

THE ROLE OF ACCOUNTANT IN ESTONIAN ENTERPRISE: SURVEY OF STUDENTS OPINION

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Abstract

Major events and changes in the economic world during last decades have generated a growing public interest towards accounting in general and accountants in particular, which goes in line with the increasing role of professions in the society. The aim of the research is to reveal students' opinion on the functions and role of accountants in modern enterprise and to figure out what personal characteristics, knowledge and skills should be an inevitable attribute of the modern accounting profession. Findings confirmed that in Estonia accountant is regarded as a person preparing various tasks for the management in order to assist them in the decision-making process and sometimes giving valuable advice before the decision is made. It can be stated that results clearly outline the demand of high education programmes with accounting specialization in Estonia with the curriculum corresponding to the rapid changes in the modern world. This paper also highlights the importance of various knowledge, skills and personal characteristics as an essential combination for successful everyday work in the field of accounting. The findings also have practical implications for HEI developments targeting renewal, changes and amendments in the business and economics curriculum.

Keywords: accountant's competencies, accountant's tasks, accountant's responsibilities, accountant's role

JEL code: M41

Introduction and literature review

Major events and changes in the economic world during last decades have generated a growing public interest towards accounting in general and accountants in particular, which goes in line with the increasing role of professions in the society. According to Carter *et al.* (2015) "the great issues of our time become understood through a range of different forms of professional knowledge". Much has been argued about the role of accountant in the modern financial world in general and enterprise in particular (Ottoson, 2015), required competences, personal characteristics, knowledge, skills and education (Luts, 2016).

It is obvious that in the changing world the role of accountant is changing rapidly (Guthrie & Parker, 2016). Numerous researchers outline that accounting has the important role in "reviving the economy" (Artene *et al.*, 2015), developing the national economy (Yuan *et al.*, 2015) and dealing with various problems of their clients (Carter *et al.*, 2013). Furthermore, during last decades more and more researchers are of the opinion that accountant should also be involved in sustainability reporting (The Institute of Chartered Accountant...., 2016) related to social and environmental activities of the company like carbon accounting (Lovell & Kenzie, 2011), water accounting etc. These developments have forced different professional and high educational institutions to incorporate sustainability issues into their curriculum, for example Institute of Chartered Accountants of Nigeria (ICAN) has followed this path and made significant changes in its curriculum of 2014 for professional students (Nwobu *et al.*, 2015).

IFAC code of Ethics outlines that "a distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest" (IFAC Code of Ethics). The Accountancy Profession is also recognized by IFAC as a "critical partner in many of the Sustainable Development Goals, including: quality education, decent work and economic

growth, industry, innovation, and infrastructure, responsible consumption and production, climate action, peace, justice, and strong institutions and partnership for the goals” (IFAC, The Accountancy...., 2016). Today the accountant has become a “border guard” in serving public interests by providing reliable information about the performance of organization and also the contractual part they are hired to serve Davenport & Dellaportas (2009). However, this not the “one and only” responsibility. There is an emerging worldwide trend to prepare accountants for finance leadership roles, which in turn broadens the range of responsibilities and requires additional knowledge, skills and experience. The findings of Spraakman *et al* (2015) reveal that the role of accountant today has shifted from journalizing business transactions to also analysing various business issues, which in turn requires additional knowledge and skills.

Within the contemporary research about accountant as a profession, the following trends are widely discussed:

(i) role and functions of the accountant in a society and modern enterprise (Albu *et al*, 2011 Carter *et al*, 2015), and (ii) relation of personal characteristics, knowledge and skills to the everyday work of the accountant and professional commitment (Gendron *et al*, 2009, Chan *et al*, 2008, Clayton & van Staden, 2015).

These developments have influenced the present research and inspired authors to investigate the current situation in Estonia.

The remainder of this paper is organized as follows. After the linkage of the selected topic to the current literature, authors provide a practical insight into the role of accountant in Estonian enterprise. Furthermore, authors conduct a survey among students of Tallinn University of Technology to reveal their opinion. Results are taken as a basis for concluding remarks.

Methodology

The authors conducted a survey among graduate students specializing in Accounting in Tallinn University of Technology. The questionnaire consisted of 6 multiple-choice and yes/no questions. The survey took place in the period of 08.09-18.09.2016. In total there were distributed 85 questionnaires and 80 responses were collected. The results of the survey were interpreted using the Microsoft Excel, this information was then compiled and analysed. Table 1 shows the profile of the respondents.

Table 1. Demographic data of the respondents

Parameter	Sample
Age	
Younger than 25	40
26-35	32
36 and older	8
Total	80
Work experience	
0-5 years	58
6-10 years	9
11-15 years	7
16 and more	6
Total	80
Status	
Bachelor student	10
Master student	70
Total	80
Education	
Bachelor degree	77
Master degree	3
Total	80

Data of Table 1 clearly demonstrates that most respondents are Master students with working experience less than 5 years.

Results

The authors would like to present results of the survey by Tables 2–7. In authors opinion the selected questions are most challenging and worth discussion. Table 2 summarizes the opinion of respondents on the role of accountant in the modern Estonian enterprise.

Table 2. Role of accountant in the Estonian enterprise (the respondents were allowed to choose one option)

Type of task	Number of responses	Responses in %
Accountant	42	53
Accountant- counsellor to the board members	17	21
Accountant-office assistant	9	11
Accountant-financial manager	8	10
Other	4	5

Source: authorial computation based on the survey results

Results brought up in Table 2 indicate that respondents mostly associate no additional tasks with the role of accountant in the Estonian company, however 21% of respondents are of the opinion that accountant should also give advice to the board members.

