

NAVIGATING EVOLVING LANDSCAPES: A PRACTICAL ANALYSIS OF ACCOUNTANT'S PROFESSIONAL COMPETENCE IN UPDATED TRENDS

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Abstract. *As the accounting profession continues to evolve in response to technological advancements, regulatory changes, and shifting business landscapes, this article aims to explore the updated trends for accountant's professional competence drawing parallels with practical considerations of experts within the field. Using a content analysis method, the study draws insights from a meticulously conducted questionnaire, providing a comprehensive overview of the accountant's professional competence deemed crucial by accounting experts in navigating the dynamic challenges of today's financial environment. The findings shed light on the practical implications of accountant's professional competence, offering valuable insights for both aspiring and seasoned professionals seeking to stay abreast of the rapidly changing trends in the accounting domain.*

Keywords: *accountant, environment, professional competence, updated trends*

Introduction

International Federation of Accountants (IFAC) highlighted the evolving landscapes in accountant profession by contributing to the development of high-quality standards and guidance, facilitating the adaptation and implementation of them, emphasizing the transformation of professional competence aspect in updated trends, where the creating value is in the role of professional accountants (International Federation of Accountants (IFAC), 2015). For any professionals, including accountants, adherence to high-quality standards and guidance is crucial, while the professional competence is not limited to only this.

According to the World Bank report, professional competence is an essential component of the accounting profession. It covers the core knowledge in the field, emphasizing the core skills and competences in order to fulfil the main responsibilities in a proper way. While the accounting field is continuously changing in today's fast-paced world, as new laws and technologies are introduced. Therefore, in order to stay relevant and competitive, accountants have

to maintain an up-to-date level of professional competence (Hodge, Kabuya, Begtasevic Rudalija, 2019).

As the ability to carry out relevant tasks with a predetermined level of proficiency in the real world is called competence. While the specified proficiency cannot be attained by only knowledge and understanding, the necessary practical experience should be gained, applying the unique skills and traits in an effective manner afterwards. Moreover, professional competence in the accounting context refers to the capacity to exhibit the values, ethics, and attitudes, as well as technical and professional skills, at a proficient enough level in a way that satisfies the needs and expectations of employers (Borgonovo, Friedrich, Wells, 2018).

So, there is a need to transform the preparation process of accountants, following the current changes in the world and economy (Orban, Kiss, Bacs, 2016), the updated trends and perspective (Cunha, Martins, Carvalho, Carmo, 2022) and how to be prepared for these future challenges (Sangster, 2022) and global shifts (Oladele et al., 2021) and be equipped with the necessary skills for a changing industry (Tandiono, 2023), paying special attention to the professional competence of accountants.

Moreover, the primary tenets of the preparation of accountants should cover the corresponding knowledge and understanding of the field, while offering new practical knowledge and up-to-date information, emphasizing the role of digital solutions (Orban, Kiss, Bacs, 2016).

Using a content analysis method, the study draws insights from a meticulously conducted questionnaire, providing a comprehensive overview of the accountant's professional competence deemed crucial by Latvian accounting experts in navigating the dynamic challenges of today's financial environment. The findings shed light on the practical implications of accountant's professional competence, offering valuable insights for both aspiring and seasoned professionals seeking to stay abreast of the rapidly changing trends in the accounting domain.

Literature Review

In the dynamic landscape of the accounting profession, firstly, there is a need to specified the core requirements, forming its competence. The concept of competence offered by Cambridge University Press & Assessment was used for the current study. Specifying it as the ability to integrate and apply contextually-appropriate knowledge, skills and psychosocial factors (values, attitudes, etc.) to consistently perform successfully within a specified domain (Vitello, Greatorex, Shaw, 2021).

So, by forming the theoretical background for the research the articles covering the professional competence of accountants were analysed, specifying knowledge, skills, values and attitudes.

