

Evaluation of Accountants' Performance: The Case of Vietnam

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Abstract

This study is conducted for evaluating accountants' performance of firms doing business in Vietnam. Based on literature review and interview's results, dependent variable of accountants' performance includes four attributes. Having descriptive analysis, Cronbach's Alpha, Independent T-test, ANOVA for measuring performance of accountants in firms in Vietnam. The results show that performance of accountants achieved an average of 3.87, Cronbach's Alpha coefficient with greater than 0.6; evaluation of the performance of accountants of other units in firms and its evaluation of accounting unit itself is different, differences in evaluating performance of accountants from chief accountants, general accountants and accountants. Based on the findings, some recommendations are given for improving accountant performances of firms doing business in the context of Vietnam.

Keywords: Performance, Accountants, Vietnam

1. Introduction

Under Accounting law No. 88/2015/QH13 approved by Vietnam National Assembly states that accounting is understood as the collection, processing, examination, analysis and supply of economic and financial information in the form of value, kind and time of work. The quality of human resources in accounting field greatly influences corporate reputation and development (Nguyen, 2014). The quality of accounting information provided to management of an entity depends on determinants including accountants' performance (Do and Nguyen, 2016). Achievements of the economy in the past decades of innovation had the contributions of people doing accounting, auditing, in which performance of accountants is one of the indicators that have a great impact on the quality of human resources of accountants.

In this research, we employ a qualitative method basing on in-depth interviews with five lecturers who have extensive experiences in accounting of the leading universities in the area of Hanoi such as National Economics University, University of Labor and Social Affairs, and Dai Nam University. At the same time, we interviewed six experts working as Chief Accountants, and general accountants in Vietnam groups. Based on the results of qualitative research and the inheritance of previous studies, we undertook quantitative research that is to develop and test scales of component attributes, thus providing some recommendations to improve the performance of accountants at an entities.

2. Literature Review

Babin and Boles (1998) affirmed the performance of an individual's labor productivity measurement compared to colleagues at the same level, measured on job-related behaviors and outcomes. Allen and Griffeth (1999) suggested that an individual's performance measure the performance of an individual's performance against an expectation or sets of organizational goals. Motowidlo (2000) divided the evaluation of the accomplishment beyond the specific task assigned into two subsections as (i) dedication - demonstrated in a spirit of hard work, commitment to the organization; (ii) relationship in work - expressed in attitude, spirit of cooperation, colleagues' supports.

Hsu & Chiu (2004), also divided the performance of an individual's labor into two sections: (i) Task performance, (ii) Contestual performance. In particular, task performance is the assessment of how well a person performs the task assigned. The completion of other tasks that are better for the organization. Contextual performance is expressed in enthusiasm, cooperation in the workplace, the process of implementing the rules and procedures in the organization.

Performance of staff by Yavas et al. (2013) in the field of banking are divided into two parts: (i) Psychological Outcomes: indicating how well bank employees are satisfied with their work, their level of job stress and their commitment to the organization; (ii) behavioral outcomes: expressed in job retrenchment rates and job completion outcomes according to employee job descriptions. Yavas et al. (2013) divided the results of the work as (i) In-Role Performance and (ii) Extra-Role Performance after conducting a direct staff interview

with clients working at 21 Retail bank in the northern part of the Republic Caicos Islands and of Turkey. Gibbs et al. (2013) divided the performance of banker' employees into two parts: completing the assigned tasks and completing other tasks.

In the context of Vietnam, Hoang (2015) stated staff performance is measured by work-related behaviors and results. This result can be quantified in terms of productivity and attitudes to accomplish the task compared to the plan delivered, compared to expectations, relative to peers, or to the underlying role of the individual in the organization. However, this study was conducted in the banking sector. The results of the research work in the field of enterprise accounting are primarily the fulfillment of accounting tasks assigned under Accounting Law No. 88/2015/QH13, namely collecting and processing information, accounting data by object and content of accounting work, according to accounting standards and accounting regime; to inspect and supervise financial revenues and expenditures, obligations to collect and pay debts; to inspect the management and use of assets and sources of asset formation; detecting and preventing acts of violating the legislation on finance and accounting; analysis of accounting information and data; to advise and propose solutions to the management and economic and financial requirements of the accounting units; to supply accounting information and data according to the provisions of law (Do and Nguyen, 2016).

