

## STAFF COMPETENCES FOR THE POSITION OF INDEPENDENT ACCOUNTANT

Michaela Šebístková<sup>1</sup> Jaroslav Vrchota<sup>2</sup>, Petr Řehoř<sup>3</sup>, Monika Maříková<sup>4</sup>, Lukáš Klarner<sup>5</sup>

<sup>1</sup> Ing. Michaela Šebístková \*, Faculty of Economics, the University of South Bohemia in Ceske Budejovice, sebism00@jcu.cz, ORCID: 0000-0002-3779-4292

<sup>2</sup> doc. Ing. Jaroslav Vrchota, Ph.D. Faculty of Economics, the University of South Bohemia in Ceske Budejovice, vrchota@ef.jcu.cz, ORCID: 0000-0002-8363-3131

<sup>3</sup> doc. Ing. Petr Řehoř, Ph.D. Faculty of Economics, the University of South Bohemia in Ceske Budejovice, rehor@ef.jcu.cz, ORCID: 0000-0003-2438-3395

<sup>4</sup> Ing. Monika Maříková, Ph.D. Faculty of Economics, the University of South Bohemia in Ceske Budejovice, marikova@ef.jcu.cz, ORCID: 0000-0002-9054-4559

<sup>5</sup> Ing. Lukáš Klarner, Faculty of Economics, the University of South Bohemia in Ceske Budejovice, klarnl00@jcu.cz,

**Abstract:** Nowadays, a considerable amount of accounting companies are presented mainly by their financial results, good reputation and customer satisfaction. These aspects can be easily improved through soft or hard competencies that are specific among individual employees within the accounting company. Competencies allow many employees to find out which activities and responsibilities within their job position they are supposed to do, and therefore there is no confusion in the company that would cause losses or worse (not only) financial results. The aim of this paper is to analyze and evaluate the key activities and responsibilities of independent accountants and to propose an optimal hard and soft competency model that will help to make better use of accountants' activities and knowledge. Based on the National Occupational Competency Framework, those competencies that are important to the functions of accountants will be evaluated.

**Keywords:** competence, accountants, competence model, employees, independent accountant

**JEL Classification:** G32, G33, C35

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### INTRODUCTION

Nowadays, an operating company is presented primarily by its results, good reputation and customer satisfaction. It is these aspects that can be improved through competencies that are distributed among the individual employees within the company. With competencies, employees know which issues within their job function they are supposed to address, and therefore there is no confusion in the company that would cause losses and poor quality outputs (Junger da Silva et al., 2021; Kokina et al., 2021).

In order to distribute competencies correctly and fairly, it is crucial to create an optimal competency model that serves as a comprehensive overview of competencies and, at the same time, optimally manages human resources. However, a competency model cannot only be used to allocate competencies, but it also serves as a tool for selecting new employees or for evaluating existing employees.

Competence can be defined as authorization or power that is granted from or belongs to a specific authority (Grzybowska & Łupicka, 2017; Kubeš, 2004). Competence is also referred to as a cluster of knowledge that is reflected in the behavioural pattern of an individual or a group of several persons. Within this sample, multiple competencies can be determined at once. The notion of competence is not just a specific skill; it is the actions through which the set goals are achieved (Hronik, 2007; Tan & Laswad, 2019).

Competence brings business success not only on the part of the whole organization but also on the part of teams and individuals. The competencies of individuals are called individual competencies and ensure that

