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The Importance of Quality in the Accounting Profession

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Abstract: Quality is a term that generally expresses the synthesis of all essential qualities of things and products/services. Quality and organization of activities necessary to achieve a level of quality has evolved permanently over several centuries. Quality is used in all economic and social aspects of life, but it has a subjective character and has special significance for each specific field, sector, function or product/service. Quality is a generic term applied to the various traits or characteristics, either individual or generic, and has been defined by experts or consultants in quality in many ways, different meanings being assigned to this term. The satisfaction of suppliers/producers for the work "well done" has always been perceived as a sense of pride and raised at different levels, depending on the historical period.

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1. The Need for Quality Management System

Quality management systems are "vehicles for change and should be integrated to all areas of activity in a company, not only in the quality assurance department" (Conti, 1993), from marketing activities and to the delivery of finished products or performance of the afferent services to the customer. In these systems, organization leaders consistently materialize the specific task to ensure the definition, dissemination and implementation of quality objectives. Strategies and action plans can be implemented effectively and efficiently only when the objectives of the quality system and productivity are made operational by setting sub-targets for each function, department or activity. Thus, leadership plays the primary role: if one leader lacks the will and the power to assume the strategic role, endeavor is not only stagnating, but going to decline, with potentially fatal consequences for the organization.

More and more leaders have recognized quality as the "competitive weapon" and concluded that achieving the quality levels of competitors is not sufficient: the quality of products or services produced by the competition must be exceeded. This strategic approach has led to the need to implement and made operational the concept of continuous improvement within the company, since the competitors do not stand still when they realize that the quality of their products or services has been exceeded. Company's objectives on quality become therefore mobile targets, which have to be

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redefined to ever higher levels. Thus, instead of achieving stable levels of quality, continuous improvement will become the primary strategic objective for economic entities. This change of perspective requires commitment and involvement of all members in the process of continuous improvement.

In our view, it becomes obvious the need for direct involvement of top leadership in the continuous improvement process, essential to highlight the seriousness of the objective quality, as well as the support and dedication to achieve this goal on long term. The purpose of continuous training programs consists of: involvement / participation of top management; extensive training at all levels; team-building (method for creating teams, not merely working groups) - and results in achieving the quality improvement throughout the organization. This means first of all a change of attitude at all levels of organization; otherwise the employees will continue to look at quality problems as problems concerning only the quality department and not theirs. Along with the efforts to create commitment and general involvement in the processes of continuous improvement, emphasizing the link between quality and the primary objectives of the accounting profession is essential because it gives purpose and motivation. Strategic approach to quality sets new requirements even for quality professionals. Technical expertise remains desirable, but a thorough understanding of the strategic objectives of the company is becoming increasingly important and continuous education and training, program's evaluation and consultations are key responsibilities for this group of experts. Based on these assumptions, total quality management is emerging as a dynamic management based on continuous improvement and change, which aims to offer complete satisfaction to customer by identifying and creating within the accounting profession the best practices in accounting. The concept has a deep connection with the organizational culture, and the attitudes, behaviors and skills of all employees.

Creech (Creech, 1995) defines a set of principles for creating sustainable organizations in quality management paradigm:

• *substantiation of any approach based on five "pillars": products - processes - organization - leadership - commitment:* each pillar depends on the other four, and if one is poor, all are weak;

• *determination of the nature and culture of the organization* involves: development of governance principles connected to the human spirit; making sure they are fully understood and their application by all members of professional bodies through perseverance, persistence and consistency, ethical behavior, integrity and courtesy in all activities;

• *use of a decentralized and interactive system that integrates all levels* implies a decentralized structure based on the principle teams - outputs - service: replacing me and mine in people's mentality with us and ours; promoting faith in big rewards for teamwork and professionalism; stimulation and strong commitment of all members of the organization to achieve the highest levels of quality and productivity;

• *recognition of the organization as the central pillar that influences everything*, a principle basically achievable by maintaining consistency and control through incentives and not by authority;

• *organization of the firm in small teams and not large functions,* so each team is responsible for providing a well identified service ; teams are formed from other teams with clearly defined interfaces between them;

