

# IMPACT OF ACCOUNTING REGULATORY FRAMEWORK COMPLEXITY ON ACCOUNTANTS' JOB SATISFACTION IN CROATIA

Željana Aljinović Barać\*, Ivana Tadić\*\*

Received: 19. 4. 2010  
Accepted: 9. 3. 2011

Preliminary communication  
UDC 657(497.5)

*The aim of this paper is to research whether the complexity of accounting regulatory framework in Croatia and its frequent changes significantly affect the accountants' overall job satisfaction. During the past ten years regulatory accounting framework has been changed many times and all these changes make it very complex and affect the accounting practitioners' scope of the job and its complexity. The results of the research indicate that the complexity of the regulatory accounting framework and frequent changes have statistically significant impact on job satisfaction of accounting practitioners. Among individual characteristics, education and attitude about changes have a statistically significant impact on the extent of accountants' overall job satisfaction, while other demographic and personality characteristics surveyed were not found to be in statistically significant correlation with the job satisfaction. Company's characteristics that were surveyed also did not have an influence on the extent to which accountants' job satisfaction is affected.*

## 1. INTRODUCTION

Work represents a significant part of an active employee's regular day. Besides the very important fact of economic value that work provides for employees, the attitude towards one's job, as well as the satisfaction derived from everyday work are also very important.

---

\* Željana Aljinović Barać, PhD, Assistant Professor, University of Split, Faculty of Economics, Department of Accounting, Matice hrvatske 31, 21000 Split, Croatia, E-mail: [zbarac@efst.hr](mailto:zbarac@efst.hr)

\*\* Ivana Tadić, PhD, Assistant, University of Split, Faculty of Economics, Department of Management, Matice hrvatske 31, 21000 Split, Croatia, E-mail: [itadic@efst.hr](mailto:itadic@efst.hr)

This paper focuses on Croatian accountants, because of the frequent changes in the Croatian regulatory accounting framework and its complexity that significantly affect them. Many empirical studies have been conducted on employees' job satisfaction, regarding different professions, but only a few have concentrated on accountants. In Croatia, similar researches in the field of human resources management regarding different professions have been conducted, but not one has concentrated on accounting professionals. Therefore, this paper can play an important part in recognizing the stated problem and providing a certain contribution in the aforementioned economic fields.

The aim of this paper is to analyze whether these features have an impact on accountants' job satisfaction. Also, individual characteristics as well as organizational characteristics are considered, as they may influence the extent to which job satisfaction is affected. Finally, the areas of regulatory framework that accountant professionals believe to be the most complex ones are identified and the main reasons for job dissatisfaction are explored.

The remainder of the paper is organized as follows. First, characteristics of the Croatian regulatory accounting framework and the frequency of its changes as the causes of accountants' job satisfaction are described. Next, the theoretical background for research and job satisfaction postulates is discussed. In the next part of the paper, the research design and methodology are described and in the subsequent chapter, the obtained results are presented and discussed. The paper ends with concluding remarks.

## **2. CHARACTERISTICS OF THE CROATIAN REGULATORY ACCOUNTING FRAMEWORK**

During the past 10 years, the regulatory accounting framework in Croatia has been changed many times. For instance, the Accounting Act and taxation acts have been changed twice and 14 times respectively, and Financial Reporting Standards requirements have also been changed. All these changes make the accounting regulatory framework very complex and affect the accounting practitioners' scope of the job and its complexity. Furthermore, frequent changes require a lot of additional work to implement them. Therefore, the frequency of changes in different areas of the accounting regulatory framework is described in more detail in the following paragraph.

The regulatory accounting framework in Croatia is based on the Croatian National Accounting Law and Company Law, thus five areas of the regulatory accounting framework can be identified: *International Financial Reporting*

*Standards/International Accounting Standards (1)* - The full recognition dates to the beginning of 1993, when the Croatian Accounting Act came into force. This Act made the use of International Accounting Standards obligatory for all companies. Meanwhile, the International Accounting Standards have changed into the International Financial Reporting Standards (IFRS), while the Croatian National Accounting Law has changed financial standards requirements. At the present time, more precisely, since the beginning of 2008, the Croatian National Accounting Law (article 13) requires that all companies apply the *Croatian Financial Reporting Standards (2)*, except for listed companies, those that are preparing to go public, all large enterprises and financial institutions that are required to use the International Financial Reporting Standards. *Corporate Income Tax or Profit Tax (3)* – Since it was passed and entered into force at the beginning of 2005, this set of laws has changed four times. *Value Added Tax (4)* - Since it was passed and entered into force at the beginning of 1997, this law has been changed 24 times. *Personal Income Tax (5)* – It is applicable in companies on income from employment and surtax on income tax. Since it was passed and entered into force at the beginning of 2005, the Personal Income Tax Act and Ordinance on the Personal Income Tax have been changed seven times.

