

## **THE FINANCIAL-ACCOUNTING SPECIALISTS' ADAPTATION TO THE MANAGEMENT REQUIREMENTS**

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**Abstract:** The financial-accounting specialists are permanently faced with high expectations and exigencies related to their knowledge and abilities. The permanent development of life-long professional competence and learning process are essential if they do not want to fail their expectations. From this perspective, the paper captures certain aspects regarding the importance and the requirements for professional development. The theoretical aspects are upheld by an investigation type selective research, made on a sample of 110 economic entities in Sibiu County, its main objective being capturing how the financial-accounting personnel's professional training is being accomplished and perceived.

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**Key words:** financial-accounting, specialists, management, professional, activity

### **General Considerations**

Frequently, it is presumed that in order to adapt to the financial-accounting activity, one has to attend an economic and business school. Is this fact true? To a certain extend, we consider it to be true, because it is impossible to understand the management of the financial-accounting activity without knowing fundamental economic and financial notions. But, this is not sufficient. At present, one can notice a great number of economy graduates, well-educated but completely lacking in experience. Under these circumstances, one of the essential requirements regarding the adaptation of human resources to the financial-accounting activity is headed towards the training and building up of professional accountants, so that they will have the necessary knowledge and abilities implied by the tasks and responsibilities of the financial-accounting activity.

"The professional accountants have a great responsibility for the entire country, because they manage the data quality necessary for the enterprise's leaders, economists and investors so that a climate of trust can be established...they have to appreciate the current realities and to draw up better fundamental strategies of the future, as well as their development, according to the standing international and European norms." (Condor, I., 2003)

The Body of Expert and licensed Accountants of Romania (C.E.C.C.A.R.) understood the necessity of the staff's professional training; therefore they issued the

Norm no.38 regarding the continuous professional development of the professional accountants. This norm is in conformity with the International Education Standard (IES) no.7, issued by the Accountants' International Federation (I.F.A.C.) which stipulates that member institutes have to implement a Continuous Professional Development (C.P.D.) conceived as an integral component of the status held by the professional accountant in the economy field as well as in the society.

The professionals of the financial-accounting activity are permanently facing the expectations and increased exigencies concerning their knowledge and abilities. Together with their professional associations, they are facing totally new investigations of the internal control quality and of the enterprises leading structure; More than that, the need to be competitive increases the role and the responsibilities of the financial-accounting activity's professionals, belonging to all possible entities, be they of public or private interest. The continuous development of the professional competence and long-life learning process are crucial if they don't want to fail the high established targets/expectations.

IES no. 7 stipulates 3 approaches of the continuous professional development, namely:

- the approach based on outside information, by establishing a specific number of elements that have to be studied, which is considered adequate for the development and maintenance of competence;
- the approach based on inside information, according to which specialists are required to prove, by results, that they maintain and develop their professional competence;
- the combined approach which combines effectively and efficiently the information from the two mentioned approaches, the required elements to be learned are established and the obtained results are measured.

In order to maintain a professional training, any C.E.C.C.A.R. member must continue the professional training, by a minimum of 120 hours of professional training or equivalent units for a period of three years. These hours imply taking part to courses, filling-in certain e-learning programs, writing some technical or methodological articles and so on.

The executive and non-executive directors, also have to be trained in order to face the new responsibilities and to minimize the transition's inherent risks. The professional training is not enough in the financial-accounting activity's management. We consider that in order to achieve performances not only in the financial-accounting activity's management but also in the general firm's activity, it is necessary to pay attention to both the individual necessary as well as to the team spirit.

Professional training is not sufficient. We consider that in order to get performance in a profession, both *individual excellence and team-spirit are required*. Although taking measures individually is easier, team-work might have positive effects for the company because there might be several opinions regarding the way to act for reaching performances. Among the team members' tasks we find: the availability to express its opinions; active participation; careful listening; creative thinking; avoiding communication discontinuities; the courage to ask for a break when necessary; protecting other members' rights; taking responsibility for reaching the team's objectives (Harrington, H. J.; Harrington, S. J., 2001).