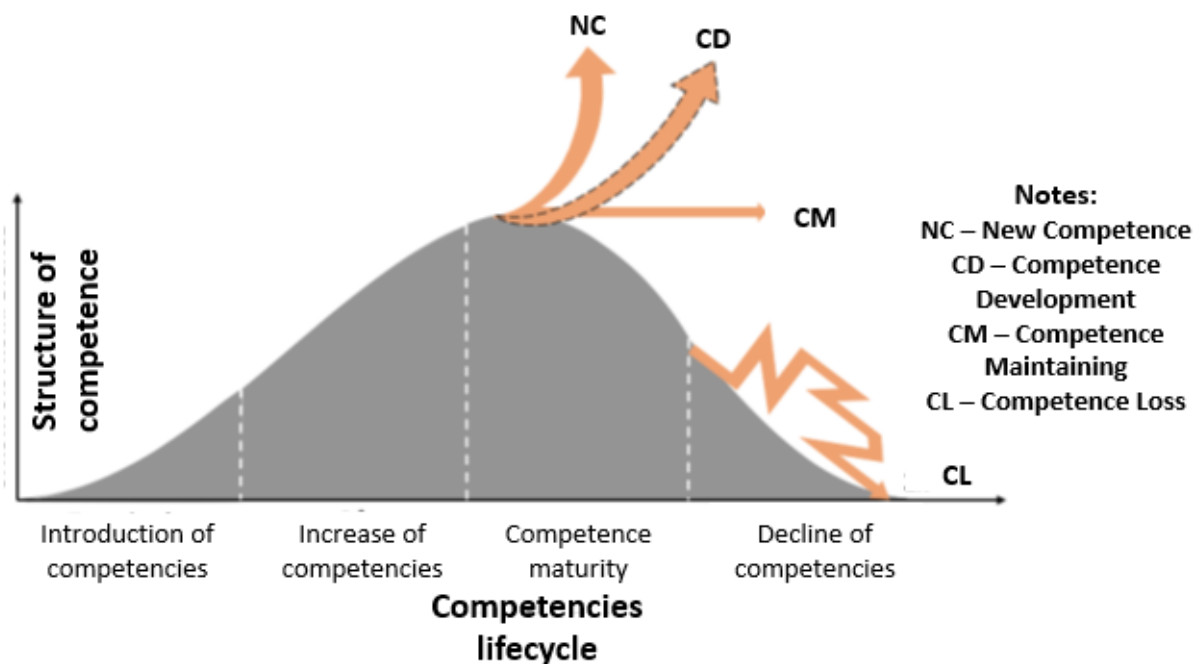
each step of a given process is controlled by a specific individual who is responsible for the control; thus, superior results are achieved not only in terms of quality outputs. (Verle & Markic, 2012)

Almost every personality is assigned a specific competence. If we are able to identify competencies in a particular person, we can also identify the behaviour of that person. And it is the individual components of behaviour that can enter into personal competencies (Sneidere & Bumane, 2019).

The first component of behaviour is motives. Motives encourage through intrinsic motives a person to take a given action in a specific direction. If a person is sufficiently motivated, they can set goals, which lead to a complex path with certain obstacles from which they can always learn. (Koubek, 2007) Traits are another part of behaviour. These are specific characteristics that are divided into deep and innate characteristics (Januszewski, 2019). Thanks to them, it is possible to determine how a person can react to particular situations and what is the intensity of their reactions. (Veteška & Tureckiová, 2009; Vrchota, Řehoř 2019) The perception of oneself is also an indispensable element of behaviour. Through this element, a person can realize which goals will be easier to achieve and which ones will be more manageable for them. For each step a person takes, they can look back and evaluate whether they performed it to their liking. (Prieß, 2015) The last part of a person's behaviour is knowledge and skills. By understanding, we mean the knowledge acquired during the work process or the knowledge that the worker has developed at the time of achieving a given goal. Skills are associated with a physical or mental task, the complexity of which influences the number of skills needed (Bahador & Haider, 2013; Colmenares de Carmona et al., 2017; Zhyvets, 2018).

Since even extraordinary competencies can become less important and their importance decreases after they have been changed, there is a so-called competence life cycle (Bahador et al., 2012). The life cycle of competencies consists of the fact that firstly a competence is created, then it is implemented, and the level of its use increases, which rises up to the level of excellent mastery, which after some time causes the competence to cease to be used and disappear. The emergence of competencies is usually based on market and demand trends, so the emergence of competence is not unexpected and difficult to estimate. Unfortunately, competencies are usually introduced only at the moments when their absence causes considerable problems for the firm, which can jeopardize sales as well as demand for the firm's products and services. During the process of solving the problems caused by the absence of competencies, a phase of rapid growth occurs when competencies are introduced to ensure the company's expertise, fractal and completeness (Kovács, 2015)