In addition, the results of the work done by the accountants are shown by complying with the rules, processes of the organization; long organizational commitment, the rate of resignation is low (Do & Nguyen, 2016, Do et al., 2018). They also pointed out two determinants of Vietnamese accounting standards and tax law affecting performance of accountants at the businesses in the context of Vietnam. Since then, They asserted the role of evaluating the performance of accountants. However, this study has not conducted the analysis, evaluation and measurement of the performance of accountants in a specific way and this study is limited to the sample and the object of the survey is not diverse.

3. Research Methodology

Based on the prior studies and results of qualitative research through expert interviews, we conduct inductive method to verify, adjust and add attributes in questionnaires for collecting final data of the research.

Inheriting the results conducted by Hoang (2015), Do and Nguyen (2016) and using qualitative research methodology through interviews with experts, we identify performance of accountants (KQ) including four attributes as:

- (i) KQ1: The fulfillment of accounting tasks assigned under Accounting Law
- (ii) KQ 2: Compliance with rules, processes of the organization
- (iii) KQ 3: Strong organizational commitment
- (iv) KQ 4: Low resignation rate

Then, we conducted a questionnaire consisting of 4 variables with a 5-point Likert scale from 1 "not totally agree" to 5 "fully agree". The method of data collection was done through the survey and subjects are accountants, board of directors, sales units, human resource units in firms doing business in Vietnam. We sent 300 questionnaires and received the feedback of 280. After checking the information on the votes, there are 255 questionnaires with full information for data entry and analysis, the size of this sample is consistent with study of Gorsuch (1983).

This study analyzes, evaluates and measures the performance of accountants at businesses. We used both qualitative and quantitative approaches for analysis data. SPSS is a tool to support us to have descriptive statistics, Cronbach's Alpha, Independent T-test and ANOVA for evaluating and measuring accountants' performance.

4. Results

Information of data collected is shown in Table 1 and Table 2 as below:

Table 1: Respondents by Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	48	18.8	18.8	18.8
	Female	207	81.2	81.2	100.0
	Total	255	100.0	100.0	

Table 2: Respondents by Jobs

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Board of Directors	5	2.0	2.0	2.0
Sales	12	4.7	4.7	6.7
Accounting staff	115	45.1	45.1	51.8
General accounting	68	26.7	26.7	78.4
Chief accountant	22	8.6	8.6	87.1
Skills	3	1.2	1.2	88.2
Personnel	18	7.1	7.1	95.3
Manufacturing	12	4.7	4.7	100.0
Total	255	100.0	100.0	

Data in Table 1 and Table 2 show that among the 255 respondents, male accounted for 18.8%, while the remaining 207 were female, accounting for 81.2%. Of these, 205 respondents from the accounting department accounted for 80.4%; of which 22 worked as chief accountants, accounting for 10.7%; 68 accountants accounted for 33.2%, accounting staff accounted for 56.1%; 50 respondents from other divisions in the business accounted for 19.6%.

Table 3: Descriptive Analysis of Attributes of Accounts' Performance

Attributes	N	Min	Max	Mean	Std.
					Deviation
The fulfillment of accounting tasks assigned under Accounting Law (KQ1)	255	2.0	5.0	3.86	.799
Compliance with rules, processes of the organization (KQ2)	255	1.0	5.0	3.92	.794
Strong organizational commitment (KQ3)	254	2.0	5.0	3.87	.813
Low resignation rate (KQ4)	255	2.0	5.0	3.82	.781
Valid N (listwise)	254			3.87	

Data in Table 3 illustrate that the respondents agree with the dependent variables of "performance of accountants" including four attributes are quite high, there is an average of 3.87144 compared to the highest of the Likerts 5-point scale. All 4 attributes are rated at an average of 3.8 or higher.