All these laws and regulations will continue to change in the future, especially with the aim to achieve full compliance with the World Bank requirements and EU *acquis* as instruments for Croatian EU membership.

### 3. THEORETICAL BACKGROUND

Different theories could have laid the foundation of job satisfaction. Numerous authors nowadays argue about them, such as Taylor (1911) and his scientific management with the study of job satisfaction, Maslow (1943) and his hierarchy of needs theory that represented one of the bases for developing other job satisfaction theories or Mayo's (1945) Hawthorne studies who investigated the effects of various conditions on job satisfaction.

#### 3.1. Definition of job satisfaction

Generally, job satisfaction describes how content employees are with their current job. Researching literature, a variety of very similar definitions describing job satisfaction has been found. The most popular is the one by Loche from 1976, which describes job satisfaction as a pleasurable or positive emotional reaction to a person's job experiences (Loche, 1976 in Milkovich & Boudreau, 1997). Job satisfaction can be defined as the collection of feelings and beliefs about a current job (Jones, George & Hill, 2000), as a positive

attitude that is believed leads to high performance (Daft & Marcic, 2001) or as a reflection of an employee's feelings about various aspects of work (Stone, 2005). Observing job satisfaction, it is very important to note two different expressions which are equally used in literature, i.e. job satisfaction regarding solely the task itself or the crucial activity of one's regular work, and job satisfaction in general which includes a range of different elements, such as satisfaction with pay, co-workers, supervision or working conditions (Bakotić, 2009). The first element, i.e. job satisfaction regarding solely the task itself and the type of work that the employee undertakes can also be defined as intrinsic job satisfaction. On the other hand, when employees consider different elements of their job, mentioned above, it can be explained as an extrinsic type of job satisfaction.

### **3.2. Job satisfaction facets**

There are different factors that have an influence on an employee's job satisfaction. Some of them can be described as individual factors (personality, education, marital status, age); certain categories can be individually affected while social factors (co-workers, team work, supervision) and organizational factors (company size, formal structure, management, politics and procedures, technologies) are less likely to be individually affected. In recent studies, many of the stated factors have been researched with the majority of them concentrating on the influence of individual and social groups of factors on job satisfaction.

Gender, age and experience are the most usual demographic characteristics used for measuring their influence on specific facets of job satisfaction or overall job satisfaction. For example, gender, experience and working conditions were related to different facets of job satisfaction (Koustelios, 2001). The influence of gender in relation to work, pay, promotion, supervision and co-workers was researched (Okpara, Squillance & Erond, 2005; Okpara, 2006). The relationship of age, gender and position was related to a number of facets of job satisfaction such as supervision, colleagues and relationship, working conditions and responsibility (De Nobile & McCormick, 2008). Last, but not the least, the influence of gender, age and tenure (Wickramasinge, 2009) was investigated, as well.

A study conducted by Moyes, Shao & Newsome (2008) concentrated on, apart from the demographic characteristics, a company's characteristics that can be observed according to the specificities of US laws and accounting regulations. The study provided accounting graduates' opinions concerning how

different important factors may influence their level of job satisfaction. The paper reported on the differences regarding benefits received from their employers, but distinguishing respondents by the size of their employers. This research also concentrated on accounting professional differences (possession of certain accounting certificates) and on different accounting professional groups regarding their satisfaction with their performance, job importance or chances for promotion. Finally, this study also concentrated on the type of accounting that respondents were working in (corporate, public or government) and their satisfaction with co-workers, appreciation of their work, feedback received or promotion possibilities. The professional qualification facet was also a part of a research of Australian accountants (Stathopoulos & Wise, 2009).

Furthermore, certain studies investigated the personality characteristics of their respondents and their connections with job satisfaction, more precisely the influence of the five-factor model (popularly known as the Big Five model) and job satisfaction. Judge, Heller & Mount (2002) reported on the results of meta-analysis, linking traits from the five-factor model of personality to the overall job satisfaction. Furthermore, Stathopoulos & Wise (2009) examined openness to experience and conscientiousness to help describe the extent to which an accounting practitioner's job satisfaction is affected by tax complexity.

### **3.3. Job satisfaction of accountants**

Recent studies on job satisfaction have included different professions of employees within different industries and have been conducted in various countries.