Fig. 1 Competence lifecycle



Source: competence life cycle diagram by Kovács (2015)

There are several types of competencies, including soft, core, required, non-required or enduring competencies. Soft competencies are also referred to as 'soft skills'. These are competencies that primarily affect the behavioural level and influence a person's social and emotional situation (Bahador & Haider, 2013). Soft competencies are essential for the development of hard competencies, which will be described in more detail in the next chapter. Soft competencies always intervene in a specific area and differ according to the subject matter of the area. They are particularly important for innovation and include creativity and critical thinking, which helps to solve problems. (Bellanca & Brandt, 2010)

Only when a given task is defined can it be best determined which competencies are needed, and once the task is achieved, the level of competencies used can be identified. If the result is almost or completely identical to the expectation, it can be said that the person fully utilizes the competencies needed for the specific job. That is why HR specialists when selecting employees, focus most on their competencies that can move the company to a better level (Kubeš et al., 2004).

Core competencies identify the individual behaviours that are attributed to a given employee within the work process. With the help of core competencies, the individual criteria that are needed in the selection of employees for jobs are established. They also serve to categorize firms in terms of the behavioural elements that are needed for the work environment (Bahador & Haider, 2012; Pratama, 2015).

Hard competencies can be considered as the skills and knowledge that a worker is able to apply in practice. The level of hard competencies can be increased through training and are easily quantifiable. Hard competencies are much more valued within the job function than soft competencies. Greater attention is therefore paid to their development. The achievement of a particular hard competence is often confirmed by a certificate or certification (Bellanca & Brandt, 2010).

Identifying competencies is one of the most critical steps in using the competency approach. The first approach used to identify competencies was developed by McBer in the 1970s. The company's task was to identify the characteristics of a competent leader and design an effective program to develop such characteristics.

This analysis led to the development programme for managers. Nowadays, companies identifying competencies tend to focus more on identifying critical statements that distinguish above-average managers from average managers (Caron & Fortin, 2014; Gooderham et al., 2004).

This paper focuses on independent accountants. A high school education is sufficient to perform the accounting function of an independent accountant with a matriculation exam in the field of economics and business. Since an independent accountant focuses primarily on financial accounting, skill of filling out forms for government agencies and individual accounting operations are highly required. The purpose of these completed forms and performer operations within financial accounting is to maintain a faithful and honest picture of property and the financial situation of the given accounting unit. (Kubeš, 2004) An interesting fact is that expertise in the field financial accounting only an advantage, not a necessity. Required knowledge of this accounting function is, for example, income tax processing, value added tax processing, in-house accounting and so on.

## 1. METHODS

The aim of the paper is to define and analyze the individual competencies and skills of independent accountants and to improve these skills. Another objective is to propose an optimal competence model for employees in the position of independent accountant.

The questionnaire regarding the competencies of employees in the accounting position contained a total of 17 questions. The survey was done through an electronic questionnaire. As the digitalization in companies is rapidly increasing, the electronic form of questionnaires was the best one for this research. The first pilot research was done in an accounting company, where ca 15 respondents answered all 17 questions and recommended slight changes in the final questionnaire. There are different types of questions in the questionnaire, the most common being scaled questions, which take values from 1 to 5. Open-ended questions are the least frequent in the questionnaire, and this is to make the processing of the questionnaire data easier (Šebítková & Vrchota, 2021).

A total of 958 respondents were contacted by e-mail (some of them were contacted directly via call). At the beginning of the survey, there was a big problem with the return rate of the questionnaires, but luckily total of 46 respondents answered the questions (after two months of research). Thus the return rate was approximately 4.8%. After the questionnaire survey, the data was transferred from the online questionnaire to a spreadsheet database. The data were analyzed using MS Excel and STATISTICA, where several statistical methods were used to analyze the data.