Table 1 **Generalization of Professional Competence of Accountants** (created by authors)

Authors/Year	Type of analyses/number	Core findings
(Rufino, Payabyab, & Lim, 2018)	125 questionnaires	Accounting and finance knowledge (financial reporting, statements; accounting standards); organizational and business knowledge (problem solving); information technology knowledge and general knowledge; interpersonal skills; communication skills (oral/writing); intellectual skills (creativity, objectivity, accuracy);
(Borgonovo, Friedrich, Wells, 2018)	6 case studies (Poland, Serbia, South Africa, the Philippines, Ghana, Palestine)	Competency framework: Knowledge topics (standards); competency statements and levels of proficiency; competency domains (accounting, audit, strategy, communication)
(AICPA & CIMA, 2022)	130 organisations (14 countries) - face-to-face interviews; round tables in 20 countries; ~ 5,000 responses to online survey	Accounting competency framework was formed: digital skills (digital literacy, data processing); technical skills (financing, accounting, law); business skills (management, problem-solving, analytical thinking); leadership skills (continuous professional development) and people skills (communication, collaboration), emphasizing ethics, integrity and professionalism
(Tandiono, 2023)	20 studies	accounting industry is being impacted by continuous advancements in information and communication technology; up-to-date accounting curricula; potential of AI; digital transformation
(Elo et al., 2023)	20 studies	Technical skills and knowledge (financing, accounting knowledge, juridical knowledge, research skills; computer, information technology, data processing skills; interpersonal, social and communication skills; intellectual skills (problem-solving, critical thinking, analytical thinking, logical skills); other professional skills (continuous learning, flexibility, creativity, objectivity, morality).

Rufino, Payabyab and Lim (2018) highlighted three core elements of accountant professional competence: knowledge, skills and values (Rufino, Payabyab, & Lim, 2018). While, in 2022 the Association of International Certified Professional Accountants updated 2019 Competence Framework for accountants, placing digital skills in the centre and listing four other skills as technical (finance management), business, leadership and people skills (interpersonal attitudes),

highlighting additionally such values as ethics, integrity and professionalism (AICPA & CIMA, 2022). Moreover, Elo, Pätäria, Sjögréna, and Mätt in 2023 emphasized the transformation of accounting work, that influenced the professional competence accordingly, adding corresponding digital transformation requirements (Elo et al., 2023).

In the context of current study, a generalization of the literature analyses is presented in Table 1, emphasizing core criteria and indicators for the professional competence of accountants.

By drawing parallels of the specified authors and following the competence concept mentioned above, the list of knowledge, skills, values and attitudes of professional competence of accountants was developed forming the theoretical framework for the study. This provides a comprehensive understanding of the professional competence required within the account domain (see Figure 1).

