and security controls.

Security policies should address data access and authentication, user account management, network security, monitoring of logs and security events, segregation of duties and the physical security or physical access to the XBRL infrastructure. While all these elements are important, network security is paramount since XBRL systems are connected to the internet. In this regard, perimeter security should be controlled by firewalls and monitored with intrusion detection systems. Data should also be encrypted to ensure its integrity. Digital signatures and other forms of encryption should be used to ensure that the data moves securely from the producer of the documents to the users of the documents. Virus protection should be mandatory and logs maintained on updates. Hospitality organizations can seek guidance in policy development by examining and following the guidelines set forth in ISO 17799 standards. Further, the industry as a whole should also be cognizant of ISO 20022, the Corporate Actions Taxonomy, or the standards for financial messaging services. The goal of ISO 20022 is to provide a standard platform for disclosures of corporate action messages in XML format. As use of XBRL grows, the need for a common messaging language for financial information will increase and ISO 20022 will provide the financial

industry as a whole with a common platform for the development of messages in a standardized XML syntax.

Since US publicly traded firms are subject to SOX, every effort should be made to adhere to the Act's data security prescribed requirements. This is essential since audit firms have structured their auditing processes around SOX compliance, and furthermore, non-compliance can be devastating for firms and their agents, in the forms of erosion of the firm's image as well as penalties including jail time for violators. XBRL adopters should therefore perform an internal assessment of their internal controls and ensure that XBRL as a reporting tool does not compromise its reporting structure, but instead enhance it. Adopters are therefore advised to solicit the services of an external auditing firm to use their SOX compliant standardize framework to identify gaps in compliance before the decision is made to go live with XBRL use.

System selection is also essential in maintaining data security and enhances data processing. System chosen should provide four critical elements: speed, scalability, storage and security. Hence, XBRL adopters should research and select platforms that are appropriate for managing, storing, generating and storing XBRL documents, while also allowing for querying components. In addition, systems should be selected based on the essential criteria: processing, validating, viewing, and storing of instance documents. Most of today's systems store data in file systems. However, these systems are not advisable for XBRL since they are not appropriate for viewership by a wide audience. Furthermore, they are not ideal for the critical elements of security, scalability and data quality.

Concerns about the impact or effect of XBRL on jurisdictional standards or accounting systems such as the uniform systems of accounts for the lodging industry (USALI) appear to be largely unwarranted. Although there are no hospitality industry level taxonomies, it should not prevent hospitality companies from adopting XBRL and using it to effectively communicate financial information. Several reasons support this notion. First and foremost, XBRL is a tool that enhances financial reporting and communication of financial information. As such, XBRL will not replace nor change fundamental accounting standards or accounting systems. Secondly, US domiciled hospitality companies adhere to US GAAP, and will therefore use US GAAP taxonomies,

specifically the commercial and industrial taxonomy to report in XBRL format. Finally, XBRL allows companies to address industry specific nuances through its Global Ledger (GL) taxonomy which provides flexibility for company specific reporting needs and nuances. The GL allows for the representation of financial and non-financial information found in firms' charts of accounts, their journal entries, as well as historical transactions. Hence, XBRL does not require a standardized universal chart of account to gather and process information. Further, the GL taxonomy allows companies to seamlessly tie legacy charts of accounts and other accounting information to standardize charts to enhance overall information communication. Hence, the GL feature of XBRL allow firms to use existing standards and accounting reporting systems to accounting for, and report industry and firm specific nuances, then transforms them into XBRL format. Tags can also be used to explain both industry and firm specific information or nuances. Despite these facts, it seems appropriate that the AHLA, HFTP and the NRA and their finance committees should solicit XBRL International and the Financial Accounting Standards Board to develop specific industry level taxonomies that are based on the USALI. It is not sufficient for the industry to simply adopt US GAAP taxonomies and explain industry nuances away through tags, which ultimately can become cost prohibitive for several companies, especially small companies. Hence, if XBRL adoption and use (in the hospitality industry) is to grow, especially amongst non SEC companies, it is advisable that industry specific taxonomies are developed. However, in their absence, US GAAP taxonomies can be adopted and fully utilized by hospitality firms.

