

Research on the Transformation of Chinese Accountants Based on Financial Shared Service Center

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Abstract: With the development of IT and integration of enterprises in the context of economic globalization, Financial Shared Service Center (FSSC) has become a prevalent tendency between large-sized groups and multinational enterprises. Because of the difference caused by the change of organizational structure and management mode after construction of FSSC, Chinese accountants are required to transform themselves into high-level accountants compared with traditional accountants. This paper refers to relevant policy documents and learn accountants' views on financial transformation based on FSSC in actual work position, adopting the methods of combining the questionnaire survey with the literature consultation, both in theory and in practice. Then according to the investigated results that transformation of Chinese accountants is indispensable, this paper ultimately sums up three suggestions for Chinese accountants' transformation based on FSSC.

1. Introduction

With the rapid development of information technology and the integration trend of enterprises in the context of economic globalization [1], a new brand form of financial management is urgently needed by large-sized groups and multinational enterprises to reduce economic cost and human resources as well as improve the efficiency of financial work [2].

In the 1980s, Ford Motor Company proposed the concept "FSSC" and took it into practice first [3]. Financial Shared Service Center (FSSC), becoming the latest application of enterprise centralized management mode in financial management [4], provides enterprises with professional and standardized services, improve the efficiency of business processes, effectively integrate corporate resources, strengthen the management of internal control, and reduce financial management costs and risks [5], which coped with many problems and improved the competitiveness of enterprises. Then other large-sized groups and multinational enterprises followed, such as DuPont and Mobil.

However, FSSC puts forward higher requirements on accountants under a completely new financial management model, resulting in the transformation of accountants becomes necessary [6]. However, there are relatively few studies on the transformation of Chinese accountants based on FSSC. This paper intends to questionnaire survey method and literature research method to discuss this aspect.

2. Overview of the FSSC

2.1. Definition of FSSC

FSSC is an idea that concentrates repeated, single and easily standardized tasks and process of enterprise internal on an isolated business unit for centralized treatment [7]. That is to say, it disposes similar and non-key business altogether, which standardizes and unifies the accounting process and improves the efficiency of accounting.

2.2. The Advantages of FSSC

2.2.1. Reduce operation cost

The basic business and financial staff of various branches are centralized at FSSC, forming the scale effect and reducing the cost of auditing accounting business and managing accountants to the utmost extent, which means the operation cost is much lower as a whole.

2.2.2. Improve management level

Through FSSC, it's convenient to deal with the business uniformly and efficiently, making great contributions to complete and unified formation system of financial management. It not only improves the efficiency of financial management but also provides higher-quality data for managers to make important decisions, which improves the management level of enterprises.

2.2.3. Lower operation risks

A normative financial management system created with the help of FSSC, increases the transparency of dealing with business, leading to enhance the headquarters' control force over the financial department of enterprises. Then there is no doubt that the number of financial fraud decrease and operation risks is reduced obviously.

2.3. The Development of FSSC in China

FSSC was introduced in the Twentieth Century in China, which is later than Western. But the rapid development of society and promising economy in China provides vaster space to develop, resulting in the number of enterprises group setting up FSSC is expanding gradually[8].

However, affected by the Chinese situation, FSSC in China shows some difference from others. FSSC in China pays special attention to centralized process management and focuses on drawing on the experience of the world's best management in practice. Meanwhile, it's expected to improve financial management level [9]. One of the typical enterprises is China Railway Construction, a multi-organizational and multi-tiered enterprise. It completes the construction of twelve FSSC at the group level in the pilot, and the production and business operation risk control point is brought into the curing process management to standard internal control management.

Huawei Technologies Co. Ltd, a popular and household enterprise, is one of the most advanced in the field of the establishment of the FSSC in China. Back in 2006, Huawei had already constructed seven regional FSSC in the world after completing and unifying formation system of financial management, making contributions to the security of financial resources and risk management. Nowadays, Huawei has already implemented a 24 by seven hour checkout cycle, supporting for real-time access to business data from more than one 130 representative offices at the fastest speed.