*Do not give up*, this might be the financial-accountants' and auditors' motto for trying to reach the company's general performance. *There are people who influence*

events. There are people who are satisfied with being just spectators. There are people who ask themselves what is going on (Denny, R., 2003). Winners have to assume risks in this financial world; calculated risks, of course, but they have to assume them and to go on until they get the actual results. Winners have to be progress its, to move on and adapt to the future.

For the financial-accounting activity to adjust to the permanent changes characterizing the business environment, the company will require specialists characterized by: *reactivity*, namely the ability to perceive and quickly react to the environment's changes; *flexibility*, namely the ability to shortly adapt to the happened changes; *creativity*, as a possibility of finding innovating solutions and to put them into practice. From the point of view of these characteristics, *the building-up of a competitive team should be the general manager's first priority*, even before establishing the company's strategy. Beginning with finding the right people for the right place, the manager has a double role: on one hand, he favors the financial strategy's quality taking into consideration the collaborators advice and on the other hand, he favors the implementation of this strategy.

In order to underline the way in which is made the specialization of the staff in the financial-accounting field inside the companies, and also to see to what extent this companies hold a competitive financial-accounting team, we made a selective research on a number of 110 companies in Sibiu, the results and the conclusions concerning this issue being explained in the following lines.

#### **The research's methodology, objectives and hypotheses**

The present study aims to bring to our attention the way in which the specialization of the staff in the financial-accounting field inside the companies is made, the results being detailed according to the company's field and their field of activity.

Taking into account the set-up objectives, our investigation has been made up of two consecutive researches: *a qualitative research of an exploratory nature and a quantitative research of a descriptive nature*.

By using the qualitative research of an exploratory nature one had as aim determining the set of hypothesis which were the object of the quantitative descriptive research that was to follow and setting up the following priorities for the research. The methods used in this preliminary research are the following: the analysis of secondary data, which requires the usage of the available data coming from different sources with focus on discovering shortcomings, ideas, solutions; interviews with specialists with the aim of obtaining further pieces of information from those relevant in the fields of finance-accounting; group reunions or focus groups that allowed the debates regarding this subject.

Taking into consideration the location of development the research has been made *in the field*, and in what concerns the frequency of development, the research has been made *on occasion*.

Right after setting up the objectives we aimed to define the hypothesis of the selective scientific research presented in table no. 1, respectively to anticipate the answers to the matter under investigation.

One had into consideration when formulating the hypothesis the pieces of information and conclusions taken from the previous exploratory research.

In order to establish an adequate poll basis for the study, we used the data

provided by the statistic Registry, the Chamber of Commerce, Industry and Agriculture and the National Office for the Registry of Commerce. Thus, we have obtained information regarding the names of the firms, address, telephone number, the name of the manager, being thus able to contact the potential respondents.

**Table no. 1 The research's objectives and hypotheses**

<i>O</i> <sub>1</sub> – Knowing the opinion regarding the importance of having reactivity, flexibility, creativity and team-work – qualities of the financial- accounting specialists.	<i>I</i> <sub>1</sub> – Qualities are very important. <i>I</i> <sub>2</sub> – Qualities are found in a great measure.
<i>O</i> <sub>2</sub> – Knowing the level in which companies are willing to train the financial-accounting staff by bearing the due expenses.	<i>I</i> <sub>3</sub> – Companies bear the training expenses in a small measure.
<i>O</i> <sub>3</sub> – Outlining the level in which companies have a competitive financial-accounting team.	<i>I</i> <sub>4</sub> – The companies have a competitive financial-accounting team in a medium measure.

In order to set the sample we used the method of random sampling, which was based on a fixed sample with restrictions (taking into consideration the organizational restrictions, we decided upon a sample of 110 respondents). We can state that the sampling method consists of a combination between the multi – stages sampling method and that of the non-proportional stratified random sampling. Thus, for the purpose of our research the following steps have been taken.

The basis for sampling has been defined and constituted using the data obtained from the National Office of the Registry of Commerce, having included all the firms and autonomous authorities in Sibiu County. We observed that the main criteria which need to be taken into consideration in selecting the components of the sample are the one related to the category of the firm.

