

STUDY WITHIN THE COMPANIES IN CENTRAL REGION REGARDING THE QUALITIES AND PROFESSIONAL DEVELOPMENT REQUIRED OF MANAGERS AND ADMINISTRATORS IN THE LIGHT OF CAPITALIZING THE ACCOUNTING INFORMATION

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Abstract

Often, numbers are "an impediment" for those who own or run a business. We live in a world where the numbers lead us, direct us, and in the light of the economic environment this is something natural. Managers' or administrators' expectations are high regarding the work of professional accountants. But are they really justified? To some extent, yes, but not from the perspective of providing information, but especially from the desire to achieve certain results. However, it must be had in mind that those desired outcomes are related to the comprehension of information capacity, with a desire to get them, to know them, to use them. Starting from these premises, the article aimed at analyzing the perception of qualities and professional development, required to managers and administrators in terms of capitalizing the accounting information. The study was conducted on a sample of economic entity in the Central Region, based on survey-type direct research.

Key words: *accounting information, financial-accounting filed, managers / administrators, training courses.*

JEL Classification: *M40, M53*

I. INTRODUCTION

To achieve its objectives, managers must take into consideration the capitalization of accounting information. Financial position, performance, financial stability, profitability, profit, risk, cost, are just some of the main, current and future issues that need to determine the permanent attention of managers (Ciuhureanu, 2009). To survive in the business arena, the development, but also using a set of methods, instruments, practices and standards in accounting are required, that contribute to the analysis of accounting information for a healthy and balanced general management. And to emphasize the need for accounting information to be approached by the opportunities of capitalization, managerial utility and its limitations, we quote Winston Churchill, Prime Minister of the United Kingdom in World War II, who said: „The further you look back behind, the farther you will see forward” (www.cum-se-scrie.ro).

After the study of literature in management, most experts address organizations through the five functions: research-development, production, trade, finance and accounting, staff (Nicolescu and Verboncu, 2008; Nicolaescu and Verboncu, 1999; Van Vliet, 2011). We will not present them because they are very well treated in various papers. But what is the link between the theme of the paper and these functions? We believed that this is obvious by the fact that no matter what it is wanted to be achieved in an organization, the chances of success are minimal without understanding the accounting information. From this perspective it appears absolutely necessary for the manager to pay particular attention to the financial and accounting functions, to reserves an important place in the managerial scoreboard and the decision-making process (Bogdan, 2004; Bogdan 2002). Also, the accounting information can be found in each of the management's functions (Cunningham, Nikolai et al, 2012). Whether it is foresight, organization, coordination, training or control, managers or administrators need the accounting information for decision making. Therefore, the capitalization of information is required.

It is perfectly true that it can be said that there are professional accountants. But how could professionals provide the necessary information, under written form, so that they can be understood and used by managers or administrators? This raises the question of managers' and administrators' interest in this area because, if there is no interest in knowing the economic and financial realities, we can not discuss of the benefits of capitalizing the accounting information for management. Thus, it is imperative that managers possess knowledge in finance and accounting at least from the perspective of understanding technical terms, to realize the importance of having this information for the good of the business, to be trained to meet the responsibilities especially because it must be an example for all employees (Adkin, Gordon, Leighton, 1999; Buta, 2015).

II. METHODOLOGY OF RESEARCH

To support the article and achieve its purpose, the research method is the survey, the research being framed, as presented in various specialty treatises, in the category of quantitative selective research, the direct research method being used (Cătoiş et al, 2009). The presented component in the article and for which a central objective – Q_1 Analysis of the perception of qualities and professional development, necessary to managers and administrators from the perspective of capitalizing the accounting information – and two secondary objectives $Q_{1.1}$ Analysis of the secondary variables on the financial-accounting knowledge by managers / administrators, $Q_{1.2}$ Analysis of managers / administrators interest to improve in the financial-accounting field, depending on the companies' category – were established is part of a wider research, based on a technical support - questionnaire constructed to achieve several objectives. Following establish core objectives and key assumptions relating to quantitative selective type survey research, we realized operational definition of variables (v35 / Multiple choice / 5 steps Likert scale, v36 / Multiple choice / Closed, with one answer) necessary to achieve the research purpose and in accordance with the objectives identified and established the main hypothesis (IP_1 – Top managers and administrators have largely knowledge in financial accounting and there is interest to participate in training courses) and second hypotheses (IS_1 – Owning financial-accounting knowledge by managers / administrators varies depending on the category of companies, form of capital and area of activity, IS_2 – Managers / administrators interest for improvement varies according to the category of companies, the most interested being within large companies).