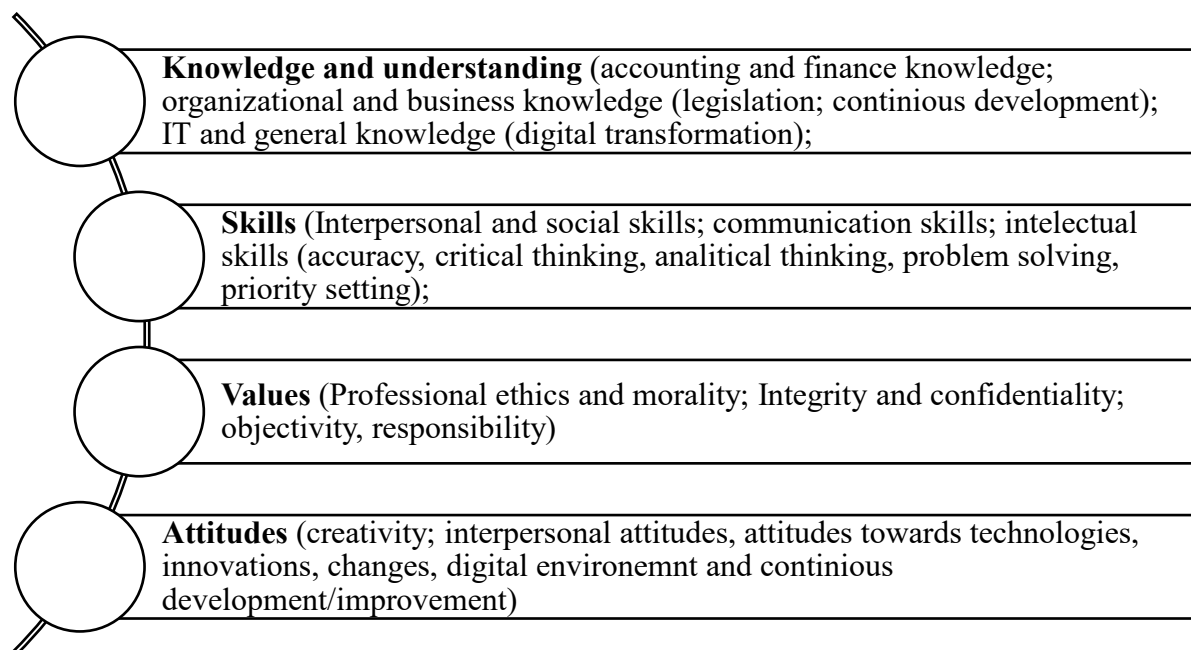


Figure 1 *Framework of Accountants' Professional Competence* (created by authors)

As in today's rapidly evolving business landscape the integration of IT is inevitable making IT competence indispensable for professional accountants (Damasiotis et al., 2015). While, failing to integrate IT into accounting education and daily work creates a significant gap, leaving aspiring accountant not-prepared to navigate the modern digital landscape (Kroon, Alves, 2023).

Besides this Artificial Intelligence (AI) offers accountant a multitude of benefits, including enhanced efficiency through automation of repetitive tasks like data entry and reconciliations, improving accuracy in financial reporting and analyses (Cunha, Martins, Carvalho, Carmo, 2022) and offering predictive

analytics, identifying trends and patterns needed for strategic planning and risk management (Tandiono, 2023).

Thus, the reshaping of accountant curriculum is imperative to equip future professionals with the essential skills and knowledge required in an era dominated by technological advancements like AI, offering the corresponding study programs for digital literacy and effective data analytics (Sangster, 2022).

Research Methodology

The current study is based on non-experimental mixed research design, related to the analyses of quantitative and qualitative data on accountants' professional competence. The survey was conducted in November 2023 – January 2024. Eleven experts from accounting field with professional experience more than seven year took part in the survey. The specifics of account work – private or public – were not considered.

The questionnaire consisted of two sections. Section 1 was grouped following the above-described theoretical framework. 28 indicators were offered for evaluation in accordance to Likert scale (from 1 – not important to 5 – significantly important) for the four core categories: knowledge/understanding, skills, values and attitudes. Each specified category included seven indicators. While, Section 2 included five open-ended questions concerning the additional requirements for the same four categories and one question about the current educational offer for accounting studies.

One technique for gathering qualitative data is the open-ended question method. Determining the narrative's meaning by delving into it is the aim of qualitative analyses. This is why the content serves as the foundation for the analysis. According to Kroplijs and Raščevska (2004), there are three steps involved in qualitative coding: content unit (specific and concrete), category (general, abstract and expressed in scientific language), and concept (scientific, related to theory) (Kroplijs, Raščevska, 2004).

Research Results

The survey results reflect the insights of eleven accounting experts, each possessing over seven years of practical experience. 9 women and 2 men took part in the survey, presenting Latgale (9), Vidzeme (1) and Zemgale (1) regions. It is important to indicate that 3 respondents are connected with the teaching process of accountants. The demographic variable of respondents' age varies from 28 to 60 years old. 28 indicators were listed in Section 1 of the questionnaire. The data were coded using a 1-5 Likert scale to measure respondents' perceptions and attitudes towards the offered statements. The data obtained are reflected in Table 2, showing MEAN value as a central tendency.

According to the survey data, the highest total mean was observed for Category III – 4,79; while the lowest for Category I – 4,43. The overall mean of the survey was 4,62. In addition, the highest index of 5,00 was observed for three indicators: Legislation from Category I, Accuracy from Category II and Responsibility from Category III.