3. Research on Requirements of Accountants Based on FSSC

3.1. Research Methods

Since the questionnaire survey is characterized by high efficiency, a large amount of information and convenience, and the literature consultation is economical and beneficial to do the vertical analysis, and this paper adopts a comprehensive method that the questionnaire survey is expected to combine with the literature consultation.

3.2. Research Content and Results

In order to make the ultimate result more scientific, this paper conducts investigations both in theory and in practice, to study the transformations of accounts, combining the questionnaire survey with the literature consultation.

3.2.1. Research in the theory

On the one hand, in theoretical aspect, policy documents related to the transformation of accountants based on FSSC must be read carefully because it points out the fundamental direction of

the development of accounts in China, which plays a significant role. Therefore, this paper refers to 5 relevant policy documents on the transformation of Chinese accountants and then summarize the keywords and analyze their frequency with the support of word frequency application. The keywords and their frequency are clearly shown in Figure 1.

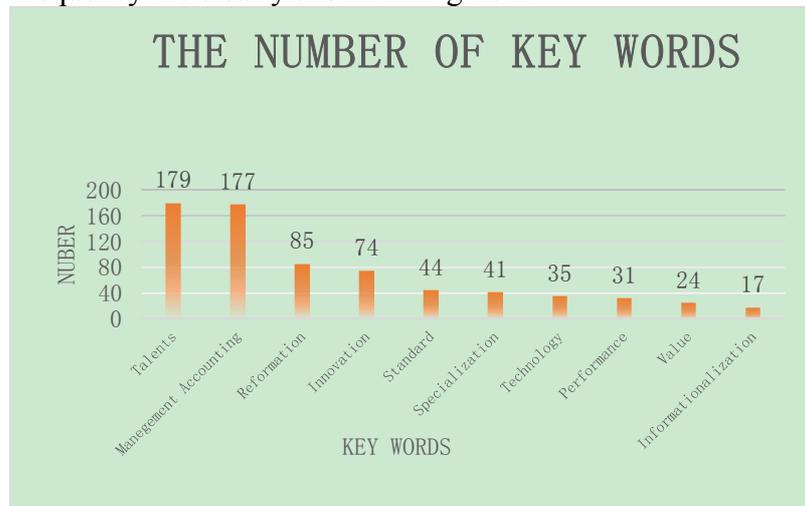


Figure 1. The keywords in relevant policy documents and their frequency

From figure 1, we can learn about the fundamental direction of the transformation of Chinese accounts. The number of “Talents” ranks the first, followed by “Management Accounting” and “Reformation”, which demonstrates a basic direction that Chinese accountants are required to transfer themselves to management accounts recognized talents to some extent. Then most of the next six keywords respectively are more detailed descriptions of talents. Based on FSSC, a qualified talent is supposed to be creative, professional, skilled and valuable. Finally the last one, “Informationalization”, reminds accountants of the tendency towards the indispensable development of FSSC.

3.2.2 Research in Practice

On the other hand, in the practical aspect, this paper uses the questionnaire survey method to learn accountants' views on financial transformation based on FSSC in the actual work position. The respondents of this survey are from different provinces. There are about 150 accountants and accounting trainers from 17 companies. The age span is from 20 to 65 years old, so as to ensure the accuracy of the survey. According to the age distribution of the respondents, the number of accountants and accounting trainers aged 31-40 ranks the first, about 63 people, accounting for 42% of the total number of respondents, then followed by those aged 20-30. The number of accountants aged 51 to 65 was the lowest, with only 11 of all, taking up 7.33% of the total survey sample. The entire sample is designed to cover a wide range of positions for accountants and accounting trainers to ensure the comprehensiveness of the survey. The specific distribution of accounting age is shown in Table 1.