From the sampling basis we have eliminated all the firms that are no longer active, which have had an interruption in their activity and those which had registered losses in exploitations more than two years consecutively. The remaining firms have been stratified according to the category of he firm.

The remaining firms for each stratum have been randomly selected until the size of the sample has been reached. In completing the size of the sample we chose the non-proportional option, starting from the hypothesis that certain strata, especially those of the small, medium and large firms present a higher importance for the financial-accounting activity.

In the context of research the recollection of data has taken place at the headquarters of the firms that have been selected, the researchers being directly involved. We had a preference for the field research since some of the questions have been more complexes (Ciuhureanu, A. T.; Popa, D., 2008; Ciuhureanu, A. T., Balteş, N. 2009; Ciuhureanu, A. T., Bălan, G., 2009), the number of questions has been relatively high, thus choosing other methods (auto-administering the questionnaires, the phone or internet poll) being considered by the researchers as inadequate for it left room for more errors.

We consider that the most important margin of the conducted research is given by the size of the sample (110 respondents) and of the relatively high margin of error (9,4%) for a level of trust of 95%. However we feel the need to mention that when the size of the sample was determined one had in view the objectives of the research, considering that the study has a high degree of precision even if the sample is narrowed down. The choice we made has also been affected by the supplementary costs a larger

sample would have implied and, naturally, by the extra time necessary for data collection. We would like to outline that this research could be extended (a possible extension was already discussed), the results obtained being, thus, a real start point.

Another limit of the research derives from the choice made in completing the size of the sample, namely our choice for the non-proportional version. Regarding this aspect, we would like to argue that, even if by using the non-proportional alternative the subjects of the sample do not correspond to the statistic realities in what regards their weight on the total of firms in Sibiu county, we started from the hypothesis that certain strata, consequently that of the large, medium and small enterprises have a larger importance in the context of research, each of those having its own conceptions and perceptions. One must also specify that the basic objective of the selective scientific research has been to develop and test the instrument of research and not the precision of the estimates.

Considering the purpose of the completed selective scientific research, the distributed questionnaire was anonymous. The focus was not on a particular category of firms, as we tried to catch certain realities with the purpose of identifying the causes of the deficiencies declared at the level of the economic activity, as well as to formulate proposals in this field. From this point of view, the researchers based their opinions on the full confidence shown by the respondents who, thus, assured them of their full cooperation.

#### **Depicted Conclusions After the Research**

As shown in table no. 1, one first objective of the research had in view knowing the opinion regarding the importance of having reactivity, flexibility, creativity and team-work – qualities of the financial-accounting specialists. The information is presented in table no. 2.

**Table no. 2 The importance of the qualities of the financial-accounting staff**

Valid 110	Missing 0	Average
a. reactivity		8,71
b. flexibility		8,66
c. creativity		8,55
d. team-work		8,59
<b>General average:</b>		<b>8,63</b>

By processing the data in table 2 it can be observed that all four characteristics of the financial-accounting specialists have a similar importance to the companies. Thus, the average of the points for the reactivity is 8.71, the highest; for the flexibility characteristic the average was 8.66; the creativity has an 8.55 average, the lowest, and for the team-work, the average is 8.59. The general average is 8.63, therefore the formulated hypothesis which states that the qualities are very important, has been confirmed.

The information gathered for establishing the level in which the financial-accounting specialists have these qualities, is presented in table no. 3.

The processing of the information in the research has emphasized the following: 3.6% of the managers believe that the four qualities can be found in a small measure at their companies' financial-accounting specialists, 14.5% consider that reactivity, flexibility, creativity and team-work characterize the financial-accounting specialists neither in a large, nor in a small measure (medium), 58.3% (the majority) consider that the qualities are found in a large measure at the financial-accounting

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specialists and 23.6% believe that these qualities are found in a very large measure. The score is 4.02 (from 1 – in a very small measure, to 5 – in a very large measure) and, as a conclusion, the formulated hypothesis (*The qualities can be found in a large measure*) has been confirmed, the score being around 4 – in a large measure.