CONCLUSION AND SUGGESTIONS FOR FURTHER RESEARCH

The aim of this research was to identify and develop a profile of early hospitality XBRL adopters and offer implications and suggestions for the hospitality industry. XBRL has digitized and revolutionized the global financial reporting landscape and is poised to become the global financial reporting standard for all major markets. In fact, all major markets are in some stage of XBRL adoption, with European and Asian markets leading the adoption process. XBRL use is mandated by several jurisdictions because of its ability to provide users with greater access to information that is content rich, while data accuracy, increase efficiency,

transparency, and reduce overall information processing costs. Although XBRL is a new format for financial reporting, it also represents a natural progression of access to companies' financial reports and is also a facilitator of transparency and accountability. Previously, users of financial statements had to contact companies and request copies of their financial statements. This was followed by companies posting financial statements and reports online in PDF, Microsoft Word or HTML formats. Today, by providing interactive statements, companies are taking another step, and are providing financial statement users the ability to drill down and discern the context and meanings of reported information. This new step represents unprecedented access to information that was once available on demand to selected parties.

Results suggest that in general, hospitality related businesses have been slow to adopt and implement XBRL. This is not surprising since hospitality firms are often characterized as laggards in relation to new technology adoption. Early hospitality adoption of XBRL has been dominated by the restaurant segment, which was the first to adopt the technology. However, there is no clear indication that firm size or other factors contributed to, or encouraged adoption of the technology. In general, early hospitality XBRL adopters displayed good corporate governance, suggesting that they are confident of their own internal governance structure and systems. Despite the overall slow industry adoption, hospitality practitioners and academics are encouraged to pay close attention to this new technology and reporting format and incorporate it in ways that will enhance desired organizational and academic learning outcomes. In conjunction, although the industry is not currently hampered by the lack of industry level taxonomies, the need for organizational efficiencies, widespread use and implementation cost containment suggests that industry specific taxonomies are warranted.

Despite the purported and actual benefits that XBRL offers, it is conceivable that several hospitality firms are skittish about adopting XBRL. In fact, it is plausible that adoption of XBRL by hospitality enterprises has been hampered or slowed by issues associated with maintenance of data integrity and security. A major benefit of XBRL is its ability to provide real time information and access to information, which is made possible through its open standard. This feature is made possible by firms providing live links from their financial documents back to their underlying production databases. This presents security risks particularly if the firm's

operating systems, applications and database are not appropriately configured or adequately protected against unauthorized access, which could result in data and system destruction. This suggests that XBRL users will have to establish and maintain stricter security measures to ensure integrity of their companies' database and prevent internal and external breaches. In this regard, there appears to be a dichotomous relationship between a company's use of XBRL and data security. On one hand, leveraging the benefits of XBRL requires real time reporting and open access, while on the other hand, open access and real time reporting enabled by continuous connection to the internet makes it easier for individuals and entities to engage in nefarious activities that could compromise a firm's information infrastructure. Further, if data breach occurs, the aftermath could be devastating for companies since third party users could potentially use compromised and inaccurate information to make key investment decisions. Furthermore, for US domiciled companies, data breach could result in violation of Section 404 of the Sarbanes–Oxley Act (SOX), which requires public corporations to have effective internal control system to protect the integrity of financial data.

XBRL adopters should exercise vigilance and ensure that the technology is not viewed or perceived as a panacea for effective corporate governance and a replacement for ethics in financial reporting. Instead, it should be viewed as a tool that enhances corporate governance and financial reporting, transparency analysis, and information dissemination. Further, XBRL should not be viewed as a replacement for needed technology or a major enhancer of operational efficiency, instead, it should be viewed as a business language that uses clear descriptions to communicate and describe information found on financial statements, and as well as an enabler expeditious information processing and dissemination. In addition, users of XBRL documents should not fall prey to the fallacious belief that real time reporting equates to increased data accuracy, and as such, should guard against reporting errors and complacency.

As with most exploratory studies, a major limitation of this study was the small sample size. Further, this study was confined to publicly traded hospitality firms filing reports with the US Securities and Exchange Commission. Nonetheless, the current stage of XBRL adoption in the US hospitality industry suggests that this could be a fruitful area or topic for future research. Future studies are encouraged to examine the relationship

between early adopters and financial performance. Studies are also encouraged to empirically examine whether or not hospitality XBRL early adopters display superior corporate governance than late adopters and whether or not this translates into superior financial performance.