To mitigate research limitations derived from non-responses, the questionnaire was addressed to managers / administrators, noting that identification data of respondents were not required. Defining and building the sampling base was done using data from the National Statistics Institute by the County Departments of Alba, Braşov, Covasna, Harghita, Mureş and Sibiu. The number of valid questionnaires was 301, generating a response rate of 42.16% and a margin of error of $\pm 5,63\%$ (Ciuhureanu, 2014; Ciuhureanu, 2015).

III. RESULTS OF THE RESEARCH

A first analysis aimed to determine the extent to which the managers / administrators are knowledgeable in financial-accounting filed. For this, the operational variable v35 was formulated in the questionnaire.

After processing the raw data, we find that the opinions on the degree of having knowledge in the financial-accounting field by managers / administrators are distributed somewhat similarly on the whole scale, a higher share (35,22%) being for the category “neither to a small, nor a large extent.” The level of knowledge in financial-accounting field is high for only 13,95 of the managers / administrators of companies surveyed and only a share of 10.30% benefit from extensive knowledge in this field (this is the lowest share of the scale).

We believe that this situation should be rectified given that companies must have a management team to ensure their economic viability and for this, the financial accounting knowledge is essential. In a comment posted online on the website www.moneyinstructor.com, a user said that, „without accounting information, business is like a fish out of water” and given that we have achieved a score of 2,75 on the degree of having knowledge in the financial-accounting field by managers / administrators how are businesses run? Perhaps on instinct and from day to day.

For deeper analysis and drawing the most relevant conclusions, we also realized the combination depending on the category of companies (v35 with v2 - table 1), filed of activity (v35 with v1 - table 2) and form of capital (v35 with v4 - table 2) within the secondary objective $Q_{1.1}$ - Analysis of the secondary variables on the financial-accounting knowledge by managers / administrators.

Table 1. Depending on on the company's category

Level of knowledge	Category				Total %
	micro	small company	middle-sized company	big company	
to a very little extent	32,43	10,71	0,00	0,00	18,94
to a small extent	32,43	16,67	5,77	0,00	21,59
neither to a small, nor a large extent	29,05	65,48	15,38	0,00	35,22
to a large extent	0,68	2,38	65,38	29,41	13,95
to a great extent	5,41	4,76	13,46	70,59	10,30
Score	2,14	2,74	3,87	4,71	2,75

From the analysis of information obtained depending on the company's category, association, the dependence between variables can be noticed again. Thus, in large companies, the management staff has specific knowledge management to a very large extent (70,59%) or to a large extent (29,41%) and medium-sized companies recorded a situation quite similar to changing the majority's share (65,38 %) for the “to a large

extent” option and the emergence of low percentages for the “to a small extent” (5,77%) and average (15,38%). As the size of companies decrease, the share of managers / administrators who are not trained in financial-accounting field increases (e.g. micro entities, 64,86% of respondents believe that they have this knowledge is very small or small extent).

Table 2. Depending on the area of activity and according to the form of capital

Level of knowledge	Area of activity				Form of capital			Total %
	commerce	industry	services	agriculture	Romanian capital	Foreign capital	Mixed	
1	21,31	14,67	20,00	20,00	24,05	0,00	0,00	18,94
2	19,67	4,00	31,61	10,00	27,00	0,00	2,44	21,59
3	37,70	49,33	28,39	20,00	35,86	26,09	36,59	35,22
4	14,75	14,67	12,26	30,00	7,17	39,13	39,02	13,95
5	6,56	17,33	7,74	20,00	5,91	34,78	21,95	10,30
Score	2,66	3,16	2,56	3,20	2,44	4,09	3,80	2,75

The analysis by area of activity does not show a majority for any domain on the scale of classification to a certain option, which leads us to conclude that the connection is not obvious. But we can notice that the industry recorded the lowest shares for having the knowledge to a limited extent (14,67% - to a very small extent, 4% - to a small extent) while for services most opinions fall into the two mentioned levels (51,61%).

We considered it relevant to make an analysis based on the form of capital. It is known that companies with foreign or mixed capital pay special attention in recruiting staff in the management team, a process that may take even a year. This does not mean that companies with Romanian capital are not or may not be as serious. In the end, the purpose of any business is profit-driven and for this the management team is essential. Let us remember that profit is an indicator or accounting information encountered in the profit and loss account. Therefore, at least to study this component of financial statements, certain financial and accounting knowledge are required.