• *orientation and focus of activity of each employee on work and not the position they occupy* involves creating a mental model centered on group and work; definition of each activity/service in

terms related to customer (internal and / or external); identification of all the processes involved; creation of a process improvement system based on measurement, analysis and stimulation;

- *focus of leadership on output, not input* by setting SMART objectives desired by members of the organization; creation of strong incentives for initiative, creativity and innovation; stimulation of the desire for continuous improvement in all activities;

- *follow-up of results, assessment and providing immediate feedback to each and all members* based on measuring quality and productivity in different parts of the service; use of benchmarks to identify outcomes and needs; amplification of objectivity by using data, facts and investigations; use of comparisons so that analysis have relevance;

- *in-depth market knowledge and creating relationships with customers* implies that every decision, every action is related to the client;

- *creation of a quality environment that promotes pride and professionalism:* quality brings quality; it provides resources, tools and motivation;

- *foundation of all decisions on the principle of inseparability between cost and value* requires the involvement of all organizational levels, from the bottom to the top; providing cost data to the teams that create the service; "inoculation" of the value consciousness throughout the organization; using the quality to cut costs, not savings to lower the quality;

- *providing detailed and focused training to all employees at all levels (including top management)* since training at workplace and ad hoc are key elements, but not sufficient; formal training is vital for the creation of mental models and learning know-how; leaders at all levels must be teachers, because "leaders create leaders";

- *considering with the greatest attention communication flow as one of the key priorities* meaning the replacement of all inhibitions in upward communication flow with complete openness; providing the necessary means and incentives for this to happen; to listen, hear and care are the catalysts that lead to success;

- *creation of a sense of common purpose, from bottom to top* has the effect of: closing the traditional gap between management and trade unions; ensuring that the common goal is related to service and client; involvement of all employees in supporting and achieving the common goal; creating connections with all employees at all times; creating the belief that dedication of all determine the success of each one;

- *creation of employment through participation and shared success* involves: maintaining the opinion that every job and every employee has his own dignity and worth; use of recognition and rewards, both for individuals and for teams; monitoring of the fact that commitment is real; providing opportunities and incentives;

- *achieving a management approach based on the five "pillars" primarily includes:* everything to happen simultaneously; to achieve action, not just say words; a slogan is not a system; a holistic system is the proven answer to new realities and requirements and any organization will benefit from it, regardless of size or profile; this system is not difficult to implement, if one starts with these principles, and successful companies worldwide apply them to defeat competition.

In conclusion, the quality is a state of mind and action, a commitment to continuous improvement of all activities. It must be defined in terms of customer expectations and prediction of their future needs

and should be included in all processes and accounting services but it must be measured. Success depends on:

- full involvement and support of strategic management and key positions in the organization;

- full involvement of all employees and their training in methods and techniques of continuous improvement;

- focus on customer needs;

- creation of quality culture;

- appropriate recognition and rewarding of continuous improvement;

- taken into account the best methods used by other companies, their adaptation to the conditions of each company and ability to exceed the results of "models ".

Regardless of the type of organization, the quality management involves improving the organization's level of competitiveness, effectiveness and flexibility by planning, organizing and deeply understanding each activity and the involvement of each member, at all hierarchical levels (Oakland, 1999). From this perspective, achieving with high performance the quality targets often requires a change of mindset throughout the organization, by breaking the barriers of traditional way of thinking.

This change must start at the top, through the exercise of inspirational leadership and demonstration of total involvement, obsessive in its efforts on quality. The Director / President / General Manager of a company, with object of activity accounting, must accept the responsibility of total involvement and commitment in quality, focusing on the creation of key values such as customer satisfaction, competitiveness and performance. Simultaneously, middle managers have a vital role in the cultural transformation because they must effectively convey the changes drafted at the top throughout the company. Achieving cultural change is a central element in approaching quality approaches. Culture influences the organization's ability to both conceive and to implement a new strategy and we believe that our approach should analyze the important aspects of the influence of organizational culture on service quality.

