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## Competitiveness of financial inspectors at agrarian enterprises and measures increase it

**Abstract. Introduction.** Ukraine's integration in the global economic arena, implementation of effective reforms as well as improvement in the welfare of citizens, would only be possible under conditions of competitive workforce, particularly in the agricultural sector. However, the absence of positive results of the agrarian reform related to distribution of land and farm property), lack of efficient financial incentives for farmers and inexistence of a long-term development strategy has had a negative impact on attitudes towards work and the competitiveness of the sector. Therefore, increasing the mobility of social capital is one of the most topical issues at the current stage of development of the Ukrainian agricultural sector.

**Purpose.** Taking into account the topicality of the problem and insufficient knowledge of the abovementioned issues, the purpose of this article is to study theoretical, methodological, scientific and practical fundamentals of the assessment of financial controllers' competitiveness with regard to the economic activity of agricultural enterprises and introduce measures aimed at its further improvement.

**Results.** The conducted analysis has shown that there are several scientific approaches to the definition of categories such as «financial inspector», «controlling service» and «competitiveness of financial inspector». Individual components of each definition differ only slightly. Most scholars and practitioners who have been researching this issue define the financial controller as a person who works in the financial management system relevant to planning and prognosis of a stable financial condition of legal entities carrying out commercial activities. In view of the above, the controlling service is a subdivision of a business entity which is responsible for the implementation of its overall sustainable and long-term concept of efficient management of financial and economic activities in terms of changing socio-economic relations. Hence, the competitiveness of the financial controller is a professional capacity to fully realise the right to work related to the controlling service and to receive a decent remuneration for this work. The analysis based on the theoretical, methodological, scientific and practical fundamentals of the assessment of the competitiveness level of financial controllers of agricultural enterprises has shown that this category of employees is important but hardly competitive on the labour market. This is due to a significant disparity between the preferences of employers and employees to assess the major features and characteristics of the competitiveness of financial inspectors, where the professional skills and education level are dominant. To improve the situation, it is necessary to create positions and increase the income level for highly qualified specialists of both sexes, and social and age groups.

**Conclusions.** The abovementioned approach is complex, interconnected and it will determine the preconditions for a comprehensive efficiency analysis of the competitiveness of financial inspectors and the possibility of its adaptation to modern social and economic relations in society. It will also provide the definition and characteristics of the economic concept of competitiveness of farmers.

**Keywords:** Agricultural Sector; Financial Controller; Financial Controlling; Competitiveness of Labour Force; Labour Market

**JEL Classification:** J21; J22; J23; J30; J31

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**Конкурентоспроможність фінансових контролерів підприємств аграрного сектора економіки та заходи щодо її підвищення**

**Анотація.** Обґрунтовано теоретико-методологічні та науково-практичні засади оцінки рівня конкурентоспроможності фінансових контролерів підприємств аграрного сектора економіки. Розкрито й доповнено соціально-економічну сутність фінансового контролера та служб фінансового контролінгу. За результатами проведених монографічних і соціологічних обстежень виявлено основні риси та характеристики рівня конкурентоспроможності фінансових контролерів сільськогосподарських підприємств Київської області. Визначено та охарактеризовано вплив основних зовнішніх і внутрішніх чинників на конкурентоспроможність фінансових контролерів підприємств аграрного сектора економіки та запропоновано заходи щодо її підвищення.

**Ключові слова:** аграрний сектор економіки; фінансовий контролер; служба фінансового контролінгу; конкурентоспроможність робочої сили; ринок праці.

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**Конкурентоспособность финансовых контролеров предприятий аграрного сектора экономики и мероприятия по ее повышению**

**Аннотация.** Обоснованы теоретико-методологические и научно-практические принципы оценки уровня конкурентоспособности финансовых контролеров предприятий аграрного сектора экономики. Раскрыта и дополнена социально-экономическая сущность финансового контролера и служб финансового контроллинга. По результатам проведенных монографических и социологических обследований выявлены основные черты и характеристики уровня конкурентоспособности финансовых контролеров сельскохозяйственных предприятий Киевской области. Определенно и охарактеризовано влияние основных внешних и внутренних факторов на конкурентоспособность финансовых контролеров предприятий аграрного сектора экономики и предложены мероприятия относительно ее повышения.

**Ключевые слова:** аграрный сектор экономики; финансовый контролер; служба финансового контроллинга; конкурентоспособность рабочей силы; рынок труда.