Ang, Goh & Koh (1993) analyzed the effect of the age and job type, as well as their mutual interaction on the level of different categories of Singaporean accountants. Hildebeitel, Leaby & Larkin (2000) researched job satisfaction among entry-level accountants in the Mid-Atlantic region of the United States. Their research pointed out the most positive and the most negative responses by entry-level accountants, defining the greatest causes of satisfaction and dissatisfaction on their job. Furthermore, Phillips & De Lange (2008) analyzed the effects of the introduction of the Goods and Service Tax (GST) in Australia, more precisely on working conditions, job satisfaction and public accountant burnout. Finally, Moyes, Shao & Newsome (2008) conducted a comparative analysis of employee job satisfaction in the accounting profession in the USA, investigating job satisfaction as a dependent variable, influenced by different independent variables that can be gathered as demographic characteristics and companies' characteristics. One of the most

influential papers addressing this topic is related to the research of a relationship between accountants' job satisfaction and tax complexity in Australia (Stathopoulos & Wise, 2009).

#### 4. METHODOLOGY

In this chapter, research hypotheses are developed, questionnaire design is described and sample characteristics are presented. The data was analyzed using the PASW v. 18.0. Correlation analysis and analysis of variance (ANOVA) were used to identify the differences in job satisfaction of the respondents depending on tax complexity and demographic characteristics.

##### 4.1. Research hypotheses

Based on the theoretical background and the results of previous studies, the research hypothesis has been formulated as follows:

*H1. Frequent changes in the regulatory accounting framework and its complexity negatively affect the overall job satisfaction of accounting practitioners.*

When testing for the effects of changes in the accounting framework on accountants, according to Stathopoulos & Wise (2009:164) and Moyes, Shao & Newsome (2008:65), it is important to recognize that individual characteristics, as well as company characteristics may influence the extent to which job satisfaction is affected. Based on previous research, three additional hypotheses are developed:

*H2. Demographic characteristics will have an impact on the extent to which the changes in the accounting framework cause accountants' overall job satisfaction.*

*H3. Company characteristics will have an impact on the extent to which the changes in the accounting framework cause accountants' overall job satisfaction.*

*H4. Personality characteristics will have an impact on the extent to which the changes in the accounting framework cause accountants' overall job satisfaction.*

## 4.2. Questionnaire design

The questionnaire included 17 questions that were divided into five sections in compliance with relevant previous research: (1) demographic characteristics: gender, age, working experience, education, professional qualification (possession of a relevant certificate); (2) company characteristics: ownership, size, type of industry; (3) personality characteristics: openness to experience and conscientiousness; (4) accounting system complexity (IFRS and CFRS implementation, personal income, corporate income and value added tax areas) and (5) job satisfaction: level of job satisfaction and reasons for job dissatisfaction. In first three sections, independent variables are described. The fourth section provides information on the characteristics of the accounting regulatory framework, more precisely, the views of accountants as to what areas are the most complex ones. The last section, i.e. the fifth one, presents results on accountants' job satisfaction and reasons for dissatisfaction.

## 4.3. Sample

The sample for this research consists of all Croatian accountants who participated in the program for certified (chartered) accountants<sup>1</sup> (the last three generations in succession from 2006 to 2009). A total of 237 questionnaires were electronically distributed and 90 completed questionnaires were returned, for a response rate of 38%. The research was conducted in the period of three months, from September 2009 until the end of November 2009.

### 4.3.1. Demographic characteristics

The majority of the participants (88%) are female; the largest percentage of respondents is between 26 and 35 years old (40%) and has between 11 and 20 years of working experience (34%). Almost half of the respondents have a university degree (49%) and 64% of them hold professional qualification (certified accountants). Quantitative sample characteristics are presented in Table 1.

---

<sup>1</sup> Program is organized by Croatian Accountant Society and provides participants with the knowledge from the following fields: business environment, management and decision-making, taxes, financial management and internal and external audit. In order to participate in the program, applicants should fulfil the following criteria: university degree and two years of work experience, or a college degree and three years of work experience.

Table 1. Demographic characteristics of respondents

DEMOGRAPHIC CHARACTERISTICS			
		Frequency	Percentage
Gender	Male	11	12.2
	Female	79	87.8
Age	Younger than 25	3	3.3
	Between 26 and 35	36	40.0
	Between 36 and 45	28	31.1
	Between 46 and 55	19	21.1
	Over 56	4	4.4
Work experience	Less than 5 years	11	12.2
	Between 6 and 10	24	26.7
	Between 11 and 20	31	34.4
	Between 21 and 30	19	21.1
	More than 30	5	5.6
Education	Secondary school	11	12.2
	College degree	33	36.7
	University degree	44	48.9
	Master's degree	2	2.2
Professional qualification	Certified	58	64.4
	Not certified	32	35.6
<b>TOTAL</b>		<b>90</b>	<b>100</b>

Source: survey data (2009).