Organizational Culture - Stimulator of Quality Improvement

Organizational culture is similar to national culture: it has its origins in history, myths, heroes and symbols, revolves around the values inherited by the organization from previous generations, creates the same kind of "collective unconscious" (Jung, 1997) and critically influences the ability of system to change. National culture has greater impact on employees than organizational culture, forming the cultural context for organizational culture. In turn, the organizational culture affects 25% - 50% of employees' attitudes, while other aspects of workforce diversity - social class, ethnicity, race, gender and age, influence all the other attitudes at organizational level (Hofstede, 1991).

Regarding the role of culture in addressing quality, the analysis of the relationship between culture and organizational performance is of paramount importance in any organization. Three interrelated elements are characteristic for this relationship: system of values, strategic suitability and adaptability to the external environment.

Value System - Values are the essence of the organization's philosophy of success, the central element that gives the sense of a common direction and shows to all system members how they should work together. For performing the efficient operation of this essential function of the system, the values must be shared by all members of organization. If organizational culture is strong overall values will

capture attention, otherwise the values will be ignored. The key to success is cultural alignment, which ensures that company's values are congruent with the collective "individual" values. Creating a strong organizational culture -with the critical contribution of strong leaders who have the ability to communicate the essential values throughout the organization through well-articulated vision and mission - directly determines the long-term best performance of organizations. Strong cultures may include simultaneously malfunctioning factors with others favorable to performance which, depending on context, can lead to success or failure of the organization. Long term success can be cause or strengthen cultural interrelations, but there is "mortal danger": a strong culture may become arrogant, internally focused, politicized and bureaucratic, so extremely inert. Organizations presenting poor performance may also have strong, but dysfunctional cultures, centered on value systems that only apparently define success. Strong cultures are demonstrating the role of value system in the alignment, motivation and control of organization. Values can be considered an informal system of control, stronger than any control system, because it provides purpose and meaning for everything that must be done in order to obtain good results. For an organization to be successful, you need to create a strong culture, whose values:

- are the clear and explicit expression of a philosophy;

- are communicated throughout the organization and known to all its members;

- define the fundamental nature of the system: create a sense of identity, influence all aspects of the system, indicating what is important in the decision-making process; define what kind of people are respected and signal to the outside world what to expect from a certain organization.

Strategic Suitability - One of the most important functions of organizational culture is to align and motivate members of the organization to achieve *notable performance*. A necessary but not sufficient condition is the development of a strong culture by the organization. Another necessary condition, but not sufficient, is the existence of compatibility between culture and environment / context of the organization, which may relate to the segment specified by the strategy or the strategy adopted itself. The organizational culture must be 'strategically appropriate'. In the specialized literature, many studies have proven that only organizational cultures compatible from strategy's perspective can be associated on long-term with high performance. Also, researches have also shown that the imitation of a best model in a domain can be valuable in a stable environment. On the contrary, imitating successful organizations in which environment is rapidly changing and uncertainty is high can be a fatal decision for the organization.

Adaptability to environment/context - Cultures that helps organizations anticipate and adapt to environmental changes may be associated with long-term success. The features of an adaptive culture, regardless of the characteristics of the field in which the organizations considered are included.

The most important type of environment to which organizational culture must adapt consists of "key customers". The core values of adaptable cultures are centered on consumers, shareholders, employees and the communities to which they belong, all these elements being considered "key customers". Also, these cultures put a special focus on people and processes that can lead to useful changes in order to serve simultaneously all the "key clients" and their legitimate interests, even if they have to take for this high risks.

In our opinion, adaptive cultures give great importance to the leadership able to correctly predict the changes that must occur to achieve performance in competitive contexts which are themselves rapidly changing. In the case of transformational leadership, as a critical element of adaptive cultures, the

central concern is the creation and ongoing development of new strategies able to permanently ensure a high degree of satisfaction of all "key customers" and implementation of strategies even if the change should be made in the cultural levels that are hard to change. Real life has shown that if there is not a constant and simultaneous care for all "key customers" and for spreading the initiatives of leadership throughout the organization, the adjustment tends to be less effective. It is noted that this approach falls within the paradigm of total quality management, where quality is the core of the values promoted by the organization. To support a high level of performance in the organization on long term, the organizational culture must simultaneously fulfill three basic conditions:

- must be strong through a consistent and strong value system, communicated throughout the organization by strong leaders and shared by all members of the system;

- should be strategically appropriate;

- must be adaptable.