Table 2 *Questionnaire Section 1 Data Analyses (made by Authors)*

Indicators	MEAN N=11
I. Knowledge/ Understanding	
1.1. Accounting Standards	3,73
1.2. Implementation of Regulating Standards	4,18
1.3. General business management	3,91
1.4. Finance	4,73
1.5. Legislation	5,00
1.6. Continuous professional development	4,82
1.7. Digital transformation	4,64
II Skills	
2.1. Programming literacy	4,91
2.2. Accuracy	5,00
2.3. Effective communication	4,45
2.4. Critical thinking	4,55
2.5. Problem solving	4,36
2.6. Priority setting	4,73
2.7. Analytical thinking	4,91
III Values	
3.1. Ethics	4,73
3.2. Morality	4,55
3.3. Integrity	4,82
3.4. Confidentiality	4,82
3.5. Objectivity	4,73
3.6. Responsibility	5,00
3.7. Professionalism	4,91
IV. Attitudes	
4.1. Creativity	4,00
4.2. Interpersonal attitudes	4,36
4.3. Attitudes towards technologies	4,91
4.4. Attitudes towards innovations	4,64
4.5. Attitudes towards changes	4,55
4.6. Attitudes towards digital environment	4,73
4.7. Attitudes towards continuous development/ improvement	4,73

The described statistics showed the high evaluation of the specified categories and indicators, that are important for the work of accountants. While enlarging the offered framework Section 2 of the survey was offered. The data are

presented in Table 3, 4, and 5, following the described methodology of content units, categories and concepts. Total five open-ended questions were specified.

Table 3 Content Units, Categories and Concepts -Q1 (made by Authors)

Content Unit (specific, concrete)	Category (general)	Concept/Definition (scientific)
Q1 - What additional knowledge do you need to acquire to improve your work in the field of accounting?		
e-document management, digital transformation	Information and communication technologies (ICT), AI, Different Programs	ICT
Knowledge of IT technology, data security		
Benefits of AI, software, plugins and addins that help in daily work and be combined with existing software. Digital marketing, Adobe Illustrator, Canva apps to create visually appealing reports		
Mastering various computer programs		
Knowledge of Law	Knowledge of Law	Law
Application of legislation		
Law		
Following legislative changes	Knowledge of risk management	Risk management
Knowledge of Risk assessment		
Knowledge of Risk management	Recordkeeping	Recordkeeping
Appropriate recordkeeping		
Knowledge how to prepare of reports		

In accordance to Table 2 the basis of professional competence is founded on knowledge and understanding of primary tenets like standards, legislation and continuous professional development. While open-ended question offered additional insights for a deeper understanding of the multifaceted nature of professional competence among accountants (see Table 3). Besides general business management the risk management aspect should be considered, emphasizing the role of ICT.

The same principle applies across other categories as well. For skills, ICT is categorized under digital skills, repeatedly emphasizing its importance (see Table 4). While the inclusion of foreign language skills represents a novel addition to Section 1, as a fresh perspective on the spectrum of required competencies.

Table 4 Content Units, Categories and Concepts -Q2 (made by Authors)

Content Unit (specific, concrete)	Category (general)	Concept/Definition (scientific)
Q2 - What other skills are important to be successful in accounting today?		
Everything happens computerized, new reporting systems appear, therefore, besides basic knowledge of accounting, computer skills are very important	Digital skills in computerized environment (e-working)	Digital skills
Very important computer skills, programming		
The ability to adapt, including digital aspect		
Digital skills (e-working)		
Unambiguously digital skills, working with technology, a good intuition to be aware of the nuances of accounting in the company, to which to draw the attention of the parties involved on a daily basis, for example, when making transactions, to pay attention to special circumstances, executing correctly		
Time planning and monitoring, controlling the work of time (using programs Deskttime, Harvest, etc.).	Time planning/time management skills	Time management
Time management skill		
Concentration in work, timing		
Effective and successful communication	Effective communication skills	Communication
Skills to communicate with customers		
foreign language skills for project writing to attract additional funding to the organization	Foreign language skills	Foreign languages

Table 5 presents additional values and attitudes, enriching the comprehensive understanding of professional competence beyond conventional metrics.