**Table no. 3. The financial-accounting staff's classification according to reactivity, flexibility, creativity and team-work**

		Frequency	Percentage	Valid percentage
Valid	110			
	in a very small measure	0	0	0
	in a small measure	4	3,6	3,6
	neither in small, nor in a large measure	16	14,5	14,5
	in a large measure	64	58,3	58,3
	in a very large measure	26	23,6	23,6
	Total	110	100,0	100,0
<b>Average</b>	<b>4,02</b>			

A basic adaptation requirement of the human resources to the performances of the financial-accounting activity is related to the specialists' training and construction, which would give them the necessary information and abilities for their duties and responsibilities. The data regarding the analysis of the extent to which the companies are willing to bear the expenses for the specialization of the financial-accounting staff are shown in table no. 4.

**Table no. 4 The attendance level of the financial-accounting staff to professional training programs, on the expenses of the company**

		Frequency	Percentage	Valid percentage
Valid	110			
	in a very small measure	42	38,2	38,2
	in a small measure	34	30,8	30,8
	neither in a small, nor in a large measure	11	10,0	10,0
	In a large measure	17	15,5	15,5
	In a very large measure	6	5,5	5,5
	Total	110	100,0	100,0
<b>Average</b>	<b>2,19</b>			

The processing of the information shows that the great majority of companies (38.2%) are willing to bear the financial-accounting staff's professional training expenses in a very small measure, which is not surprising since finances and accounting are often considered to be something necessary for not getting fines and not as something needed for efficiency. 30.8% of the companies bear the training expenses in a small measure, 10.0% of the companies believe that these expenses are bared neither in a small, nor in a large measure, 15.5% offer access to training programs for the financial-accounting staff, bearing the expenses in a large measure and only 5.5% are aware of the importance of the staff's permanent training, thus bearing the necessary expenses in a very large measure.

The score for this question has a 2.19 value (from 1 – in a very small measure, to 5 – in a very large measure), and thus the formulated hypothesis (*Companies bear the expenses for training programs in a very small measure*) is being confirmed. Moreover, nowadays, this is the reality characterizing the Romanian companies.

For detailing, we have tried to discover in what way *the company's category influences the availability of bearing the financial-accounting staff's training expenses*. The information is shown in table no. 5.

**Table no. 5 Access to training programs according to the company's category**

Access to programs	Category				Total
	small-scale enterprise	small company	medium-sized company	big company	
v. small measure / %	10 58,8%	26 50,0%	6 20,7%	- -	42 38,2%
small measure %	4 23,5%	18 34,6%	8 27,6%	4 33,3	34 30,9%
neither small, nor large measure / %	1 5,9%	3 5,8%	5 17,2%	2 16,7%	11 10,0%
large measure %	2 11,8%	4 7,7%	8 27,6%	3 25,0%	17 15,5%
v. large measure / %	- -	1 1,9%	2 6,9%	3 25,0%	6 5,5%
<b>Total</b>	17 100%	52 100%	29 100%	12 100%	110 100%

The analysis of the information shows that the majority of the small-scale enterprises (58.8%) and small companies (50.0%) bear the expenses related to the financial-accounting staff's training in a very small measure. Even for the medium-sized and big companies this type of investment is useless, 20.7% of the medium-sized companies bearing them in a very small measure and 27.6% in a small measure and 33.3% of the big companies bear them in a small measure. However, half of the big companies say that they are willing to offer free training programs in a large measure (25.0%) and in a very large measure (25.0%), while 27.6% of the medium-sized companies would bear the expenses in a large measure and 6.9% in a very large measure. Generally, it can be noticed that companies are not interested in the financial-accounting staff's training. We believe that this conception should change since, a competitive management of the financial-accounting activity could make the difference between success and failure.

The financial-accounting specialists should be considered a valuable human resource of the 21<sup>st</sup> century's company. Therefore, the management of the financial-accounting activity would have to be concerned about training, motivating and framing responsible teams that would contribute to the well-being of the company.

The information gathered for evaluating the level in which the companies have a competitive financial-accounting team is presented in table no. 6

It can be seen that most of the companies (55.5%) consider that they have a competitive financial-accounting team in a very large measure and 20.0% of the companies have very competitive teams. Only 2.7% of the analyzed companies state that they have non-competitive financial-accounting specialists. The score obtained for this question is 3.77 (from 1 – in a very small measure, to 5 – in a very large measure), a value which makes the formulated hypothesis ( $I_4$  – *Companies have a competitive financial-accounting team in a medium measure*) not valid.