Testing Cronbach's Alpha

Performance of accountants is measured by the Cronbach's Alpha with coefficient of 0.744. Results of testing Cronbach's alpha of attributes are presented in Table 4 as below:

Table 4: Results of Cronbach's Alpha Testing of Attributes

Attributes	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The fulfillment of accounting tasks assigned under Accounting Law (KQ1)	11.614	3.534	.520	.695
Compliance with rules, processes of the organization (KQ2)	11.555	3.568	.511	.699
Strong organizational commitment (KQ3)	11.594	3.333	.584	.657
Low resignation rate (KQ4)	11.654	3.555	.533	.687

Data above show that attributes of the dependent variables have a Cronbach's Alpha coefficient greater than 0.6 and are less than the common Cronbach's Alpha coefficient; the correlation coefficient of all attributes is greater than 0.3, so all the attributes of the dependent variables are statistically significant (Hoang and Chu, 2008).

Independent T-Test

Comparing the results of the evaluation of the performance of accountants between men and women is shown in Table 5 as below:

Table 5: Differences of Performance between Men and Women - Independent Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
KQ	Equal variances assumed	7.782	.006	1.235	253	.218	-.11889	.09624	-.30842	.07065
	Equal variances not assumed			-.993	58.103	.325	-.11889	.11970	-.35848	.12071

Results of Table 5 show that (i) Sig Levene's Test = 0.006 less than 0.05; the variance between the two sexes is different; and (ii) Sig value T-Test = 0.325 > 0.05 There is no statistically significant difference in the level of performance evaluation of accountants by workers who have different genders (Hoang and Chu, 2008).

Comparison of the results of the evaluation of performance of accountants among accounting unit and other units in firms is presented in Table 6 as below:

Table 6: Differences of Performance among Evaluation of Accounting Units & Other Units – Independent Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
KQ	Equal variances assumed	9.284	.003	4.299	250	.000	.40291	.09373	.21831	.58750
	Equal variances not assumed			3.465	56.892	.001	.40291	.11627	.17007	.63574

Table 6 results show that (i) Sig Levene's Test = 0.003 less than 0.05; the variance between the two objects in the accounting section and the other ones is different; (ii) Sig value T-Test = 0.001 < 0.05; therefore, there is statistically significant difference in the level of performance of accountants evaluation of accountants by surveyors in the accounting section and other ones (Hoang and Chu, 2008).

ANOVA Testing

Comparison of the results of the evaluation of the performance of accountants between the three subjects of the accounting department, including chief accountant, general accountant and staff accountants.

Table 7: Test of Homogeneity of Variances

KQ		Levene Statistic	df1	df2	Sig.
		3.030	3	251	.030

Table 7 shows that Sig Levene Statistic = 0.030 is less than 0.05, the hypothesis of homogeneity variance among the variable value groups (job position of the accountant) has been violated (Hoang and Chu, 2008). So, using Welch test for this case.

Table 8: Welch Test Results - Robust Tests of Equality of Means

KQ		Statistic ^a	df1	df2	Sig.
		4,947	3	77,526	.003

Table 8 shows that Welch = 0.003 < 0.05, thus, there is statistically significant difference in performance of accountants for the accountant working in different positions in the accounting department.

5. Discussions

5.1. The Fulfillment of Accounting Tasks Assigned under Accounting Law

Accounting tasks: The common task of the accountants is (i) Collecting and processing accounting information and data according to the object and content of the accounting work, according to accounting standards and regimes; (ii) inspect and supervise financial revenues and expenditures, collection and payment obligations, inspection of management and use of assets and sources of assets; Detecting and preventing acts of violating the legislation on finance and accounting; (iii) analysis of accounting information and data; to advise and propose solutions to the management and economic and financial requirements of the accounting units; (iv) providing accounting information and data in accordance with the law.

Each accounting section of the business, accounting is assigned specific tasks, such as accountant purchase, the task is (i) Monitor, record, reflect purchase situation in terms of quantity, structure, type, specifications, quality, purchase price and time of purchase timely, completely and accurately; (ii) monitor, inspect and supervise the implementation of the purchase plan for each source, each supplier and each contract or purchase order, payment status with the supplier; (iii) providing timely information on the purchase and payment of goods to business owners and managers, as a basis for proposing decisions in the direction and conducting of business operations.