Some of the statistical methods used in the data evaluation include the Mann-Whitney U test, which looks at the relationship between two variables, namely between two nominal variables, X and Y. (Freund, 2010). In case the p-value is close to zero and is less than the chosen  $\alpha$ , the null hypothesis is rejected at the significance level set by  $\alpha$ . Another type of statistical method is Pearson chi-square and Cramer's V, which measure the strength of the association between two variables. The closer the coefficient is to 1, the tighter the dependence between X and Y is; conversely, the closer the coefficient is to 0, the looser the dependence between X and Y is. If the p-value is less than  $\alpha$  (in this case,  $\alpha = 0.05$ ),  $H_0$  is rejected in favour of  $H_A$ . (Budíková, 2010) The questionnaire survey was also evaluated using the statistical method of Fisher's exact test. As in the previous tests, the value of  $\alpha$  for Fisher's exact test is set at 0.05. If the p-value  $\leq \alpha$ , then the hypothesis is rejected at the  $\alpha$  level of significance (Spellman, 2014).

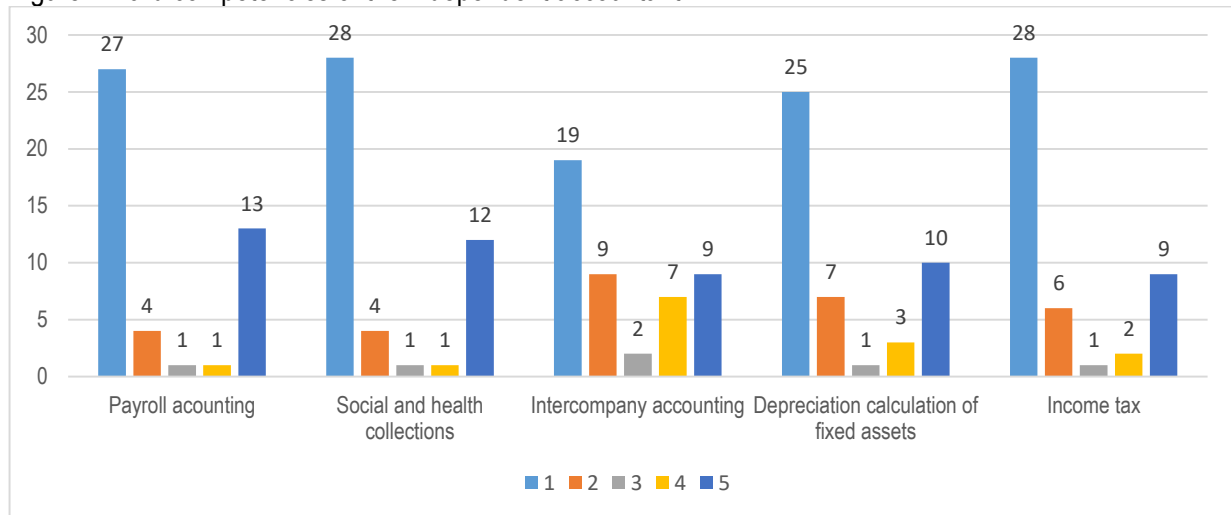
## 2. RESEARCH RESULTS

For the purpose of this research, the results of a separate accountant were selected. The activities of an independent accountant primarily include accounting for all matters relating to financial accounting. Financial accounting mainly specializes in the economic relations of the company with external entities, which are, for example, business partners, customers, as well as competitors. It mainly includes an overview of the company's assets and liabilities. It differs from management accounting in that it is not intended for the internal needs

of the company but for external partners such as banks, shareholders, government institutions and others (Dvořáková, 2014).

The individual hard skills belonging to independent accountants were developed in the questionnaire according to the National System of Occupations (2017). Based on the NSP catalogue, the questionnaire divided the individual hard competencies among the four functions of accountants. The questions covering the hard competencies were in the form of scaling questions that took values from 1 (use entirely) to 5 (completely do not use).

Figure 2 Hard competencies of the independent accountant



Source: Own processing

Based on the evaluation, respondents who perform the function of an independent accountant use the hard competencies of health and social insurance contributions, internal company accounting, payroll accounting, calculation of depreciation of fixed assets and income tax least in practice (see graph number 2). Subsequently, the Mann-Whitney test was used to test the differences between men and women in each competency. No statistically significant differences were observed for most competencies. The following table shows the calculations of the test values for the selected competencies.

