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Creating a Profile of Employees in the Accounting Department

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Abstract

The purpose of the paper is to present a survey on advertisements for jobs in accountancy published at the web site www.moj-posao.net from April 9th until June 1st, 2015. Following characteristics are investigated: employers' ownership, employers' trade, employee education and work experience, job type and additional skills. Typical employee in accountancy has a full-time job dominantly in a privately-owned company and an undergraduate or graduate diploma is not always required. People with high school diploma can also apply to many job offers in this sector because the emphasis lies more on the practical skills and a previous working experience is almost always necessary. She or he must know to use at least one accounting computer programme such as Synesis, Pantheon, 4D Wand... Additional skills that she or he should have are analytical skills, eagerness for a life-long learning of countries legislation and International Financial Reporting Standards, interpersonal communication and responsibility. The results of the survey are used to determine the competitiveness of Accounting and Auditing graduates at the Faculty of Economics and Business in Zagreb, Croatia.

Keywords: accounting, employment, education, job competitiveness

JEL classification: M40, M41

Introduction

The modern world is changing rapidly due to technology advances, and accountancy, as a branch of economics in charge of timely informing management on all levels of a corporation as well as external users of corporation's financial statements, must keep the pace along with it. Development of accounting through the ages was marked mainly with manual calculations and bookkeeping done only with what is nowadays considered to be primitive and crude accounting tools (such as abacus) to help the accountants with different sets of mathematical problems that occurred (Peppe, 2011). The first accounting documents can be dated to the old Babylonian civilisation. Also Egyptian, Greek and Roman civilisations have contributed to the development of accounting and the accounting profession as a whole. Of particular importance for the development of accounting in the Middle Ages were the introduction of Arabic numerals in the 12th century by Fibonacci and the invention of the printing machine in the 15th century by Gutenberg (Dražić-Lutolsky et al, 2010). After the first working adding machine, speed and proficiency of the accountant's job advanced, but even with that, paper entry was still the only way that they could possibly keep track of businesses' functions. An accountant had to be very methodical and detailed as the process of identifying, measuring, and communicating financial information was documented in the form of paper records, hand written financial statements, etc. And that era lasted until the very end of the twentieth century (Peppe, 2011). But, of today's accountants much more is expected then a simple neatness and accuracy in recording business changes and preparing financial statements (Černe, 2008). Computers and software gave the

profession a brand new look. Microsoft Office programmes (such as Microsoft Word or Microsoft Excel) enabled the use of electronic spreadsheets and made all the previous need for calculators, pencils, rulers, and bookkeeping ledgers almost completely eliminated. Those sets of accounting tools, now outdated, are today used mainly in classrooms in order that students are able to grasp the knowledge that is presented to them better. The job itself became less repetitive with even lesser margin for error and with a larger transparency. The accounting profession nowadays, at the time of pervasive globalisation and harmonisation, is increasingly presumed to be an advisory rather than an executive function in the company (Dečman, 2013). Modern accountants must acquire additional skills in all fields of economics and IT, and not just in, as considered today, basic MS Office programmes whose good knowledge is a must if she or he should apply to any of the analysed advertisements. We can easily say that computer-supported application programmes achieved significant peak in theirs technology with the tendency for further growth. Their relatively low costs allows different economic subjects to use already proven application programmes, so that employees can, with a little effort and investment, provide modern coverage of accounting data and efficiently process business events and create different sets of business databases (Mulahasanović, 2011). Such programmes include Pantheon, Synesis, 4D Wand, Oracle Hyperion, Navision, Concur and similar accounting and financial computer programmes.

Accountants of today must be initiators of the so-called "strategic management accounting". By using this phrase we can describe an accounting oriented to provide a wide range of information to companies' management. Most of this information will be financial in its nature so that they can still be presented in the form of "solid" accounting figures such as costs. However, some other information are used such as the purchase and the sales volume which are presented in a somewhat "softer" accounting figures, while a considerable part of the remaining information on, for example, the availability and attractiveness of the product, customer loyalty, etc. must simply be presented in a non-financial form (Đogić, 2007).

The goal of this paper is to present the most accurate profile of desirable employees in the accounting department by analysing seventy different job advertisements in this sector found on the website www.moj-posao.net in the period from April 9th until June 1st, 2015 in order to examine the competitiveness of Accounting and Auditing graduates at the Faculty of Economics and Business in Zagreb, a member of the University of Zagreb. In the Introduction part of this article we have seen the history of accounting through the ages. Now, the analysis of seventy different job advertisements will be given, as well as the analysis of educational programme for future accountants in Faculty of Economics and Business in Zagreb.