#### 4.3.2. Characteristics of respondents' companies

The majority of the participants (89%) are employed in privately-owned companies and more than half of them are small entities. The equal and largest percentage of respondents (24% each) work in accounting offices (main activity designated as 'accounting and bookkeeping') or trading companies. Company characteristics are presented in Table 2.

Table 2. Characteristics of respondents' companies

COMPANY CHARACTERISTICS			
		Frequency	Percentage
Owner-ship	Privately owned	80	88.9
	State-owned	7	7.8
	Mixed ownership	3	3.3
Size <sup>2</sup>	Small	53	58.9
	Medium	20	22.2
	Large	14	15.6
	Missing System	3	3.3
Industry <sup>3</sup>	Accounting/bookkeeping	22	24.4
	Trade	22	24.4
	Construction	10	11.1
	Production	6	6.7
	Transport	1	1.1
	Financial activity	4	4.4
	Hotels	3	3.3
	Education	6	6.7
	Services	5	5.6
	IT	3	3.3
	Other activities	8	8.9
<b>TOTAL</b>		<b>90</b>	<b>100.0</b>

Source: survey data (2009).

#### 4.3.3. Personality characteristics

Personality characteristics of respondents are based on the five-factor model of personality developed in the area of job satisfaction, but as a number of studies have investigated relations between an isolated facet of the five-factor model and job satisfaction, the same was done in our case. In this study, only openness to experience (the degree to which a person has a broad range of interests and is imaginative, creative, artistic, sensitive, and willing to consider

<sup>2</sup> Classification is based on Article 3 of the Accounting Act Activities (Official Gazette of the Republic of Croatia, No. 109/2007) criteria: total assets, revenue and average number of employees in the course of the financial year.

<sup>3</sup> Classification is based on the Act on the National Classification of Economic Activities (Official Gazette of the Republic of Croatia, No. 58/2007).

new ideas - Daft & Marcic, 2001) and conscientiousness (the degree to which a person is focused on a few goals, thus behaving in ways that are responsible, dependable, persistent, and achievement oriented - Daft & Marcic, 2001) were examined, in compliance with similar research by Stathopoulos & Wise (2009).

Openness to experience represents the willingness of respondents to acquire new knowledge which results from changes in the regulatory framework. It was measured using the five-point Likert scale, ranging from “1 – high level” to “5 – very low level”. Personality characteristics of the respondents, with regard to openness to experience expressed with their attitude to acquire new knowledge, are presented in Table 3. The majority of the participants (52%) expressed the highest level of willingness to acquire new knowledge, resulting from changes in the regulatory framework. It was followed by the share of respondents (26%) who expressed an average level of willingness to acquire new knowledge. The same percentage of the respondents (just 1%) expressed a below average level and a very low level of willingness to acquire new knowledge.

Table 3. Personality characteristics - openness to experience

ATTITUDE TO ACQUIRE NEW KNOWLEDGE	Frequency	Percentage
	High level	47
Above average level	18	20.0
Average level	23	25.6
Below average level	1	1.1
Very low level	1	1.1
<b>TOTAL</b>	<b>90</b>	<b>100.0</b>

Source: survey data (2009).

Conscientiousness understands respondents' approval of changes in the accounting regulatory framework. It was measured using the five-point Likert scale, ranging from “1 – absolutely approve” to “5 – absolutely not approve”. Personality characteristics of the respondents regarding conscientiousness expressed by their approval of changes are presented in Table 4.

Table 4. Personality characteristics – conscientiousness

APPROVAL OF CHANGES		
	Frequency	Percentage
Absolutely approve	0	0.0
Approve to large extent	3	3.3
Average approval	18	20.0
Approve to minimal extent	56	62.2
Absolutely not approve	13	14.4
<b>TOTAL</b>	<b>90</b>	<b>100.0</b>

Source: survey data (2009).

The majority of the participants expressed their approval of changes in the accounting regulatory framework to a minimal extent (62%). This portion of respondents is followed by those who approved of changes in the accounting regulatory framework on an average level (20%), while there is nobody among the respondents who absolutely approved the mentioned changes.