For a detailed description, we have made a *combined analysis about the competitive financial-accounting team/company's category* ratio. The gathered information is shown in table no. 7.

**Table no. 6 We have a competitive financial-accounting team**

		Frequency	Percentage	Valid percentage
Valid	110			
	in a very small measure	3	2,7	2,7
	in a small measure	14	12,7	12,7
	neither in a small, nor in a large measure	10	9,1	9,1
	in a large measure	61	55,5	55,5
	in a very large measure	22	20,0	20,0
	Total	110	100,0	100,0
<b>Average</b>		<b>3,77</b>		

**Table no. 7. The extent to which companies have a competitive financial-accounting team – classification according to the company’s category**

Access to programs	Category				Total
	small-scale enterprise	small company	medium-sized company	big company	
v. small measure/%	2	1	-	-	3
	11,8%	1,9%	-	-	2,7%
small measure %	2	5	6	1	14
	11,8%	9,6%	20,7%	8,3%	12,7%
neither small, nor large measure/ %	1	4	3	2	10
	5,9%	7,7%	10,3%	16,7%	9,1%
large measure %	10	29	17	5	61
	58,9%	55,8%	58,7%	41,7%	55,5%
v. large measure/%	2	13	3	4	22
	11,8%	25,0%	10,3	33,3%	20,0%
<b>Total</b>	17	52	29	12	110
	100,0%	100,0%	100,0%	100,0%	100,0%

By analyzing the gathered information we can notice that for all types of companies the statement “in a large measure” has the highest value (58.9% of the small-scale enterprises, 55.8% of the small companies, 58.7% of the medium-sized companies and 41.7% of the big companies). Moreover, it can be seen that none of the medium-sized companies believe that the financial-accounting team is non-competitive.

Still for detailing, we have made a combined analysis competitive financial-accounting team/the company’s field of activity (table no. 8).

**Table no. 8. The level in which companies have a competitive financial-accounting team – classification according to the field of activity**

Competitive team	Field of activity			Total
	commerce	industry	services	
v. small measure %	2	-	1	3
	4,4%	-	3,6%	2,7%
small measure %	3	6	5	14
	6,7%	16,2%	17,9%	12,7%
neither small, nor large measure / %	5	3	2	10
	11,1%	8,1%	7,1%	9,1%
large measure %	22	22	17	61
	48,9%	59,5%	60,7%	55,5%
v. large measure	13	6	3	22

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Competitive team %	Field of activity			Total
	commerce	industry	services	
	28,9%	16,2%	10,7%	20,0%
<b>Total</b>	45	37	28	110
	100,0%	100,0%	100,0%	100,0%

Based on the above information, we can conclude that, generally, the companies' field of activity does not have an influence over the level in which companies have a competitive financial-accounting team, the percentages being approximately equal, regardless of the field of activity. It is, however, worth noticing that, as far as the industry field is concerned, all companies state that they have competitive financial-accounting teams, which can prove the fact that this field, given its specific features, requires well-trained staff.

### Final Conclusions

To conclude, we consider that the professional accountant plays a very important role in the enterprise's leading and administration process by supplying the general data, materializing and expressing the possible of the future or present actions. The accountant controls their execution at the enterprise's general level. The professional accountant is able to understand / perceive the enterprise's situation and to define the consequences of a general character decision made in certain activity fields. Therefore, the financial-accounting activity's management must find the best ways of his training and motivation, so that competent teams providing the well functioning of the organization are to be created. Continuous professional training does not offer the guarantee that all specialists in the financial-accounting field will provide high-quality services, all the time; applying the knowledge with a professional judgment and an objective attitude is also necessary. Moreover, it can not make sure that each specialist attending a continuous professional training program will get the total benefits of that program for reasons such as individual activities and learning ability. Still, it is true that specialists that do not have the current general and technical knowledge will not be able to offer in a competitive manner professional services.

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