Analysis of Advertisements for an Employee in an Accounting Department

The analysis of the job advertisements firstly provides a list of a large number of different set of jobs to which it was possible to apply in the above mentioned period: Chief Accountant (present in the 12,86% of advertisements), Accountant (18,57% of advertisements), Chief Accountant/Area Business Controller (1,43%), Bookkeeper (35,71%), Accounting Specialist (5,71%), Accounting Manager (1,43%), Team Member General Ledging Accountant (2,86%), Assistant Accountant (1,43%), Finance and Accounting Manager (1,43%), Accountant/Finance Analyst (4,29%),

Senior Accountant (4,29%), Accountant – Financial Administrator (8,57%) and Industrial Accountant (1,43% of job advertisements).

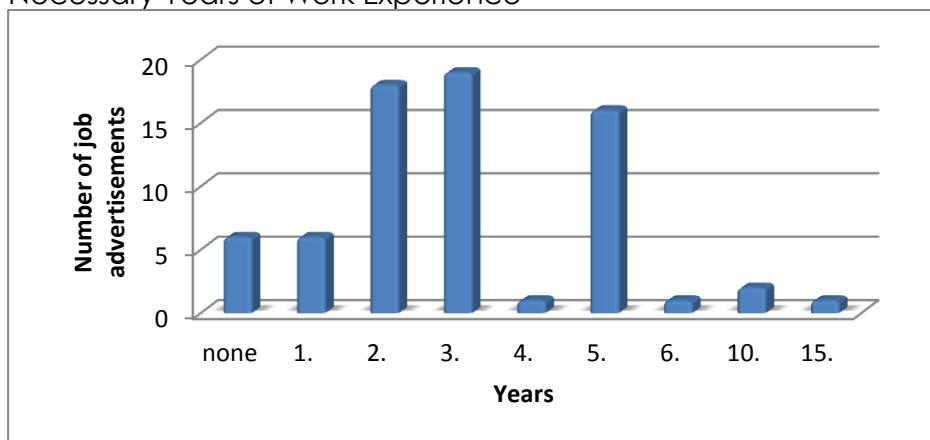
In most cases, companies who offered jobs were dominantly private owned, and came from all industry sectors. Primary sector, the sector of an economy making direct use of natural resources – agriculture, forestry, fishing and mining, was represented with 4,29% of all considered job advertisements. Secondary sector, that includes those economic sectors that produce a finished and usable products, was represented with 35,71% of advertisements. Tertiary sector, also known as the service industry, was represented in almost 50% of considered advertisements, while quaternary sector (a name that is used to describe a knowledge-based economy such as IT, media, R&D, education or even online blogging) was represented in 10% of job advertisements.

By analysing those seventy job advertisements a certain pattern of what kind of person employers generally had in mind to hire can be found. A future employee should have a good knowledge of VAT and F/X business, knowing how to work on computers, good oral and written communication skills, ability to find optimal solutions under pressure, he or she must be reliable, responsible, and dedicated to work, as well as showing great deal of independence. IFRS and local legislation knowledge is a must. Ownership of particular certifications such as ACCA (certificate given by the Association of Chartered Certified Accountants) or CPA (Certified Public Accountant) is a mandatory condition in only 8,57% of the analysed cases, however owning one of them can only be an advantage in today's extremely competitive labour market.

But, there is also something that employers have in mind while distinguishing one job candidate from another – and that is the knowledge of foreign languages. It is not said in vain that one person's worth can be measured by the number of languages one can speak and that can show the employers that she or he had invested further efforts in their education. Around 58% of all advertisements were looking for someone who speaks and write English fluently, and also knowledge of German, Italian, French or Russian (the last three being today, unfortunately, less widespread languages in Croatian schools) can be seen as a further advantage. The job candidate's knowledge of foreign languages makes it easier to work in many of computer programmes, but also makes the very communication with e.g. foreign clients, partners and everyone else involved in a company business processes, better.

Work experience is necessary in almost any of the analysed advertisements. Only 6 out of 70 job advertisements did not require any kind of experience in finance or accounting, as we can see from the chart given below.

Figure 1
Necessary Years of Work Experience



Source: Author's illustration

The main question that always rises to our attention is how to get that necessary experience. According to Blake, I. A. (2015.) there are certain steps that, if followed, can help in finding a future steady job in accountancy. One of those tips says that a job candidate should start working as a paid or unpaid intern in an accounting firm, tax offices, or in some company's accounting department, but also that she or he should volunteer helping a local non-profit organization in handling their financial transactions or accounts to gain that experience if they cannot find an internship position. Secondly, if she or he already has some kind of a job (e.g. student or part-time job) at a company offering a current or future accounting position, they should speak to their superiors or HR department about the steps that should be taken to get that job one day.