## 5. RESEARCH RESULTS AND DISCUSSION

In this part of the article, the results of hypotheses testing are presented and discussed. The main hypothesis of this paper is that frequent changes in the regulatory accounting framework and its complexity affect the overall job satisfaction of accounting practitioners. Additionally, individual characteristics of the respondents, as well as company characteristics were tested.

### 5.1. General findings

Firstly, perceptions about the accounting system characteristics and their complexity are presented and explained. Afterwards, respondents' job satisfaction characteristics are identified.

#### 5.1.1. Perceptions about the accounting system characteristics and complexity

Five regulatory accounting framework areas described in Chapter 2 were identified and respondents were required to rank these areas with regard to their complexity and increased workload. The frequency statistics and ranking of areas are presented in Table 5.

Table 5. Complexity ranking of accounting regulatory framework fields

AREA/COMPLEXITY	1	2	3	4	5	TOTAL
CFRS	9	12	19	31	19	<b>90</b>
IFRS	13	15	27	24	11	<b>90</b>
Value added tax	12	25	21	16	16	<b>90</b>
Personal income tax	7	26	26	23	8	<b>90</b>
Corporate income tax	10	31	25	19	5	<b>90</b>

Source: survey data (2009).

Accountants in Croatia find Croatian financial reporting standards implementation to be the most complex field within the regulatory framework which requires a lot of extra work. This can be assigned to the fact that 81% of the respondents are employed in small or medium-sized companies that are required to apply the CFRS. Moreover, our research was conducted in the first year of applying this legal obligation, thus it can be assumed that a number of accountants were still learning how to apply the Standards. The application and amendments of the International Financial Reporting Standards are the second rate field of accounting legislation. This ranking is probably the result of accountants employed in large or listed companies that are required by the Accounting Law to apply the IFRS. Also, these two areas are ranked highly because they really require a high level of accountants' knowledge and personal involvement in the practical implementation. On the other hand, taxation areas are, to a large extent, a matter of accounting software segments so IT specialists are the ones who deal with the implementation of changes rather than the accountants who, therefore, did not identify these areas as very complex and demanding ones. In order to test for the effect of the accounting framework complexity on job satisfaction, a "complexity score" was developed (in accordance to Stathopoulos & Wise, 2009). A reliability analysis was conducted and Cronbach's alpha ( $\alpha = 0.677$ ) was calculated to test the consistency and reliability of the score. As the satisfactory value is required to be more than 0.6 (Cronbach, 1951), we found that the scales used are reliable for data analysis.

#### 5.1.2. Respondents' job satisfaction

The last group of questions identifies the characteristics of job satisfaction regarding the changes and complexity of the regulatory framework. This variable was measured using the five-point Likert scale, ranging from "1- very satisfied" to "5 - very dissatisfied". Frequencies are presented in Table 6.

Table 6. Overall job satisfaction of respondents

OVERALL JOB SATISFACTION		
	Frequency	Percentage
Very satisfied	2	2.2
Above average satisfied	3	3.3
Average satisfied	62	68.9
Below average satisfied	13	14.4
Very dissatisfied	10	11.1
<b>TOTAL</b>	<b>90</b>	<b>100.0</b>

Source: survey data (2009).

Almost 69% of the respondents rated their overall job satisfaction as average. Another 25% of the respondents were not satisfied with frequent changes. Just a small proportion of respondents (3%) had above average satisfaction, while 2% were very satisfied. Furthermore, respondents were required to identify the main reason for job dissatisfaction caused by changes in the accounting regulatory framework and its complexity. The results are presented in Table 7.

Table 7. Main reasons of accountants' job dissatisfaction

REASONS FOR JOB DISSATISFACTION		
	Frequency	Percentage
No response	9	10.0
Low salary	5	5.6
Additional work	20	22.2
Working environment	3	3.3
Uncertainty regarding future changes	46	51.1
Accounting profession	4	4.4
All mentioned factors	3	3.3
<b>TOTAL</b>	<b>90</b>	<b>100.0</b>

Source: survey data (2009).

More than half of all the accountants highlight the uncertainty regarding future changes in the regulatory accounting framework as the main reason for low job satisfaction, while a quarter of the respondents highlight additional work caused by frequent regulatory accounting framework changes as the main reason for dissatisfaction.

## 5.2. Testing of the main hypothesis

The Pearson correlation coefficient was calculated in order to test the main hypothesis formulated in this paper. The obtained results ( $r = 0.405$ ;  $p = 0.003$ ) indicate a significant correlation at the 0.01 level. Therefore, it can be concluded that the complexity of the regulatory accounting framework and frequent changes have a statistically significant effect on the job satisfaction of accounting practitioners. This is consistent with similar research results and literature that suggest that tax complexity negatively influences job satisfaction.