Table 1. Accounting age distribution table

Age	20-30 year old	31-40 year old	41-50 year old	51-65 year old
Number	51	63	25	11
Proportion(%)	34%	42%	16.66%	7.33%

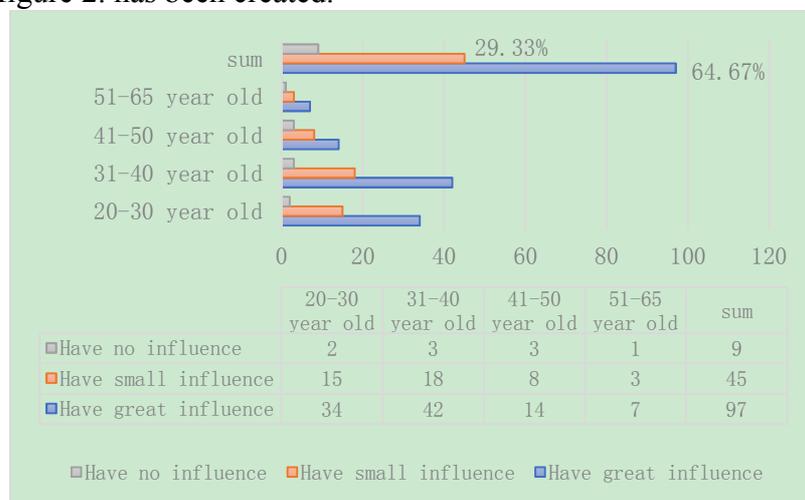
Then firstly, in order to have a basic understanding of the situation that accountants focus on FSSC, four choices are designed at the first question in the questionnaire, namely four choices with “Never know or concern”, “Seldom know or concern”, “Usually know and concern” and “Always know or concern”. Table 2 clearly shows the survey results of the respondents' view on the question “if you know or concern the development of FSSC”.

Table 2. The situation that accountants focus on FSSC

Age	20-30 year-old		31-40 year-old		41-50 year-old		51-65 year-old	
	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion
Always	20	39.22%	29	46.03%	8	32%	3	27.27%
Usually	20	39.22%	26	41.27%	10	40%	5	45.46%
Seldom	9	17.64%	7	11.11%	5	25%	2	18.18%
Never	2	3.92%	1	1.59%	2	8%	1	9.09%

Above it evidently shows that most of all accountants at all ages have known or concerned about FSSC, whatever always, usually, or seldom. Particularly on the whole, the sum of the accountants' number selecting "Usually knows or concerns" or "Always knows or concerns" even more than seventy percent of the total people at all ages, which predicts that it is a great tendency to develop FSSC. In the details, the number of accountants and accounting trainers who always or usually know and concern about FSSC ranks the first, being guessed that people who are on the upswing are paying more attention to FSSC. They are required to have a deep understanding of the trend of accounting development and push themselves to change based on FSSC, aiming at being upgraded.

Secondly, based on the basic understanding of the situation that accountants focus on FSSC, this paper further studies the view on the impact of the development of FSSC on the accountants' transformation. The questionnaire was designed with three options, one having a great influence, one having a small influence and one having no effect. According to the consequence of the questionnaire, the figure 2. has been created.

**Figure 2.** The impact of the development of FSSC on the accountants' transformation

According to Figure 2. lots of accountants and accounting trainers consider FSSC significantly influenced on the transformation of accountants, taking up 64.67% of all, which contains forty-two accountants and accounting trainers between thirty-one and forty, keeping the highest. And little accountants and trainers think it has no influence. There is much evidence to conclude that the FSSC has a great impact on the transformation of accountants in practice in the present and the future.

Last but not least, on the basis of the previous questionnaire, accountants and accounting trainers exclusively choosing "have no influence" are continuously invited to answer the last question "what should accountants do to transfer based on FSSC". In this answer, six choices are prepared, which are "Highly educated", "Accounting certificate", "Transform to management accounting to realize industry-finance integration", "Change ideas to adapt to the new system of performance appraisal",

“Become a compound talent, skilled in computer and other functions” and “Improve communication skills with others” respectively. Interviewed accountants and accounting trainers are allowed to select freely. That is to say, it's a multiple-choice question. The specific data are demonstrated below.