## 1. Introduction

Ukraine's integration in the global economic arena, implementation of effective reforms as well as improvement in the welfare of citizens, would only be possible under conditions of competitive workforce, particularly in the agricultural sector. However, the absence of positive results of the agrarian reform related to distribution of land and farm property), lack of efficient financial incentives for farmers and inexistence of a long-term development strategy has had a negative impact on attitudes towards work and the competitiveness of the sector. Consequently, the number of persons employed in the agricultural sector and the average annual wage for agricultural workers for 2004-2014 decreased more than twofold and made up 3 million people (17.1% of the country's working population) and 2.5 thousand UAH (73.4% of the total amount of each sector) [1; 3, 32]. Therefore, increasing the mobility of social capital is one of the most topical issues at the current stage of development of the Ukrainian agricultural sector.

## 2. Brief Literature Review

Studies of the abovementioned problems have been done by foreign scientists, such as I. Blank (1999) [2], Sh. Vang (2008) [3], R. Hilton (2002) [4], P. Horvath (1994) [5], T. Reichmann (1990) [6], K. Serfling (1992) [7], Y. Weber (1993) [8] et al., as well as by domestic scientists, among whom are I. Davydovych [9], T. Karpenko [10], D. Kovaleva [11], Ye. Anankina, S. Danilochkin and N. Danilochkina [12], O. Tereshchenko and N. Babiak [13], S. Falko [14], A. Podderiogin, M. Bilyk and L. Buryak [15]. Scientists formed the fundamental components of financial control in the world economy. However, the scientists listed above have not conducted analyses related to the mobility of social capital in order to attract workers of the agricultural sector of Ukraine to financial control services of agricultural enterprises.

## 3. Purpose

Taking into account the topicality of the problem and insufficient knowledge of the abovementioned issues, the purpose of this article is to study theoretical, methodological, scientific and practical fundamentals of the assessment of financial controllers' competitiveness with regard to the economic activity of agricultural enterprises and introduce measures aimed at its further improvement.

## 4. Results

The conducted analysis has shown that there are several scientific approaches to the definition of categories such as «financial inspector», «controlling service» and «competitiveness of financial inspector». Individual components of each definition differ only slightly. Most scholars and practitioners who have been researching this issue define the financial controller as a person who works in the financial management system relevant to planning and prognosis of a stable financial condition of legal entities carrying out commercial activities. [9, 10; 13, 10]. In our opinion, this category can include the personnel at accounting departments, heads of structural subdivisions, chief specialists, heads of enterprises and their deputies.

In view of the above, the controlling service is a subdivision of a business entity which is responsible for the implementation of its overall sustainable and long-term concept of efficient management of financial and economic activities in terms of changing socio-economic relations. Hence, the competitiveness of the financial controller is a professional capacity to fully realise the right to work related to the controlling service and to receive a decent remuneration for this work [10, 4].

While supporting this approach, we believe that it is appropriate to identify the main criteria of competitiveness of the financial controller of agricultural enterprises, which are not exhaustive. They were defined through our sociological survey, expert assessments, multifactorial comparison, etc. To that end, in 2016 we conducted a sociological survey among 120 workers

of agricultural enterprises in the following areas of Kyiv region: Bila Tserkva, Volodarsk, Kaharlyk and Fastiv. The questionnaire was developed to study the opinion concerning the assessment of the competitiveness of existing and future financial controllers. Heads of enterprises and managers of their departments, including chief accountants (60%) and accounting staff (40%) participated in the survey.

Previously we had formed a set of basic features and characteristics that reflected various professional and social and psychological traits of financial controllers that form their competitiveness in the labour market of which the main are: gender, age, health status, marital status and family composition, education, qualification level, experience, working conditions and remuneration, computer skills, responsibility, etc. The respondents were asked to assess each of these features based on its importance and represent a point assessment due to the scale from 1 (minimum) to 50 (maximum) points.

Based on the analysis of the respondents' answers, we introduce the quantitative assessment of the abovementioned traits and characteristics that define the competitiveness of financial controllers in the agricultural sector (Table 1).

