

ICEST 2020
**International Conference on Economic and Social Trends for Sustainability of
Modern Society**

**DEVELOPING COMPETENCE PROFILE OF FINANCIAL
OFFICER IN HI-TECH PRODUCTION**

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Abstract

The paper deals with the issues of establishing the set of professional competences financial officer is to develop. Evaluation of competences developed in hiring an employee, the more if related to the position of financial officer, may be crucial as such position is one of most influential within a company. The issue becomes more urgent when applied to hi-tech industries as new standards of financial management are to be developed. Such condition results primarily from radical changes in financial officer functions during the past decade. In today's conditions financial officers are to be playing a much more important role in an organization. The study states the necessary conditions for developing professional expertise in the field of financial management such as knowledge of financial and labor regulation, of investments and innovations, skills in information technologies and certain knowledge of psychology. The paper indicates that in case the above competences have been acquired they will have a major impact on both efficiency of financial officer and performance of financial office on the whole. The study conducted allows to determine and to describe a set of competences position of financial officer requires.

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Keywords: Financial officer, financial management, competencies, finance.



1. Introduction

Financial management in an organization for over a century has been identified and developing as a separate discipline within a wider field of theory of finance. It is also characterized as one with most immediate practical application. Changes in organizational financial management have been caused by both internal and external to production factors – changing mechanisms of interaction with and between economic agents, commercial banks, tax authorities, all transformed by economy digitization, the tools and elements of which are being extensively implemented in all sectors of national economy. Organizations using hi-tech in their operation and producing hi-tech products are described as highly specific in terms of financial management.

2. Problem Statement

The role played by the financial officer is crucial for the overall profitability of any economic entity operating in any of the national's economy industries, and its importance only grows in hi-tech industry with higher riskiness rates in knowledge-intensive areas.

Improvements in the financial officer performance will require identifying what demands a financial officer' professional competences and qualifications are to meet for the following functions and operations: to organize efficient operation of the financial department, to analyze the company's financial condition and relevant indicators of economic efficiency, to operate in the securities market, etc. A set of competences required in high-tech area should be given special consideration.

3. Research Questions

Study of legislation and regulations applied in financial management at both micro- and macro-economic levels, of research papers and journals discussing financial issues, of interviews with financial officers in various organizations allowed to identify the main functions required to deliver in such capacity (Brigham & Gapenski, 2017; Brigham & Ehrhardt, 2009).

Financial officer is to acquire expertise, skills and competences in the following areas:

- Recruitment of personnel for financial department, delegation of duties accounting for the employee's professional qualification and personal traits to organize efficient team-work;
- Organization, analysis and control of the financial department operation including control of cash flows, preparation of estimates, financial statements and relevant documents;
- Tactics of financial operations which analyzes and forecasts indicators of financial reporting and accountancy, monitors and controls implementation of projects for investments in innovations, provides day-to-day operation in securities, currency and capital markets;
- Strategy of financial operations which, given interrelation and interaction with other company's functions, determines the overall financial planning with justification of innovation and investment programs (Bragg, 2018).

4. Purpose of the Study

The purpose of the study is to justify the competence inclusion in the set to form the up-to-date qualification profile of highly professional financial officer.

5. Research Methods

The set of competences required of a financial officer demands to be future-oriented despite high degrees of economic environment changeability. Molostova (2020) argues this will require prediction of the company's condition and position in 5 to 10 years, of the future structure of personnel, of technologies to be applied, of the professional and communicative competences, of the future targets and goals.

Financial officer is to realize and make insight into:

1. Current organization of the financial department and the prospects in its development.
2. Current number of employees and structure of personnel in the financial department, opportunities for professional development and growth, forecast changes in both number and structure of financial department employees (Blank, 2004).
3. Up-to-date evaluation of the personnel qualifications, technologies and methods used in financial department operation, prospects of the department's technological and informational transformation.
4. Present goals and objectives of the financial department and the vector of its further development (Bodie & Merton, 2007).

To be highly efficient in the above areas financial officer is to acquire certain skills and qualifications in the area of competence, in issues and principles of production organization, to be highly skillful in the area of information technologies, in media and communication, in managing personnel in the financial department, to have certain expertise in psychology.

Knowledge and skills in the professional field imply knowledge of and ability to apply it in relation to standards, norms and regulations under financial, civil, labor, innovation and investment legislation.

Financial officer is to be competent and knowledgeable in methodology and practices of remuneration, compensation and stimulation, of calculation and payment systems, of loan and deposit operations, of assessing innovation and investments projects feasibility, of settlements and payments in foreign and national currencies, of efficient composition of securities portfolios. Financial officer analyzes the company's accountancy and reporting and forecasts the values of indicators in financial reporting, company's financial condition and the company's profitability and other items of financial performance. Such functions of financial officer related to reporting, accounting and forecasting are impossible without extensive knowledge of methodological aspects, of established practices, of taxation principles and procedures involved in accountancy procedures and reporting in Russia. In case the company is engaged in international trade financial officer is to know and apply the regulations and procedures in accordance with the international standards of financial reporting (Andreeva & Badalyants, 2018).