The following additional indicators were listed based on general concept of professional competence of accountants: adding ICT, law, risk management and recordkeeping to Knowledge and Understanding; adding digital skills, time management, communication and foreign languages to Skills. While listing the same values and attitudes, emphasizing honesty and responsibility as well as attitude to professional development, changes and creativity.

Table 5 Content Units, Categories and Concepts -Q2 (made by Authors)

Content Unit (specific, concrete)	Category (general)	Concept/Definition (scientific)
Q3 - What values are desirable to acquire in order to become a better accountant?		
All of the above values are important in the work of an accountant	Same values as listed in Section 1, emphasizing honesty and responsibility	Honesty Responsibility
Professionalism, responsibility, cooperation		
Honesty and responsibility		
Must be honest and conscientious, almost scurrilous. The red signals cannot be ignored, either in the financial or related matters		
Honesty, confidentiality, responsibility		
All mentioned values in the first part		
Honesty, responsibility		
Attitude to improvement, quality communication and interpersonal attitudes	Quality in work and communication	Quality
Follow the basics and improve, follow the changes in legislation, understand the client's activities, good communication with the client and the SRS, a creative approach and positive attitude to work		
Q4 - What attitudes do you think are the most essential to become a good accountant?		
Interpersonal attitudes, attitudes towards technology, e- environment	Same attitudes as listed in Section 1, emphasizing attitudes towards professional development and changes, creativity	Creativity Attitudes towards professional development Attitudes towards changes
Attitude to professional development, constantly attend seminars, participate in refresher courses		
Attitude to professional development		
Motivation at personal, state and entrepreneurs' level		
Attitude to change, quick adaptation		
Quick adaptation		
Attitude to changes, creativity		
Creative approach is important		

The last open-ended question (Q5) was about accounting education. So, regarding the training offer for accounting studies, several aspects were mentioned to ensure the preparation of highly qualified specialists in the accounting field, these are:

- a lot of practice;
- to bring theoretical training closer to real working conditions;
- to involve practicing accountants in this process;
- to show more real-life examples while studying;

- to implement new/innovative approaches, including effective use of ICT;
- to adopt study programs to changing world and working conditions;
- to emphasize the need for digital skills, including programming and artificial intelligence.

Conclusions

In conclusion, the present study has provided a comprehensive review of the criteria and indicators forming the framework of professional competence of accountants within practical consideration of experts. Section 1 of the survey presented statistical data on established metrics corresponding to knowledge and understanding, skills, values and attitudes. Building upon these foundational insights, Section 2 of the survey delved into additional indicators to each specified criterion highlighted by experts, expanding the scope of understanding beyond traditional measures, emphasizing the role of information and communication technologies and digital skills. The qualitative insights complemented the quantitative findings.

Furthermore, the aspect of training offer for accounting studies in Latvia perspective was covered in Q5. This nuanced perspective underscored the multifaceted nature of professional competence in the field of accounting, emphasizing the need of practice and bringing theoretical training closer to real working conditions.

By synthesizing both quantitative statistics and qualitative observations, this article offers a holistic perspective on the diverse dimensions of professional competence in updated trends, emphasizing the role of ICT, including AI and the importance of digital skills to stay abreast of the rapidly changing pattern in the accounting domain. In light of these findings, it is imperative for interested parties in the accounting field to consider the multidimensional approach to fostering professional competence among practitioners. This may involve the enlargement of traditional metrics by new or innovative approaches, reflecting the evolving landscape of the accounting profession.

While this article has provided valuable insights into the criterion and indicators of professional competence of accountants, it is essential to acknowledge certain limitations that may affect the interpretation and generalizability of the findings. Firstly, the number of origins used to form the theoretical background of the survey, where the corresponding frameworks were developed. Secondly, the size of study sample may have been limited, potentially affecting the representativeness of the results. Finally, the contextual factors of the study setting must be considered, as the findings may not be applicable in general context of professional competence, only accounting domain.

Despite these limitations, the study provides valuable insights into multifaceted nature of professional competence of accountants, navigating evolving landscapes of the field and highlighting the need for further research concerning the transformation of accounting training offer in response to global shifts.

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