References

- Aguilar, M. (2009, September 15). The Results are in on First XBRL Filings. *Compliance Week*. Retrieved from <http://complianceweek.com/article/5584/the-results-are-in-on-first-xbrl-filings>
- Amy, P. (2010, April). The Accuracy of XBRL-Tagged Data: Assurance and Related Services. *XBRL Global*, 1(1), 4-7.
- Barton, K. E. (2003, September). XBRL: Extensible business reporting language. *The Monthly Newspaper of the NYSSCPA*, 8(9). Retrieved from <http://www.nysscpa.org/trustedprof/archive/0903/tp25.htm>
- Debreceeny, R., & Gray, G. (2001). The production and use of semantically rich accounting reports on the internet: XML and XBRL. *International Journal of Accounting Information Systems*, 2(1), 47-74.
- EDGAROnline Inc. (2009). Introducing Interactive Data (White Paper). Retrieved from EDGAR Online: <http://www1.vtrenz.net/emarkownerfiles/ownerassets/627/white%20paper%20XBRL.pdf>
- EDGAROnline. (2009n.d.). *Introducing Interactive Data*. Retrieved, from http://gw.vtrenz.net/?REJHWT694C=clicksrc:EOL_XBRL_Page&webSyncID=e1284033-eec4-de28-9169-16bed2e9d515
- Farewell, S., & Pinsker, R. (2005). XBRL and financial information assurance services. *The CPA Journal*, 75(5), 68-69.
- Forbes.com. (2010, April 22). XBRL International achieves high market penetration-companies representing 75% of world's market capitalization producing XBRL. *Forbes.com*. Retrieved from <http://www.forbes.com/feeds/businesswire/2010/04/22/businesswire138571829.html>
- Garbellotto, G. (2009). How to make your data interactive. *Strategic Finance*, 90(9), 56-57.
- Gross, G. (2009, May 8). Survey: Most companies ready for SEC conversion. *Computerworld*. Retrieved from http://www.computerworld.com/s/article/913271/survey_most_companies_ready_for_SEC_conversion
- Gunn, J. (2007). XBRL: Opportunities and challenges in enhancing financial reporting and assurance processes. *Current Issues in Auditing*, 1(1), A36-A43.

- Hodge, F. D., Kennedy, J. J., & Maines, L. A. (2004). Does search-facilitating technology improves transparency of financial reporting? *The Accounting Review*, 79(3), 687-703.
- KPMG International: Audit and Risk Advisory Services. (2004). Improving Regulatory Reporting: Realizing the benefits of XBRL. Retrieved from <http://www.xbrl.org/Business/Regulators/KPMG-Regulatory-Reporting.pdf>
- Lester, W. (2007). XBRL: The new language of corporate financial reporting. *Business Communication Quarterly*, 70(2), 226-231.
- Meyers, C. (1999, October). October News: Closing the Technology Gap. *Successful Meetings*, 13.
- Nyheim, P., McFadden, F., & Connolly, D. (2004). *Technology Strategies for the Hospitality Industry*. Upper Saddle, NJ: Prentice Hall.
- Pawlicki, A. (2010, April). The Accuracy of XBRL-Tagged Data assurance and related services. *XBRLglobal*, 1(1), 4-7.
- Premuroso, R., & Bhattacharya, S. (2008). Do Early and voluntary filers of financial information in XBRL format signal superior corporate governance and operating performance? *International Journal of Accounting Information Systems*, 9(1), 1-20.
- PricewaterhouseCoopers. (2004). *XBRL: Improving business reporting through standardization (White Paper)*. Retrieved from XBRL International: http://www.xbrl.org/Business/Companies/PwC_XBRL_Standardization.pdf
- Pryde, C. (2004, September 29). *XBRL-US Taxonomy Framework Overview*. Paper presented at the US GAAP Tags for Financial Reporting-Conference, New York, NY. Abstract retrieved from <http://www.xbrl.org/nmpxbri.aspx?id=73>
- Sandoe, K., Corbitt, G., & Boykin, R. (2001). *Enterprise Integration*. New York, NY: John Wiley & Sons.
- Stafford, L. (2005, November 24). XBRL. Retrieved from <http://lornastafford.blogspot.com/2005/11/xbrl.html>
- Sweat, J., & Hibbard, J. (1999). Customer Disservice. *Information Week*, 65-78.
- Taylor, E., & Dzurainin, A. (2010). Interactive Financial Reporting: an introduction to eXtensible Business Reporting Language (XBRL). *Issues in Accounting Education*, 25(1), 71-83.
- The American Institute of Certified Public Accountants. (2010). Benefits and Potential Uses of XBRL. Retrieved from <http://www.aicpa.org/InterestAreas?AccountingAndAuditing/Resources/XBRL/Pages?BenefitsandPotentialUsesofXBRL.aspx>
- Thomas, A. (2003/4). A tale of two reports. *European Business Forum*, 16(winter), 79-81. Retrieved from http://www.erb360.org/downloads/ebf_issue16.pdf