Table 1 Mann-Whitney U test - comparison of competencies and gender

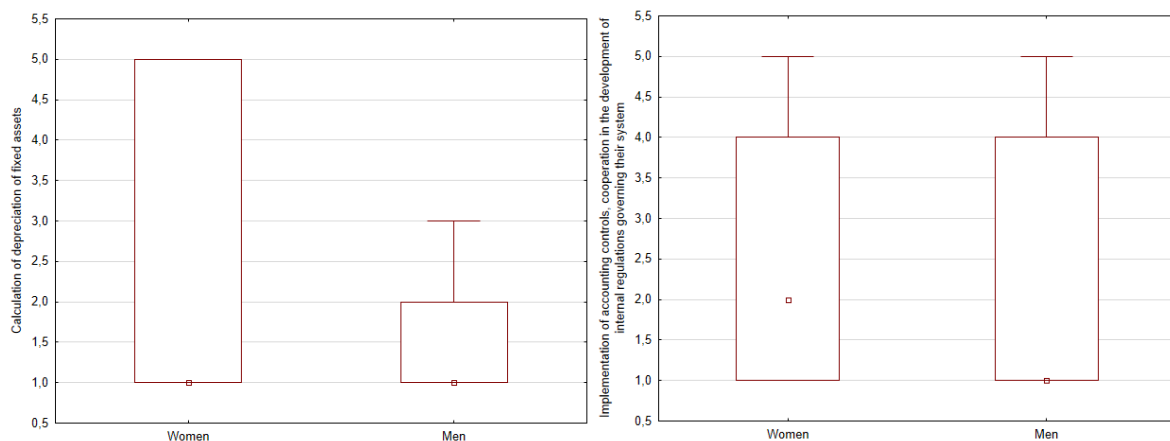
Variables	Sum Women	Sum Men	U	Z	p-value
Accounting for individual accounting transactions in financial accounting	761,500	319,500	131,500	-2,024	0,043
Calculations of depreciation and certain taxes	892,000	189,000	123,000	1,999	0,046
Payroll accounting	895,500	185,500	126,500	1,828	0,047
Cooperation with government authorities	884,000	197,000	131,000	1,571	0,116
Creation and refinement of the methodology	769,500	311,500	139,500	-1,391	0,164
Calculation of depreciation of fixed assets	870,000	211,000	145,000	1,332	0,183
Tax accounting	864,000	217,000	151,000	1,056	0,291

Liaison with the bank, tax office	856,000	225,000	159,000	0,942	0,346
Double-entry bookkeeping	850,000	231,000	165,000	0,695	0,487
Assets of a business entity	844,000	237,000	171,000	0,617	0,537
Keeping cash diaries and ledgers	840,500	240,500	174,500	0,451	0,652
Cooperation with financial authorities	835,500	245,500	179,500	0,322	0,748
Carrying out accounting controls, cooperation in the development of internal regulations governing their system	831,500	249,500	183,500	0,235	0,814
Providing methodological assistance	816,500	264,500	186,500	-0,147	0,883
Accounting documents and their records	828,000	253,000	187,000	0,129	0,898

Source: Own processing

On the other hand, the perception of competence differs between men and women in the position of independent accountant in Accounting of single accounting transactions of financial accounting ( $p$ -value = 0.04); here, men have higher competence, as shown by the negative Z-value in the table below. For the calculation of depreciation and some taxes, where the  $p$ -value (0.05) was also lower than 0.05, and the hypothesis of agreement between the two samples could be rejected, women have higher scores on the contrary, as shown in the graphical representation (Figure 2). The last different competency in terms of independent accountants in relation to gender is Payroll Accounting ( $p$ -value=0.05), where it was possible to reject the hypothesis of agreement between the two samples in favour of higher competencies for women.