Specialized literature frequently discusses the issue of relations between cultural change in order to create a culture of quality and quality, but the practical approach is still problematic. Primary mechanisms recommended to persuade employees of the need to introduce and implement the quality policy are: education, training and leadership, while the structure, systems and procedures are of secondary importance.

The most important factors indicating a cultural change in relation to the quality are (Dale, 1998):

- Employees themselves are aware of the need to apply instruments and techniques to improve quality;

- "Champions" of quality appear in different parts of the organization;

- Employees talk about process and not about function;

- Changes in the systems and procedures are readily;

- Employees are not afraid to openly express their opinions;

- Top management believes that employees are value, not cost;

- Employees voluntarily take on some tasks that previously were the subject of difficult negotiations between management and unions;

- Operational level employees begin to provide ideas to higher managers;

- Employees show their willingness to help others;

- Difference between manager and subordinate becomes diffuse;

Continuous improvement occurs even in periods of instability or when the company top management focuses on solving other problems.

2. Leadership - an Element Influencing Quality in Organizations

The role of leader in an organization is to communicate critical cultural values so to achieve organizational success through organizational vision and mission, elaborated in a proper ethical framework. The influence of leader is more than mechanical obedience of employees at the organization's routine directives. It is an interpersonal relationship in which employees act because

they want, not because they must. Effective leader must be equally influenced by subordinates like he exercises influence over them. In this paradigm falls the transformational leadership, whose aim is to transform people and organizations and to expand their vision and understanding. So the relation between this type of leadership, training and organizational culture crystallization is very strong, issue addressed in the specialized literature (Schein, 1985) with the definition of leadership as "determined cultural change ". The main characteristics (Covey, 2000) of transformational leadership are:

- is based on the fundamental human need for meaning;

- manages the goals and values, morals and ethics;

- has long-term orientation and promotes new directions of development;

- distinguishes between causes and symptoms and focuses on prevention: is proactive and catalytic;

- considers profit as the basis for growth;

- focuses on goals and related strategies;

- uses fully human resources;

- identifies and develops talents;

- recognizes and rewards the significant contributions;

- changes constantly job descriptions to accommodate them and give real meaning in relation to the tasks;

- provides a model of behavior;

- aligns internal structures and systems to reinforce the dominant values and goals.

Transformation leaders can contribute to changing organizational culture by (Hughes & others, 1993):

- providing a model of behavior based on the essential values they promote;

- giving preferential attention or ignoring problems or projects;

- the response to crises;

- rewarding certain behaviors different from those specific to he previous organizational culture;

- removing old penalties or negative consequences for certain behaviors;

- using certain personnel policies and criteria for selection/ is missal of employees.

One of the most important aspects of transformational leadership is personal leadership or the personal nature of leader's power, which is strongly based on personal relationships, with a strong emotional character, and action based on a balanced perspective:

- focus - shared vision, mission, position, attention;
- facilitation - engagement; action; harmony; growth;
- synergy - individual objectives, organizational targets and company's aims are congruent;
- complicity in the "creation";
- attention, openness and trust;
- future 's exploration.

3. Conclusions

We believe that in order to face global competition, companies of the future need to become creative entity able to constantly reinvent itself. The ability to invent new accounting and consulting services in the field for customers, capability to give quick and creative responses to complex problems and constantly find new ways of improving key relationships within the organization and between it and the external environment are key factors of differentiation and creation of competitive advantages that will ensure the success of the accounting profession as a whole.

In fact, professional bodies, CECCAR, CAFR, CCF, and ANEVAR are permanently concerned for its members' continuous training, so that, in addition to the hours of mandatory training, professional accountants are involved in attending conferences, congresses of the profession and workshops and roundtables with representatives of local authorities, academics and business leaders. Involvement and commitment of professional bodies in the creative activity for quality as may be a prerequisite condition and a unique opportunity for the accounting profession to become able to promote a culture of quality and creativity as a premise for creating competitive advantage in business.

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