- Udell, J. (2006). XML for business reporting gains momentum. Retrieved from <http://infoworld.com/d/architecture/xml-business-reporting-gains-momentum-260>
- Wallison, P. J. (2004). Better Business Reporting for Investors: Help is on the way. Retrieved from <http://www.aei.org/outlook/21147>
- Wang, Y., & Qualls, W. (2007). Towards a theoretical model of technology adoption in hospitality organizations. *International Journal of Hospitality Management*, 26(3), 560-573.
- Ward, G. (2004). How XBRL can enhance the credibility of audited financial statements. Retrieved from <http://www.ifac.org/MediaCenter/?q=node/view/73>
- Whitford, M. (1999, September 6). Maximizing Messaging. *Hotel & Motel Management*, 58.
- Willis, M. (2002). Corporate Communications for the 21st Century (White Paper). Retrieved from PricewaterhouseCoopers: http://www.pwc.com/en_GX/gx/xbrl/pdf/corporatecommunications_21st_century.pdf
- Willis, M., & Hannon, N. (2005). Combating everyday data problems with XBRL. *Strategic Finance*, 87(1), 59-61.
- XBRL International. (n.d.). Frequently asked questions: What is XBRL? Retrieved from <http://www.xbrl.org/faq.aspx>
- XBRL International. (n.d.). *XBRL around the world*. Retrieved, from <http://www.xbrl.org/frontend.aspx?clk=USLK&val=53>

Leonard A Jackson, Ph.D., is an Assistant Professor in the Department of Hospitality & Resort Management, University of Memphis. Francis Kwansa, Ph.D., is an Associate Professor and Associate Chairperson in the Department of Hotel Restaurant Management, University of Delaware.

Table 1: US XBRL Taxonomies

CURRENT	
Taxonomies	Description
US GAAP Investment Management Taxonomy	This taxonomy provides detail level accounting terms and reporting structures required by certain US GAAP-based investment management companies in order to tag financial statements in XBRL. It also imports elements of the (US) Financial Reporting Taxonomy Framework to create industry-level taxonomy for banks and other savings institutions.
US GAAP Taxonomies, Release 2009	Represents US Generally Accepted Accounting Principles (GAAP) as of December 2008 and covers Financial Statements and Notes to the Financial Statements. This comprehensive taxonomy includes the following taxonomy components: Brokers and Dealers taxonomy, Insurance taxonomy, Real estate taxonomy, Schedule of investment, Document and company information (applies to all companies), Commercial & Industrial taxonomy (applies to most companies), Banking & savings institutions taxonomy.
US Mutual Fund Risk/Return Taxonomy, 2008	Represents the Risk/Return summary portion of SEC Form N-1A according to the final rule 33-8998
US Schedule of Investment Taxonomies, 2008	Represents a Schedule of Investments for any US GAAP investment holdings report and particularly those in the “Form and Content Schedules” of SEC Regulation S-X (17 CFR part 210). This taxonomy is an extension to the US GAAP 1.0 Taxonomies and as such, it imports files from US GAAP 1.0 taxonomy schema into this updated version.
LEGACY	
US Financial Reporting-Accountants Report (USFR-AR) Taxonomy	This taxonomy is intended to provide accounting terms and element relationships related to the auditor’s/independent Accountant’s Report that typically accompanies external financial reports of public companies. This taxonomy does not reference any other XBRL taxonomies. It is intended to be referenced by other industry taxonomies such as the US-GAAP-CI (Commercial and Industrial) taxonomy.
US Financial Reporting-Management’s Report (USA-MR)Taxonomy	This taxonomy is intended to provide accounting terms and element relationships related to the Management Report that typically accompanies external financial reports of public companies. This taxonomy does not reference any other XBRL taxonomies. It is intended to be referenced by other industry taxonomies such as the US-GAAP-CI taxonomy, a part of the United States (US) Financial Reporting (FR) Taxonomy Framework
US Financial Reporting –Management Discussion and Analysis (USFR-MDA)	This taxonomy is intended to provide information elements and relationships found in Management's Discussion and Analysis that typically accompanies external financial reports of public companies. The taxonomy was developed by the XBRL US Domain Working Group. This taxonomy does not reference any other XBRL taxonomies. Instead, it is intended to be referenced by other industry taxonomies such as the US-GAAP-CI taxonomy.
US Financial Reporting-SEC Certifications (USFR-SECCERT)	This taxonomy is intended to provide accounting terms and element relationships found in SEC Certifications that may accompany the external financial reports of public companies. This taxonomy does not reference any other XBRL taxonomies. It is intended to be referenced by other industry taxonomies such as the US GAAP C&I taxonomy.
US GAAP- Banking & Savings Institutions (US-GAAP-BASI-Taxonomy)	This financial reporting taxonomy is intended to provide element relationships that will allow banking and savings institutions that conform to US GAAP to tag financial statements in XBRL. This taxonomy imports key elements of the United States (US) Financial Reporting (FR) Taxonomy Framework in order to create industry-level taxonomy for banking and savings institutions.
US GAAP-Commercial & Industrial (US GAAP-CI)	This financial reporting taxonomy is intended to provide element relationships that will allow commercial and industrial-type companies that conform to US GAAP to tag financial statements in XBRL. This taxonomy imports key elements of the United States (US) Financial Reporting (FR) Taxonomy Framework in order to create industry-level taxonomy for commercial and industrial entities.
US GAAP-Insurance Entities (US GAAP-INS)	This financial reporting taxonomy is intended to provide element relationships that will allow insurance entities that conform to US GAAP to tag financial statements in XBRL. This taxonomy imports key elements of the United States (US) Financial Reporting (FR) Taxonomy Framework in order to create industry-level taxonomy for insurance entities.
US GAAP Taxonomies, 1.0 (release 2008)	Represents US Generally Accepted Accounting Principles (GAAP) as of December 2007, and encompasses Financial Statements and Notes to the Financial Statements. This supersedes the taxonomies published in 2005 and 2006
US Mutual fund risk/Return taxonomy, 2006	The Mutual Fund Risk/Return summary taxonomy is an industry level taxonomy for the mutual fund industry and does not reference any other XBRL taxonomies.
PUBLIC REVIEW	
FASB 2011 US GAAP Financial Reporting taxonomy pre-release for public view.	The 2011 Pre-release Taxonomy has been made available by the Financial Accounting Standards Board (FASB) for viewing and to allow companies to provide comment.