As previously discussed, almost 69% of the respondents expressed their overall job satisfaction with regard to frequent changes in the accounting regulatory framework as average. This can be explained by the fact that although frequent changes influence the overall job satisfaction, the majority of the respondents understand that it is an integral part of their everyday working life, and thus express their feeling about it as average satisfaction. As participants in the research showed the average level of overall job satisfaction, a more detailed analysis was done to find out the reasons for job dissatisfaction.

The results indicate that more than half of all the accountants surveyed emphasized uncertainty regarding the complexity of the regulatory framework and its future changes as the main causes of job dissatisfaction. The explanation for the stated fact can be found in the present situation of the global crisis and uncertainty of the accountants' future regarding employment, working conditions and requirements of new duties and responsibilities of their job position. A quarter of the respondents highlight additional work caused by frequent regulatory accounting framework changes as the main reason for dissatisfaction, which is quite reasonable. A total of 10% of the respondents did not identify any reason for job dissatisfaction. Non-responses were analyzed in-depth to find out if these respondents were very satisfied with their job, thus they did not have any reasons for dissatisfaction. As 69% of those respondents graded their job satisfaction as average, so it is possible that a certain factor, which was not included into the questionnaire, caused their job dissatisfaction.

## 5.3. Testing of the additional hypotheses

According to the theoretical determinants, individual characteristics (both demographic and personality), as well as a company characteristics may influence the extent to which job satisfaction is affected. To test these propositions, the analysis of variance (ANOVA) is used and the results are presented in Table 8:.

*Table 8. Results of ANOVA – influence of demographic characteristics on job satisfaction*

VARIABLE	F	Sig.
Gender	1.192	.281
Age	1.404	.249
Experience	1.965	.117
Education	5.159	.004*
Professional qualifications	.349	.558

\*Statistically significant at the 0.01 level.

Source: estimated according to survey data (2009).

The obtained results indicate that education is the only demographic characteristic that has a statistically significant impact on the extent to which the complexity of the accounting framework affects the overall job satisfaction of accountants. This is consistent with previous studies, suggesting a generally positive relation between education and job satisfaction. Other demographic characteristics: gender, age, working experience and professional qualification do not have a statistically significant impact on the extent to which the complexity of the accounting framework affects the overall job satisfaction of accountants, what is contradictory to the results of the previous relevant studies.

To be more precise, regarding the gender of respondents, it is evident that it is not significantly related to the overall job satisfaction of accountants, considering the bias that is potentially within the sample, as 88% are female. The results of the previous researches have indicated that women are, on average, more satisfied than men. Age is also not significantly related to the overall job satisfaction; also considering the bias that is potentially within the sample, as 40% of the respondents are between 26 and 35 years old. The results of similar studies indicate that the older an individual, the more satisfied he/she will be in his/her job.

Furthermore, work experience, as a demographic factor, does not have a statistically significant impact on the extent to which the complexity of the accounting framework affects the overall job satisfaction. The findings are in contradiction with previous research studies (Okpara, Squillance and Erondu, 2005; Okpara, 2006; De Nobile and McCormick, 2008), which have explained that if work experience increases, job satisfaction also increases. Finally, professional qualification does not have a statistically significant impact on the

extent to which the complexity of the accounting framework affects the overall job satisfaction of accountants. Previous research has produced contradictory results and our study adds further to the group of studies that have shown no significance.

The results of testing influence of company characteristics to the overall job satisfaction of accountants are presented in Table 9.

*Table 9. Results of ANOVA – influence of company characteristics on job satisfaction*

<b>VARIABLE</b>	<b>F</b>	<b>Sig.</b>
Ownership	.537	.467
Size	.166	.847
Activity	.375	.953

Source: estimated according to data from survey (2009).

Although the majority of the participants (89%) are employed in privately-owned companies and more than half of them are small entities, the results presented in Table 9 show that company characteristics do not have a statistically significant impact on the overall job satisfaction of accountants. The results are in contradiction regarding the company size. Namely, previous research (Stathopoulos and Wise, 2009) has pointed out differences on job satisfaction regarding the size of a company.

Employees working in large companies are more satisfied with different facets of job satisfaction than those employed by small employers. As the types of ownership and classification of activities are specific in Croatia, similar researches regarding the ownership or employer's main activity and employees' job satisfaction have not been found.