Figure 3 Graphical representation of selected competencies

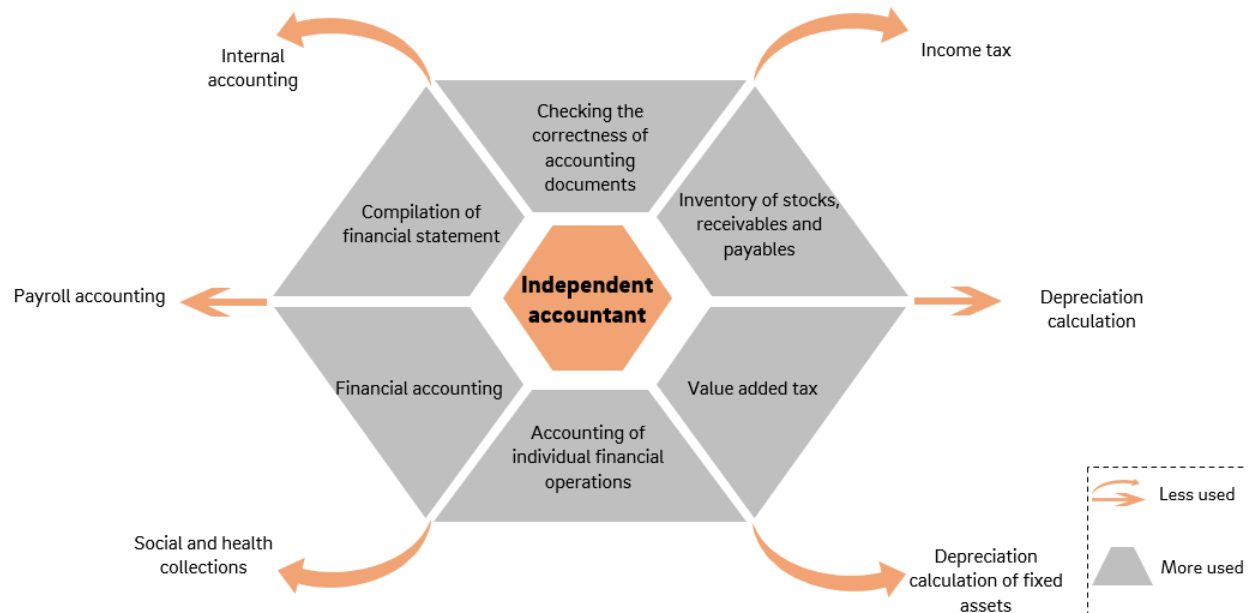


Source: Own processing

After processing the results of the questionnaire survey, competency models of soft and hard competitions were proposed. The competency models will help the individual functions of employees in the independent accounting position to better understand the competencies that fall under their role. The models also show competencies that are used less and more in practice. Based on the competencies that are used least in practice by accountants, training was designed to help independent accountants improve each competence. Through Figure 2, it can be determined that accounting documents and their records are the most used hard competency for the function of the independent accountant. On the other hand, payroll accounting is the least

used hard competency in practice, as for the other functions. Further more and less used competencies can be found in the competency model of the independent accountant (see diagram 4).

Figure 4 The competency model of the hard competencies of the independent accountant



Source: Own processing

## CONCLUSION

The aim of the paper is to propose competence models that will guide employees in the individual accounting position to make their competencies as relevant as possible to their job function and to devote themselves to the activities they actually have to do. The competency model has been designed for hard competencies and is shown graphically so that individual accountants can best navigate it at a glance.

This competency model can still be used, for example, for the purpose of selecting new staff for the position of the independent accountant. Furthermore, the competency model can be used to determine the remuneration and can also be used in the annual appraisal process, which needs to assess the hard skills of the staff in this position.

Although accounting is considered to be a fairly uninteresting job, the opposite is true. A staff member in an independent accounting position must keep abreast of current developments in the field, which they must incorporate into their practice. That is why accounting is a very varied and exciting field, which can attract many potential job applicants. However, there is a lot of legislation that must be followed and adhered to in this job.

Interesting is also the forecasts of accountants for the future years, which entail, above all, the automation of this field and the disappearance of functions that are more concerned with transcribing data from documents into systems or invoicing. This is very convenient for our research as we do not focus on these accounting functions in our study. Non-replaceable tasks are also mentioned in the pro-forecasts, which confirms the fact that employees in accounting positions are still necessary and not replaceable by any software. These are mainly activities related to digital literacy, setting up an accounting system, knowledge of individual companies, and others.

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