Knowledge in the field of production organization is also necessary as financial director is to organize the operation of financial department liaising with the executive, operational and other company's officers. It primarily refers to monitoring, control and regulation of cash flows within the company itself and between the company and other parties involved – suppliers and buyers, local and federal bodies, tax and customs authorities and agencies, commercial banks, investors, shareholders, etc.

Highly efficient and professional organization of cash inflows and outflows can be made possible only when financial director is capable of accounting for raw material and work-in-progress flows and financial reporting circulation is made integral to both company other reporting and documentation circulation and financial accounting and bookkeeping. Financial officer is to develop such forms of financial documentation and reporting which will be easy to incorporate into the company's organization structure.

Primary information flows are those resulting from the company's operation (production process) and investment activities (implementation of projects related to expansion, renovation, construction, new production capacities). Assisted by operation of financial officer and financial department the above processes obtain the funding required timely and responsibly (Pyatanova, 2017).

User-level skills in information technologies promote:

- More speedy collection of more extensive data required with relevant consultancy products and software;
- More speedy calculations and increased analytical functionality with Microsoft Office Excel tools and more specialized software applications (MathCAD, Project Manager);
- Greater numbers of indicators and parameters processed and analyzed for evaluation of an investment or innovation project feasibility;
- Extended options and functionality in analyzing securities market for determining the optimum securities portfolio;
- Planning, timing and optimization of work processes with enterprise resource planning systems like Oracle ERP (Babkin, 2018).

Since the informational basis for financial analysis is formed by the data from book-keeping, accounting and ongoing reporting financial director is to be knowledgeable and skillful in basic software packages and applications used in the field of financial reporting and analysis and in digital technologies (Babkin, 2018).

Knowledge and skills in media and communication are required for financial officer to establish contact and liaise with functions and operations within the company, its branches, and other parties involved in the company's economic activity.

Financial officer is to plan communicational activities for approximately one month ahead paying attention primarily to planning contacts with external agents and stating the form of communication (personal meeting, video-conferencing, etc.), secondary, to contacts and meetings with the company officers (executive officer, operational officer, officers and heads of other company functions), lastly, working meeting with the personnel of the financial department itself.

Managing personnel of financial department is a most essential competence for a financial officer. Managing can be viewed as a composition of interrelated functions most directly related to managerial process as such. These functions often are planning, organization, motivation, accounting and recording, analyzing, monitoring, controlling, regulating. If viewed through this prism, the position of financial officer will imply the below aspects.

Planning is seen as an ability to foresee the possible growth of every employee and to plan qualification and professional development for their career paths. Hence, it requires mapping each and every employee development. This financial officer can foresee and prevent or find least harmful solutions for conflicts within the team. Planning will require taking into account the personnel's ethnic or cultural composition and other relevant factors.

To achieve the goals set the work and duties of each employee and employees' interaction with each other are to be defined and organized in such a way that to prevent function duplication, to establish consecutive and effective operation, to provide for objectively attainable level of interoperability and wide-range application of information technologies.

The more clear operation and organization of financial department is, the easier for the financial officer to establish motivation and remuneration system, including salaries, compensations, bonuses and other types of incentives. It can be extremely helpful to determine the competence matrix for each employee and to emphasize one or two of those competences which will underlie their principal remuneration structure with other competences used as the basis for various incentives. Often employees rate highly being compensated for medical insurance, travel fees and the like.

The system of remuneration and incentives for personnel of financial department is to be incorporated in reporting system to report – using informational technologies – on working hours, performance, efficiency, etc.

Financial officer is to analyze the data on the quality and quantity of the work performed by each employee to determine, for each of personnel, the base of their professional competences (Starodubtseva, 2018).

Such base can be further used to perform monitoring and control over efficiency and performance rates.

Control data allow determining the competences and qualifications for financial personnel simplifying decision-making on promotion, demotion, further training, dismissal, determining participants of task force, i.e. regulating the personnel.

Performing those functions will require of financial officer certain knowledge of psychology which may assist to the following situations:

- Task forces establishing with view of gender and age-related factors;
- Prevention and resolution of conflict conditions (Inevatova et al., 2020);
- Timely reaction on stress factors and manipulation;
- Setting and achieving personal and company goals (Makarova, 2012).

6. Findings

High rates of performance of both financial officer and the department headed directly and immediately result from the ability of financial officer to acquire and apply the set of competences described.

7. Conclusion

Determining the competences to be included in the set of financial officer's competences requires allowance for variations in types of organizations and organizational structures across industries and regions of the Russian Federation (Melnikova, 2010). It has a considerable impact on the organizational structure of financial departments as well. With small businesses typically it is the financial manager who organizes and executes finance-related activities, often combining these functions with the functions of the chief accountant. With medium-size businesses all financial operations are performed by the financial department. Big businesses may have financial service in the form of a financial function with many specialized sub-departments. In this latter case chief financial officer heading the whole function delegates part of functionality to heads of financial subdivisions.

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