The results of testing personality characteristics (surveyed in questions related to approval of changes in the accounting regulatory framework and willingness to acquire new knowledge caused by changes and complexity), which have an impact on the extent to which the changes in the accounting framework cause the accountants' overall job satisfaction, are presented in Table 10.

Table 10. Results of ANOVA – influence of personality characteristics on job satisfaction

VARIABLE	F	Sig.
Approval of changes	7.726	.000*
Willingness to acquire new knowledge	1.076	.374

\*Statistically significant at the 0.01 level.

Source: estimated according to survey data (2009).

The obtained results indicate that the approval of changes in the accounting regulatory framework has a statistically significant impact on the overall job satisfaction of accountants, which is consistent with the majority of the results of the previous studies (Koustelios, 2001; Wickramasinge, 2009).

On the other hand, accountants' willingness to acquire new knowledge that stems from changes in the accounting regulatory framework does not have a statistically significant impact on the overall job satisfaction of accounting professionals. Previous researches described in Chapter 3 have produced contradictory results. Our study adds to the researches that point out that personality characteristics do not play a significant role in the extent to which an individual's job satisfaction is affected by the complexity in the accounting regulatory framework.

Finally, it can be concluded that our research has produced contradictory results in accordance to previous ones. The possible reason for these discrepancies can be found in the fact that Croatia belongs to macro-oriented (government-oriented) accounting systems according to Nobes Classification Model (Nobes, 1983). On the contrary, other studies were conducted in countries that belong to microeconomic (business oriented and designed to serve providers of capital) accounting systems.

The limiting factors of the research and potential biases within the sample are that only the accountants who participated in the program for certified accountants (the last three generations in succession from 2006 to 2009) were surveyed. The other limiting factor is the gender and age structure of the respondents, as the majority of the participants (88%) are female and the largest percentage of respondents is between 26 and 35 years old. Even with these considerations in mind, valuable and useful information about the impact of the complexity of the accounting regulatory framework on accountants' job satisfaction in Croatia can be provided.

## 6. CONCLUSION

This research paper focuses on Croatian accountants as their profession was the most affected by frequent changes in the regulatory framework and its complexity. The obtained results indicate that the complexity of the regulatory accounting framework and frequent changes have a statistically significant effect on the job satisfaction of accounting practitioners. When testing for these effects, it is important to recognize that individual characteristics, as well as company characteristics may influence the extent to which job satisfaction is affected. Among individual features surveyed, education as a demographic characteristic and attitude to changes in the accounting regulatory framework (representing conscientiousness as a personality feature) have a statistically significant effect on the extent of the overall job satisfaction of accountants. Other demographic and personality characteristics surveyed were not found to have a statistically significant correlation with the overall job satisfaction. Furthermore, company characteristics surveyed also did not influence the extent to which accountants' job satisfaction is affected.

Respondents have shown an average level of overall job satisfaction and have emphasized uncertainty regarding the future changes as the main cause of job dissatisfaction. The areas of International Financial Reporting Standards and Croatian Financial Reporting Standards implementation and amendments have been highlighted as the most complex fields that require plenty of additional work. Finally, the findings presented in this paper show that the accountants are aware (and discontented) that laws will continue to change in the future, especially with the aim to achieve full compliance with the EU *acquis* as an instrument for Croatian EU membership.

Summarizing the theoretical and empirical results of the research, the following recommendations can be derived: (1) the Croatian legislative authorities should, first and foremost, inevitably consult accounting professionals (or their representative structures) when drafting and proposing amendments to laws and, second, should avoid unnecessary formal changes but consider only the significant ones; (2) accountants should be active participants of the changes in the accounting regulatory framework, possibly through representative structure's organizations; (3) employers should stimulate their human resources development through professional training in order to facilitate legislative adjustments, as well as provide incentives for additional work. Thus, future research should aim to explore the areas of the accounting regulatory framework in more detail and determine what makes those areas more complex

than others. In addition, future research should focus on particular job satisfaction facets and determine their impact on the overall job satisfaction.