In the Table 3 there are listed statements regarding different tasks the accountant should fulfil in the course of everyday work.

Table 3. Tasks and responsibilities the accountant should fulfil during every day work (the respondents were allowed to choose several options)

Type of task	Number of responses	Responses in %
Financial accounting	79	99
Payroll accounting	77	97
Taxation accounting	77	97
External reporting	74	93
Activities related to the management decision-making process	18	23
Managerial accounting	16	20
Social and environmental accounting	9	11
Social and environmental reporting	7	9

Source: authorial computation based on the survey results

The data of the Table 3 clearly indicates that the most common tasks for the respondents seem the ones related to financial, payroll, taxation accounting and external reporting. Social and environmental accounting and reporting seem less common.

Table 4 represents the respondents' opinion regarding accountant competence and everyday working activities.

Table 4. Respondents' opinion on the selected statements in number of responses

Statement	Very often	Sometimes	No
Accountant prepares documents/reports/calculations for the management in order to assist them in the decision-making process	36	37	7
Members of the board ask accountant for an opinion before making the final decision	19	55	6

Source: authorial computation based on the survey results

Results of the survey shown in the Table 4 clearly indicate that rather small amount of respondents – less than 10% stated that accountants should not be participating in decision-making process and never asked about their opinion before the management makes its final decision. Worth attention is the fact that only 24% of respondents indicated that members of the board very often ask accountant for the advice or opinion before making their decisions. Table 5 shows the respondents opinion on the required minimum level of the education required to work as an accountant.

Table 5. Respondents' opinion on the minimum level of accountant's education (the respondents were allowed to choose one option)

Type of education	Number of responses	Responses in %
Bachelor or Master degree in Accounting	32	40
Professional higher education in Accounting	27	34
Vocational school education	16	20
Workshops and trainings in Accounting	5	6

Source: authorial computation based on the survey results

Authors it is very important that respondents outlined the importance of education for the accountant, as only less than 10% stated that workshops and training is and appropriate qualification, more than half of the respondents find it necessary to obtain either Bachelor or Master degree.

Table 6 illustrates which knowledge and skills in respondents' opinion are most demanded during every day work of the accountant in addition to knowledge of financial accounting.

Table 6. Knowledge and skills required by accountant in everyday work (the respondents were allowed to choose several options)

Type of knowledge and skills	Number of responses	Responses in %
Knowledge of laws and legislations	63	79
Financial management - related	56	70
IT-related	54	68
Knowledge of foreign languages	40	50
Personnel and staff related	26	33
Assistant to management related	16	20
Other	4	5

Source: authorial computation based on the survey results

Findings of the survey presented in Table 6 demonstrated that besides knowledge of financial accounting respondents consider most important knowledge of laws and legislations, IT-related knowledge and also knowledge of foreign languages.

Table 7. Personal qualities and characteristics required by accountant in everyday work

Qualities and characteristics	Number of responses	Responses in %
Accuracy	74	93
Analytical skills and logic thinking	73	93
Integrity	73	91
Ability to resist work routine	61	76
Ability to learn	57	71
Responsibility	54	68
Determination	52	65
Ability to resist stress and pressure	46	58
Decision-making and independence	44	55
Cooperation skills	41	51
Communication skills	24	30
Creativity	11	14
Management ability	6	8
Risk Taking	5	6

Source: authorial computation based on the survey results

Table 7 summarizes the opinion of key personal characteristics and qualities of the accountant (the respondents were allowed to choose several options)

It is obvious that most required qualities and personal characteristics of the accountant are: accuracy, analytical skills and logic thinking, integrity, ability to resist work routine and ability to learn and the least demanded turned out to be creativity, management ability and risk taking.

Discussion and concluding comments

The study examined the functions and role of the accountant in the modern Estonian enterprise and to figure out what personal characteristics, knowledge and skills are an inevitable attribute of the modern accounting profession. The findings of the survey confirmed that in Estonia accountant is regarded as a person preparing various types for the management in order to assist them in the decision-making process and sometimes giving valuable advice before the decision is made by the management. Survey also revealed that accounting job today requires various knowledge and skills and the accountant is associated with a highly educated person with good knowledge of information technologies, foreign languages, laws and legislation, routine prone, accurate, determined, ready and able to learn. In conclusion it can be stated that results of the survey clearly outline the demand of high education programmes with accounting specialization in Estonia with the curriculum corresponding to the rapid changes in the modern world. However, it should also be noted that results of the survey are not in line with the latest trends in the modern accounting that accountant should also deal with non-financial reporting and is regarded as a future financial leader of the company. That may be explained by the fact that most companies in Estonia are microenterprises with no requirement for such developments as was also commented by the respondents as largely depending on the type and size of company. Another important issue is that most of the respondents participated in the survey have quite short working experience – less than 5 years, which narrows their perspective in regard to the further developments and major changes in the accounting profession.

This paper also highlights the importance of various knowledge, skills and personal characteristics as a combination for successful everyday work in the field of accounting. The findings also have practical implications for HEI developments targeting renewal, changes and amendments in the business and economics curriculum.

The authors are aware that the study has several limitations. The sample size of the survey is fairly small to make general conclusions valid for companies of all sizes. For the future research authors expect to broaden the scope and attract students specializing in different fields of economics, business and management.

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