Some restrictions and changes of accounting and accounting laws today: Current accounting rules have been amended with the aim of improving managing effectiveness, close monitoring and close co-operation between employees and businesses as well as the state, contributing to improving efficiency and quality. The amount of accounting is based on the principle of publicity and transparency in the whole society. The current accounting law has presented the principle of fair value, professional ethics of accounting, prohibited some acts in accounting and regulations of electronic documents ... However, there are many limitations.

The current accounting law in Vietnam is quite diverse, in addition to accounting law, there are Vietnamese accounting standards (VAS), accounting systems. Vietnam has issued 26 VAS in the 2001-2005 period. Although accounting standards have been issued in line with international standards, VAS have not been regularly updated and often lacks standards in comparison with international accounting standards.

The enterprise accounting system has made many changes, creating flexible and modern accounting, respecting the nature rather than the open mind in the spirit of untying the enterprise, giving the enterprise more decision-making power in organization of accounting, updating the contents of international accounting standards on the principle not contrary to the Law on Accounting; redesigning all accounts reflecting financial investment in accordance with international practices ... However, the accounting system still has many inconsistencies, which are not beneficial for businesses.

5.2. Compliance with Rules and Processes in a Firm

Regulation, process are one of the forms of ethical environment in the enterprise (Cullen et al., 1993). The regulations are intended to reflect the legal and regulatory aspects of the business; therefore, everyone working here is subject to compliance.

Some experts said that the official document for the whole enterprise has not been standardized and put into process. Documenting all instructions, regulations, processes to employees, including accountants, is one of the ways businesses transfer knowledge. Working process is also one of the methods to help businesses secure the information they need.

Any accounting business in the enterprise should be conducted in a process that takes into account risk mitigation. Some experts also say that their businesses use a centralized payment approval process to limit payment risk and personal decisions.

5.3. Strong Organizational Commitment

Engagement with businesses is influenced by a number of factors, the moral environment of self-interest has a negative impact on both satisfaction and attachment (Hoang, 2015). Ethical and regulatory environment, organizational norms increase satisfaction, loyalty and attachment to work, organization.

In addition to the basic elements such as pay, respect and kindness to employees are essential. Personnel, especially the people who know how to stick with the company, are the ones that most, even the most that any business owner or organization needs. The more skilled personnel are engaged, the more efficient the business cycle is, the more efficient the recruitment, training and other related costs when to change people. It is no accident that large enterprises, especially those in developed countries, especially Japanese ones, are always looking for ways to keep their employees.

According to experts, there are seven factors that determine the attachment of an employee to a business: Job characteristics - Wages and equity - Opportunities for training and developing - Empowerment Organization - Support from the bosses and colleagues - Reward and recognition of achievements.

5.4. Low Resignation Rate

In organizations with ethical concerns, norms, the rate of dismissal of employees is lower (Schwepker, 2001). Organizations with a moral or ethical background are less likely for employees to resign (Hoang, 2015). Performance of accountants contribute to the overall result of the enterprise, reducing the rate of dismissal; contributing to increase the satisfaction and also affecting the change of results of enterprises. The rate of retirement in the accounting department in a high enterprise is no longer in the individual but within the enterprise system.

The Board of Directors of the enterprise found that the rate of resignation in his company increased, quality human resources experienced reduced, it is necessary to review the moral environment inside the enterprise. Enterprises want to increase the satisfaction, loyalty and reduce the rate of resignation of employees in general and accountants in particular, they should build their ethical environment in accordance with standards and concerns with the principle of content, the profitability of enterprises, the customer, the partner and interest in the community.

6. Conclusions and Recommendations

Employees of the business, including accounting personnel, are one of the key factors that determine the development of the business. The better the performance of accountants is, the better the business develops (Bontis et al., 2007). On the other hand, it reduces job retrenchment and increases engagement with the business of accountants (Ambrose et al., 2008). From the results of the study above, it can be confirmed that performance of accountants are measured by four attributes (variables) including (i) The fulfillment of accounting tasks assigned under Accounting Law, (ii) Compliance with rules, processes of the organization, (iii) Strong organizational commitment and (iv) Low resignation rate.