## REFERENCES

1. Ang, K.; Goh, A.; Koh, H. (1993) The impact of age on the job satisfaction of accountants, *Personal Review*, Vol. 22, No 1, pp. 31-39
2. Bakotić, D. (2009) *Međuovisnost zadovoljstva na radu radnika znanja i organizacijskih performansi*, doktorska disertacija, Sveučilište u Splitu - Ekonomski fakultet Split.
3. Barrick, M. R.; Mount, M. K. (1991) The big five personality dimensions and job performance: A Meta-Analysis, *Personnel Psychology*, Vol. 44, No 1, pp. 1-26
4. Cronbach, L. J. (1951) Coefficient alpha and the internal structure of tests, *Psychometrika*, Vol. 16, No 3, pp. 297-334
5. Daft, R.; Marcic, D. (2001) *Understanding Management*, Boston: South Western Thomson Learning.
6. De Nobile, J.; McCormick, J. (2008) Job satisfaction of catholic primary school staff: a study of biographical differences, *International Journal of Educational Management*, Vol. 22, No 8, pp. 135-150
7. Hildebeitel, K.; Leaby, B.; Larkin, J. (2000): Job satisfaction among entry-level accountants, *The CPA Journal*, Vol. 70, No. 5, pp. 76-78
8. Jones, G.; George, J.; Hill, C. (2000) *Contemporary Management*, Boston: Irwin McGraw Hill
9. Judge, T. A., Heller, D.; Mount, M. K. (2002) Five-Factor Model of Personality and Job Satisfaction: A Meta-Analysis, *Journal of Applied Psychology*, Vol. 87, No 3, pp. 530-541
10. Koustelios, A. (2001) Personal characteristics and job satisfaction of Greek teachers, *The International Journal of Educational Management*, Vol. 15, No 7, pp. 354-358
11. Maslow, A. H. (1943) A theory of human motivation, *Psychological Review*, Vol. 50, pp. 370-396.
12. Mayo, E. (1945) *The Social Problems of an Industrial Civilization*, Boston: Harvard University Graduate School of Business Administration.
13. Milkovich, G.; Boudreau, J. (1997) *Human Resource Management*, Boston: Irwin McGraw Hill.
14. Moyes, G. D.; Shao, L. P.; Newsome, M. (2008): Comparative Analysis Of Employee Job Satisfaction In The Accounting Profession, *Journal of Business & Economic Research*, Vol. 6, No 2, pp. 65-81

15. Nobes, C. W. (1983): A Judgmental International Classification of Financial Reporting Practices, *Journal of Business Finance and Accounting (Spring)*, Vol 10, No 1, pp. 1-19
16. Okpara, J.; Squillance, M.; Erundu, E. (2005) Gender differences and job satisfaction: a study of university teachers in the United States, *Women in Management Review*, Vol. 20, No 3, pp. 177-190
17. Okpara, J. (2006) Gender and the relationship between perceived fairness in pay, promotion, and job satisfaction in a sub-Saharan African economy, *Women in Management Review*, Vol. 21, No 3, pp. 224-240
18. Phillips, J.; De Lange, P. (2008): The effect of the introduction of GST on accountants' job satisfactions and burnout, *Australian Accounting Review*, Vol. 16, No 40, pp. 52-59
19. Stathopoulos, X.; Wise, V. (2009) A study of job satisfaction and tax complexity, *International Journal of Behavioural and Healthcare Research*, Vol. 1 No 2, pp. 160-172
20. Stone, R. (2005): *Human Resource Management*, Sidney: John Wiley and Sons Australia, Ltd.
21. Taylor, F.W. (1911) *The Principles of Scientific Management*, WW Norton.
22. Wickramasinge, V. (2009) Predictors of job satisfaction among IT graduates in offshore outsourced IT firms, *Personnel Review*, Vol. 38 No 4, pp. 413-431.
23. Narodne novine (Official Gazette of the Republic of Croatia), <http://www.nn.hr> (accessed: 07.10.2009)

**UTJECAJ SLOŽENOSTI REGULATORNOG OKVIRA ZA  
RAČUNOVODSTVO NA ZADOVOLJSTVO  
POSLOM RAČUNOVOĐA U HRVATSKOJ**

**Sažetak**

Cilj ovog rada je istražiti utjecaj složenosti regulatornog okvira za računovodstvo u Hrvatskoj i njegovih čestih promjena na ukupno zadovoljstvo računovođa poslom. Tijekom posljednjeg desetljeća, regulatorni okvir za računovodstvo se često mijenjao, a promjene su bile veoma složene, što djeluje i na opseg te kompleksnost posla računovodstvenih djelatnika. Rezultati istraživanja ukazuju da složenost i česte promjene regulatornog okvira za računovodstvo statistički značajno utječu na

zadovoljstvo računovođa poslom. Među pojedinačnim karakteristikama zaposlenika, razina obrazovanja i osobni odnos prema promjenama statistički su značajno djelovali na razinu ukupnog zadovoljstva poslom, za razliku od ostalih demografskih i osobnih karakteristika, ali i karakteristika poduzeća u kojima su zaposleni anketirani računovođe.