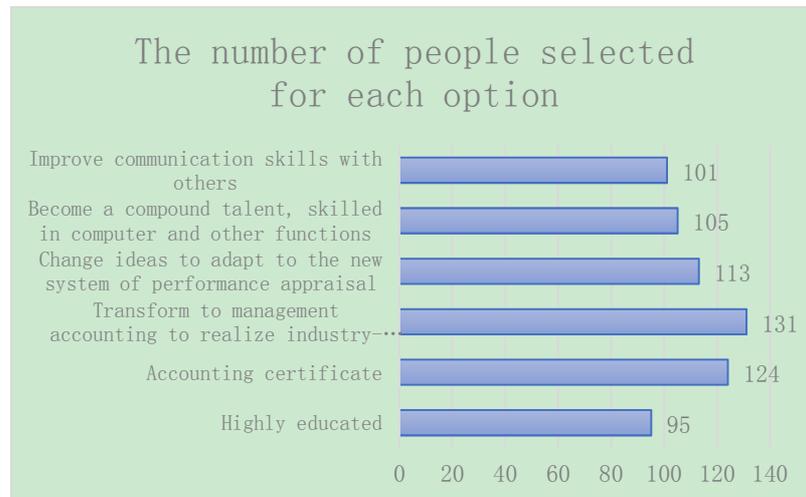


Figure 3. Interviewees' options about measures of accountants' transformation

A total of 141 people exclusively choosing “have no influence”, and more than two-thirds of accountants and accounting trainers choose every option. And the number of people choose “Transform to management accounting to realize industry-finance integration” is 131, reaching the highest, whose trend is consistent with the policy documents. Therefore, this paper takes a wild guess that it is necessary for accountants to transform into management accounting and realize industry-financed integration. Then the next three choices respectively are “Change ideas to adapt to the new system of performance appraisal” and “Accounting certificate”, accounting for 124, 113, 105 in turn, which shows accountants and accounting trainers actively explore different approaches about the transformation.

From the above three parts of the questionnaire, it can be seen that no one can deny the basic fact that with the development of financial accounting and technology, an increasing number of accountants consider it necessary to transform and make attempts to explore different ways to make the transition based on FSSC. The transformation of China accountants based on FSSC is inevitable and promising.

In terms of a combination of theoretical policy documents and practical questionnaires, it's obvious that the information the practical data conveys is consistent with the information the policy documents direct, which shows that with the rapid development of information technology and integration of enterprises in China, the transformation of financing accountants is influenced. Therefore Chinese accountants are required to transfer themselves into creative, value and skilled financing accountants based on FSSC. And then this article statistics out a few practices according to the information that policy documents and practical questionnaire conveys.

3.3 Suggestions

3.3.1. Transform to management accounting and realize industry-financed integration

As the keywords the policy documents frequently use, accountants are generally proposed as management accountants, which means look not only backwards, but forwards, shifting the focus of post-supervision to prior control. That is to say, out of the traditional mode of thinking, it's able to look at finance from a business perspective also look at the business from a finance perspective to realize industry-financed integration, which provides more profits for the company. If you can, it's recommended to acquire the management accountants' certificate.

3.3.2. Change idea and adapt to the new system of performance appraisal.

The construction of FSSC makes contributions to deadly change of original organizational setup

and management model, which demands to change ideas for all of the accountants into a deep understanding of FSSC and the service consciousness as an isolated business unit for centralized treatment. And ulteriorly the performance evaluation system has been restructured, maybe using dynamic assessment data and increasing special performance management positions. Therefore, accountants are supposed to change ideas and adapt to the new system of performance appraisal based on FSSC.

3.3.3. Become a multi-talented person

For one thing, based on the FSSC, the security of financial information already analyzed plays a more important role in commercial competition. But with the rapid technical development, the information leakage is not uncommon, urging accountants to grasp relevant computer technology to enciphered data, aimed at protecting critical financial data from being stolen. Besides, skills of maths and statistics are advised to enhance. For another thing, because finance departments are isolated based on FSSC, accountants of FSSC maybe have the lack of awareness of communicating with other departments. Therefore, based on the FSSC, accountants are cautioned to enhance their communication skills. In summary, accountants are advised to become a multi-talented person, learning basic knowledge of other fields also enhancing personal skills such as communication skill.

4. Conclusion

All in all, there is an evident tendency to construct FSSC, which has a great influence on finance, urging accountants to explore some different ways to transfer traditional accountants into fire-new management accountants equipped with high-level skills such as computer, statistics and mathematics, and appropriate idea matched with new organizational structure and management model. FSSC is promising, and accountants need to adapt themselves to it from all aspects.

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