Looking at the results for this association, we conclude that only for 5,91% of the Romanian capital companies managers have the related knowledge in very large extent. At first glance, it would not be a big deal, but in reality it is because for the option “to a large extent”, the percentage is very low, being only 7,17%, especially given that 51,05% of respondents included in this category considers that the level of knowledge is low or very low. Regarding companies with foreign capital, the situation is different for the majority (73,91%), the degree of having the knowledge being high or very high. We conclude that there is a link between the companies’ form of capital and the degree of having specific financial-accounting knowledge by the management team. On the basis of those presented within the associations between variables, the secondary hypothesis IS_1 – *Financial-accounting knowledge by managers / administrators varies depending on the category of companies, the form of capital and the area of activity* is confirmed.

As observed from the data obtained by v35, knowledge that managers / administrators have in financial-accounting are quite precarious. To know the availability of managers / administrators *to participate in specialized / training courses in finance and accounting*, v36 operational variable was formulated and for a thorough study we have formulated the specific objective $Q_{1.2}$ - *Managers / administrators interest analysis to improve in the financial-accounting field, according to the category of companies*, for whose achievement we associated v2 with v36 (*company’s category*). The information obtained is shown in tables 3 and 4.

Table 3. Managers / administrators take part in specialized / training courses

Opinion	Frequency	Percentage	Valid percentage
Yes, they are interested and they participate, at the expense of the company, whenever required	29	9,63	9,63
Yes, they are interested and they participate regularly, according to the budget	33	10,96	10,96
Yes, they are interested and they participate, but the company does not bear the costs	18	5,98	5,98
They are not interested in participating in such courses	221	73,42	73,42

Unfortunately, data processing analysis shows that most managers / administrators (73,42%) are not interested in participating in training courses in finance and accounting, irrespective of the costs incurred. For a share of just 5,98% of the respondents, it is important to be aware of financial-accounting field, attending courses organized at their own expense. For 10,96% of the companies surveyed there is a budget according to which participation is organized and in the case of 9,63% of the companies, participation with the bear the costs associated is done whenever managers / administrators request it.

Depending on the category company analysis showed that in the vast majority of large companies (82,35%) management personnel is trained, according to the budget, a situation which we consider normal. In contrast, to most other categories of companies, disinterest for attending prevails, leading to the validation of the

specific hypothesis *IS₂ - Managers / administrators interest for improvement varies according to the category of the companies, the most interested being within big companies.*

Table 4. Managers' availability to attend specific courses, depending on the company's category

Attending	Category				Total %
	micro	small company	middle-sized company	big company	
Yes, on the expense of the company, whenever required	9,46	10,71	7,69	11,76	9,63
Yes, according to the budget	4,73	4,76	15,38	82,35	10,96
Yes, on their own	4,05	9,52	5,77	5,88	5,98
Not interested	81,76	75,00	71,15	0,00	73,42

Based on the obtained score (2,75) and on the other conclusions, we can only notice a sad reality and invalidate the hypothesis (*IP₁ - Top managers have largely financial-accounting knowledge and there is interest in attending improvement / training courses*) provided that, through another variable of the research, we noticed awareness to a great extent by respondents of the importance of accounting information in business development in various analyzes of activity and results, in adoption decisions etc. Therefore, we believe that a limitation of the accounting information capitalization comes from the lack of expertise.

IV. FINAL CONCLUSIONS

The results obtained from processing the data showed that managers and administrators of companies generally have a relatively low level of knowledge in the financial and accounting field. Due to a permanently-changing economic environment, amid the constant problems and controversies arising in economic field and not least in the context of a fierce competition in a market where only the most adaptable and informed resists, we believe that improving specific knowledge in the financial and accounting domain should be the priority of the management team of the entity. The research has revealed that the level of knowledge depends on the companies' category, form of capital and scope. Unfortunately, it has also been highlighted a lack of interest for participation in continuing education/training courses in financial and accounting field, irrespective of who bears the costs incurred. (Ciuhureanu, 2015). It is very simple that, in using the accounting information, we point the finger at the professional accountant. Do managers / administrators have no responsibility in this regard? Of course they do, not only through the request for information but also in terms understanding this information. As an expert accountant, I noticed that many customers do not understand what is being explained on the accounts, the indicators presented in the financial statements. I wondered whether I have the ability to present and explain and to give me an answer and I applied tests with people who are knowledgeable in financial accounting. They understood the explanations! Thus, managers, in order for the accounting information to be useful, you should seek for answers, information, participate in specific programs of the domain and not least the most important to ask, because „it is not a shame to not know, it is a shame not to ask”.

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