Based on the findings of this research, some recommendations are given for improving the accountants' performance in firms in Vietnam as:

First, adjust the accounting law and the system of legal documents on accounting so as to help the accountants fulfill their assigned tasks

Accounting Law has confirmed the job of accountant. The current Accounting Law has overcome many disadvantages compared with the old accounting law, but there are still many disadvantages that need to be overcome such as: The Law on Accounting does not stipulate the contents related to environmental accounting, social issues and sustainable development; The new accounting law deals only with the accounting level with computer conditions; The Law of Accounting lacks interconnectivity with other laws such as Enterprise Law, Natural Resources and Environment Law, Auditing Law (Pham, 2016). Therefore, the Accounting Law should study additional contents related to environmental accounting and sustainable development; additional provisions related to development information technology and Accounting Law should be linked to other laws such as Enterprise Law, Investment Law, Audit Law and others. (Pham, 2016).

On the other hand, besides the accounting law, the system of legal documents on our accounting is quite diverse as accounting standards, accounting regimes, circulars, guiding regulations. Therefore, during the process of amending, supplementing or promulgating the accounting regime, the contents of the accounting regime should be integrated and refer to each accounting and accounting standards.

The system of legal documents on accounting should be supplemented and updated regularly in line with the international accounting standards and to strengthen harmonization with international accounting standards to help Vietnamese accountants integrate with international accounting.

It is necessary to review documents promulgated in the field of enterprise accounting, overcoming the overlapping content among the regulations.

Second, Change and develop the rules and procedures of the business

Each enterprise has developed its own rules and procedures for employees to implement. However, in order to improve the compliance with the regulations and procedures of the enterprise, the manager of the enterprise should update and adjust those regulations and procedures in line with the intention to set up the regulations on operation and compliance; the principles should be fair, easy to understand and reflect work requirements, regulations that can help workers understand what their business needs, how to control and solve problems and avoid complaints of workers.

Artificial Intelligence (AI) and digital technology are booming, helping businesses in a better way, but there are fears that someday the machines will control people. Therefore, businesses need to apply digital technology and artificial intelligence to build new or supplement regulations and processes of enterprises.

Third, Increased long-term commitment to business with accountants

The long-term commitment of the accountant's business is that the accountants are always responsible, satisfied and they always try with the job assigned. However, the level of long-term engagement with the business of the accountant is influenced by the capacity and experience of the accountants and the working environment at the firm. So:

Self-employed accountants should identify their attachment to the enterprise right from the beginning of their employment; continuously learning, updating knowledge to develop expertise, experience.

Enterprises should develop a plan to support accountants on time and expenses for accountants to study and update their knowledge regularly. For overtime working, businesses need to regulate this issue in order to manage effectively; if the work needs to work overtime, it should be stipulated in the labor contract and the overtime pay should be agreed with the accountants when there is no mandatory minimum wage as prescribed by law. In addition, businesses need policies to help accountants balance work as opportunities for workers to work with flexible time, share work, get maternity leave or medical treatment ... because encouraging work-life balance is very important in business

Fourth, reduce job retrenchment rates for accountants

Accountants do not want to stop working at the business when they are satisfied with their work: The length of time they work, the wages and benefits they receive, and the accountant's pride in their work because of working there. On the other hand, the job satisfaction of the accountant is based on the culture of the business. Therefore, enterprises need to develop and improve their corporate culture towards: Creating opportunities for accountants to move in different locations; Organizing high quality training and development programs, such as encouraging accountants to pursue professional qualifications. Build an "open" culture in which managers can be easily contacted; Respecting the balance between work and life, such as giving opportunities to work flexibly; Workplace equality, including fair opportunities for accountants'; Evaluating the performance of the work on a regular basis and provide accurate feedback, the restatement of the business objectives and recognition of the accountant's contributions; Asking for feedback, either in person or through employee surveys of how they understand their role, the support they have and the improvements forwards to the business.

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