Also, she or he should not be reluctant to apply to a certain job that requires a previous significant working experience in accounting. There are always employers that will disregard a lack of work experience if an applicant has a solid academic background and skills that are important in modern workplaces such as friendly personality, detail-oriented mind, strong organisation and communication skills, etc.

Educational Programme of Accountants in Faculty of Economics and Business Zagreb

Accountants always had a significant role in business enterprises. They often constitute a very important and necessary link in terms of providing relevant information that we be used by companies management in a decision making process, not only in large, but also in small and medium enterprises (Dečman, 2013). That is the reason why it is extremely important to invest in a good quality education of future accountants. Programme of professional accounting education must not solely rely on accounting, finance or related knowledge, but also on the organisational and business knowledge and IT knowledge (Černe, 2008), and that is learned extensively on the first four years of undergraduate studies. Dečman and Rep(2015) give a complete and detailed list of professional competencies that every accountant must have. That includes, among others, the knowledge of: financial and managerial accounting, finances, taxes, external and internal auditing, local laws and regulations, IT technologies, economics, management, interpersonal skills, professional scepticism, ethics and commitment to the public interest.

According to the curriculum of this, academic 2014/2015 year, students of graduate studies of Accounting and Auditing can take eleven different courses named in the table below (mandatory courses are positioned on the left side of the table and elective courses are on the right) which train them for specific areas of work in accounting departments. They are trained to work in the accounting and financial reporting of businesses, cost accounting, accounting of financial institutions, non-profit organisations and budgetary users, state, internal or external audit, analysis of financial statements and tax accounting.

Table 1
Mandatory and Elective Accounting Courses on FEB Zagreb

| Financial Accounting | International Accounting |
|---|--|
| Auditing | Tax Accounting |
| Accounting Information Systems | Small and Medium Enterprises Accounting |
| Accounting of Financial Institutions | Non-profit Organizations Accounting |
| Internal Auditing | Cost Accounting |
| | State Auditing |

Source: EFZG.UNIZG.HR

The possible lack of practical knowledge is somewhat diminished with a great number of guest speakers in the mandatory, as well as in the majority of elective courses. Also, there is a variety of extracurricular presentations like the Job Hunting days, organised this year from 23rd until 27th March in which several financial, consulting, auditing, retail and IT firms presented themselves and explained what is it that they seek from future employees, also giving the participants and all people interested a possibility to apply to different internship positions.

Conclusion

Of course, there are certain limitations in the work itself, and one of them is the fact that, because of the job advertisements structure only those from the website www.moj-posao.net were processed and, also, the data was gathered in a relatively short period (from April 9th until June 1st), but this fact is, nevertheless, attempted to be reduced with the use of all currently available job advertisements in the field of accounting published on this page not only from Croatia, but also from the neighbouring countries, such as Slovenia, Serbia and Bosnia and Herzegovina.

In most analysed cases, companies who offered jobs were dominantly private owned, and came from all industry sectors: primary sector was represented with 4,29% of all analysed advertisements, secondary sector was represented with 35,71% of advertisements, tertiary sector had almost 50% of them, while quaternary sector was represented with 10% of job advertisements. And all of them said that their future employee should have a good knowledge of VAT and F/X business, knowing how to work on computers, good oral and written communication skills, ability to find optimal solutions under pressure, as well as showing great deal of independence. IFRS and local legislation knowledge is a must. But, there is also something that employers have in mind while distinguishing one job candidate from another – and that are foreign languages, especially English and German. It is hard at first to find a job in this sector because there is very few of advertisements out there directed to people with no previous experience, but through student practices and internships, even volunteering at non-profit organisation job candidates can start their wanted career. And this internships or student practices must not be considered lightly as just

another item in CV, but also as an excellent opportunity to learn more and express their knowledge in this area, and also to take the advantage of an opportunity to be noticed by your seniors or supervisors and be promoted to a better position in the companies' hierarchy.

The author of this scientific paper hopes that this will be the topic for further studies and exploration so that greater accuracy will be achieved in the future in creating a profile of highly educated professionals in the field of accounting wanted by employers, and that it will be as soon as possible adapted into universities education programmes to fit the labour market needs.

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About the Author

Lidija Grdošić, BSc is a student teaching assistant of Business Informatics, Enterprise Information Systems and Databases since 2013 on Faculty of Economics and Business Zagreb. She has also worked as a personal assistant in ZAMISLI association, as an intern at auditing department in Ernst and Young (EY) d.o.o., and is currently employed at Erste Card Club d.o.o. She is highly interested in the fields of computer application in business practice, IT management, the impact of modernisation in the accounting profession and higher education in general. Her hobbies include reading, Pilates and hiking. The author can be contacted at lgrdotic@gmail.com