Source: XBRL US, 2010

Table 2: Hospitality XBRL Early Adopters

	2009 Revenue (\$MM)	Market Capitalization (\$MM)	2009 Net Income (\$MM)	Profit Margin	Leverage	Return on Equity	Return on Assets	XBRL Reports	First XBRL Filing
Papa Johns International Inc.	1,106,033.00	668.11	57.45	0.052	1.245	0.374	0.147	8-K, 10-Q, 10-K	12/21/2007
Marriott International Inc	10,908,000.00	12,760.00	(346.00)	(0.032)	5.451	(0.274)	(0.041)	10-Q, 10-Q/A, 10-K	7/17/2009
Host Hotels & Resorts, Inc	4,158,000.00	9,400.00	(252.00)	(0.061)	1.006	(0.043)	(0.021)	10-Q, 10-K	7/28/2009
Starwood Hotel & Resorts Worldwide Inc.	4,712,000.00	10,100.00	73.00	0.015	3.803	0.042	0.008	10-K, 10-Q/A, 10-Q	8/6/2009
McDonalds Corp.	22,744,700.00	75,620.00	4,551.00	0.200	1.154	0.332	0.155	10-Q, 10-K	8/6/2009
Tim Hortons Inc.	2,131,107.00	5,950.00	281.69	0.132	0.706	0.276	0.160	10-K, 10-Q	8/6/2009
Yum Brands Inc.	10,836,000.00	19,700.00	1,071.00	0.099	5.974	2.336	0.157	10-Q, 10-K	10/13/2009
Darden Restaurants Inc.	7,217,500.00	6,280.00	372.20	0.052	2.129	0.247	0.076	10-Q	4/2/2010

Table 3: Corporate Governance characteristics of early hospitality XBRL adopters

<i>Early Hospitality XBRL Adopters</i>	<i>Corporate Governance Components</i>			
	Board	Audit	Compensation	Shareholder Rights
Marriott International Inc.	Low Risk	Low risk	Low risk	Low risk
Host Hotels & Resorts, Inc.	Low risk	Low risk	Medium risk	Low risk
Yum! Brands Inc.	Low risk	Low risk	Medium Risk	Low risk
Papa Johns International Inc.	Low risk	Low risk	Low risk	Medium risk
Darden Restaurants Inc.	Low risk	Low risk	Low risk	Medium risk
McDonalds Corp.	Low risk	Low risk	Medium risk	High risk
Starwood Hotels & Resorts Worldwide Inc.	Low risk	Low risk	High risk	Low risk
Tim Hortons Inc.	N/A	N/A	N/A	N/A

Source: RiskMetrics Group, August 1, 2010