Tab. 1: Assessment of the main features and characteristics of the competitiveness of the financial controllers by different categories of workers of agricultural enterprises of the following areas of Kyiv region: Bila Tserkva, Volodarsk, Kaharlyk and Fastiv in 2016, in points

Features and characteristics	Heads and their deputies	Personnel of accounting departments	Average
Requirements to working conditions and remuneration	30	50	40.0
Education	35	30	31.5
Qualification level	50	35	42.5
Experience	50	30	40.0
Gender	50	15	32.5
Age	50	30	40.0
Responsibility	50	40	45.0
No bad habits	50	35	42.5
Computer skills	50	40	45.0
Health status	30	50	40.0
Marital status and family composition	25	40	32.5
Average point of features, characteristics	42.7	35.9	39.2
Correspondence with all possible parameters, %	85.4	71.8	78.4

Source: Compiled by the author

Table 1 has shown that that the results of assessment of the main features and characteristics of the competitiveness of financial controllers differ among heads of enterprises, their deputies and accounting personnel. Most heads of enterprises and their deputies set quite high requirements to quality parameters of financial controllers and their work, which was especially the case with gender, age, qualification level, experience, responsibility, education and computer skills. This is reflected in their average which is 42.7 and their correspondence with all possible parameters which is 85.4%.

The study of the relevant information related to the preferences of this group of respondents regarding the requirements towards the best candidate for the position of the financial controller shows that it must be a male aged between 30 and 40 years old having professional qualifications corresponding to this position. The applicant must have over eight years of work experience in the relevant occupation, be responsible for the fulfilment of his/her duties and be without bad habits (alcohol abuse, drug use and smoking). The abovementioned respondents assessed these qualities with the maximum number of points.

In addition, heads of enterprises and departments would like applicants for the position to have an appropriate education and computer skills. However, they allow for the average health condition of the applicant. The person's marital status and his/her requirements to working conditions and wages do not affect his/her employment.

The assessment points of the accounting personnel are much lower if compared to those of heads of enterprises and

their deputies. Those agrarians who do not fulfil managerial tasks single out the following features: conditions for the production and the price of labour force expressed in wages, health status, age, marital status and family composition, experience, responsibility, etc. (the average is 35.9).

In our opinion, the features and characteristics of the competitiveness of financial controllers depend on the complexity of the work require this situation. If the work is routine, but provides material liability, the application requires more intellectual and physical effort. Therefore, the requirements to higher health status, working conditions and wages are much higher in contrast with computer skills, gender and education. However, in real life employees cannot always meet the employer's criteria which negatively affects the level of competitiveness because it depends on both subjective and objective factors.

The *subjective factors* include a set of personal traits, qualities, achievements, social status, employment status of the worker, etc. They influence the formation of labour motivation, which, for the most part, is progressive and aimed at improvement and personal development. Thus, according to the results of the survey conducted among landowners of Kyiv region, it has been found out that there prevails external motivation, the level of which can be considered sufficient. In particular, only a third (30%) of financial inspectors want to improve their competitiveness (mostly the heads of structural subdivisions) through additional education, training, acquiring new working methods and techniques, etc.

The study determines that the *objective factors* are not directly dependent on individuals. They include social and economic situation of the state, employment conditions, legislation, etc. Therefore, it is not accurate to say that these factors have a positive impact on existing and future employees of agricultural enterprises. This is due to the disparity between supply and demand of labour force in the agricultural market, a low level of its professionalism, low territorial mobility, unfavourable conditions for education and training, expansion of employment, lack of job opportunities, etc. Consequently, the competitiveness of financial controllers working in the agricultural sector, especially the young people and women, is low.

To solve the abovementioned problems in the agricultural sector, it is necessary to implement the following measures at micro and macro levels:

- to balance supply and demand in the labour market (training specialists in vocational and higher education who are in an urgent need for employers);
- to increase the income level and the average monthly salary, which should not be lower than the average salary in other branches;
- to establish a direct link between the remuneration of farmers and the quality of their work;
- to provide social benefits for employees (payment of insurance policies, medical care, food, travel, etc.);
- to create conditions for the improvement of the results of financial and economic activities (bonuses, increased interest rates, etc.);
- to conclude indefinite duration contracts of employment with workers;
- to provide conditions for professionally oriented training of employees according to modern approaches.

### 5. Conclusions

The analysis based on the theoretical, methodological, scientific and practical fundamentals of the assessment of the competitiveness level of financial controllers of agricultural enterprises has shown that this category of employees is important but hardly competitive on the labour market. This is due to a significant disparity between the preferences of employers and employees to assess the major features and characteristics of the competitiveness of financial inspectors, where the professional skills and education level are dominant. To improve the situation, it is necessary to create positions and increase the income level for highly qualified specialists of both sexes, and social and age groups.

The abovementioned approach is complex, interconnected and it will determine the preconditions for a comprehensive efficiency analysis of the competitiveness of financial inspectors and the possibility of its adaptation to modern social and economic relations in society. It will also provide the definition and characteristics of the economic concept of competitiveness of farmers.

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