

Faithful – fidelity – value

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Abstract. Three words, three terms, three concepts, which form together the trinomial of the individual and the organizational performance and which can bring together a social progress. Faithful to whom?!, fidelity in relation to what?!, value for whom?, are just some of the long series of questions arising from our contact with this combination, with this structure, which wants to be an explanation to the ethics and to the professional judgment in the financial accounting..

Key words: accounting, faithful, fidelity, value

JEL Classification: M40, M41

1. Introduction

We will try to outline the courses of action and the explanation of the behaviour and the activities taken by human being, individually - driven by his own desires and ideals, and also by himself in the sense of belonging to a group, to a community - integrated and consistent with the collective consciousness. The distinguished man, the teacher and the creator of accounting book, Professor Mihai Ristea appreciates accounting in its capacity to lead an economic entity to the top of the economic and social efficiency and effectiveness, or on the contrary to lead it towards the abyss of bankruptcy. Since accounting is a technique, an art, or a science (its meaning depends very much on each of us who places it in one of the categories above), basically a process, it needs someone to implement it, to organize it, to lead it - the accountant. Thus, we are getting closer to what we wanted to debate, that is faithful (the accountant) - fidelity (the accounting, or better said, its reason to be, the accounting information) - value (the personal, organizational, and why not the social value).

At first glance, these concepts - faithful – fidelity – value - give us, depending on the personal understanding, the most varied images and meanings. Taken individually, the perception and the representation of these concepts give us other meanings and connotations. Their association, however, in most cases, leads to the confirmation as instruments of social - professional – responsible behaviour. This is what we would like to be the perception and the representation of this structure. But, let's explain

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where it springs from, what practices it regulates and especially what it wants to promote.

2. Sources, Connotations, Meanings

Faithful, or better said, to be faithful. Does it refer to the meaning given in the Explanatory Dictionary of the Romanian Language? "1. Unchanging feelings, convictions, etc., very loyal, faithful. 2. Which reproduces, follows exactly a model, a rule, a habit; which keeps (something) exactly. A faithful translation. \diamond (adverbially) Exactly – from Fr. fidèle, lat. fidelis." Or does each of us try to approximate the concept according to his own beliefs, roles, from < That who does not cheat, that who does not have an extra-conjugal affair (about spouses)> to <faithful, loyal> to <grovelling, humble> in the relationships we have and develop during our existence and perhaps even <identically, exactly, the same>, when we refer to objects. Without claiming to have exhausted all the connotations of the term, but with the hope that your rummaging mind, the readers, will not be content just to accept these explanations, but will go further, analysing and proposing new meanings, I consider as complete the action of semantic emphasis of this term.

Fidelity – a characteristic of the one who is faithful. The definition that we find in the Explanatory Dictionary of the Romanian Language "1. Unchanging beliefs, feelings, attitudes, etc.; devotion, faith. 2. Precision, accuracy in the presentation or reproduction of the reality, of a text, of a model, etc. 3. (Tech., in the phrase) High Fidelity = a quality of electroacoustic devices to play as closely as possible the (recorded) sound signals; hi-fi. – From Fr. fidélité, lat. fidelitas, -atis", completes the uniform picture of the faithful –fidelity binomial. But, we might be wrong and lose sight of the fact that the association of the terms in the binomial structure, iterated above, can make connections between people and objects, that is, a faithful person may be exact, precise in reproducing the reality, that is to be faithful to some rules. But the same person may be imprecise, inconsistent and there appears the idea of lacking fidelity. Easy to say, hard to prove. Faithful in relation to certain aspects, unfaithful to others, irresolute, vexed and annoyed by and for the others and still present in the middle of events. It is the role that each of us plays, better or worse, in everyday life.

Value - or what each of us wants to become, to do or to offer by any action taken. The Explanatory Dictionary of the Romanian Language is very generous in providing a comprehensive picture "1. Ownership of things, facts, ideas, phenomena to correspond to social needs and ideals generated by them; the amount of qualities that give value to an object, a being, a phenomenon etc.; importance, significance, value, merit. \diamond adjectival phrase Of Value = a) (about things) precious, valuable, b) (about people) important, worthy; authoritative, valuable. \diamond To value = to show, to demonstrate the importance, the essential qualities of a being, of an object, of a phenomenon, etc.; To emphasize. \diamond (Concr.) What is important, valuable, worthy of appreciation, esteem (from the material, social, moral, point of view etc.). \diamond (Concr.) Person worthy of respect, with special features. 2. Efficiency, power. From Fr. valeur, lat. valor, -oris".

To make all this possible depends on each of us. The generating process of value is an art, a science, based on the relation to the individual and social needs.

3. The faithful accountant or the accountant that is faithful

There must be said that it is not just a pun, but a representation of the ethics in business, with a confluential resultant – the credibility. This is because we are supporters of the idea that the attractiveness and the credibility of a business depend heavily on the quality of the human factor. The quality of the human factor lies in morality and professionalism. So, "the faithful accountant" is translated through the morality attribute and "the accountant that is faithful" through the professionalism that he promotes. Is there morality in accounting? And if it is so, where can we find it? Yes, we find it wherever we find an ethical behaviour, where ethics operates in business. The economic reality presented in Romania, at least during the last two decades, does not give us examples in this respect, but reasons to worry about what and how we understand to do business. It is a reality that comes somehow to explain why we do not have a consistent policy to attract foreign investment, why the weak sizing of economic sectors cannot provide dominant market position, why the overnight enrichment of some and the poverty of others is possible at the same pace, why the inconsistency of message persists on regulatory decision-making levels of the Romanian economy. Let's do an exercise of awareness and representation, an individual one, of what would have happened by the presence of ethics, thus of the morality in business, in relation to the bankruptcies and tragedies in the local economic environment (FNI, SAFI, CARITAS), to the opportunities, that existed and still exist, to buy fortunes at ridiculous prices (the files of the privatization of the Romanian economy), so that, later to recover your investment only by selling a small part of the assets acquired, to the concentration (for a few people) of fortunes equivalent to the reserves of the central bank, to many more ... which you, the readers know, probably much better. We would have certainly been, on a scale of the evolution of the human society, at least some positions above, compared to the level where we are today. Can the accountant do anything about it? Yes, by the moral quality of his performance, by putting personal interests behind the group, by putting the family and the group behind the social, the national. Ensuring a general well-being inevitably also generates a particular, individual well-being.

A society which promotes the value and which is promoted through value, will value the individual, the specialist, the founder of substance and form. Social valences represent dogmatic baggage, cultural heritage, a starting point or support in the civilizational approach taken by the social conscience. There is neither the time nor the moment to act independently, out of phase in relation to self-interest, but it is necessary a consolidation of all creative energies to push things forward, to create and provide an environment of belonging, that is generous with each other and with our ideas. The accountant is the one who makes it possible, as we said, to attract investment funds. He is the one who, by his advice (counsel) determines the trajectory of funds, of capital investment and he can direct them to the Romanian economy and to the tax havens.

Thus, we focus on another source of the economic vertigo that we live today. But can it be explained only by the lack of objectivity of morality or could it be something else? According to the habit, if the habit can be named the objectification of concepts by offering them on "package" in the form of relationships and realities, called binomial, we will present the other term of the binomial, of the sum binomial, the presentation of reality – the accountant that is faithful (his professionalism). We see this professionalism as achievable by exercising the professional reasoning in terms of the presence of ethics in above mentioned business. What is professional reasoning? We start in this endeavour by bringing into attention the reasoning, as it is defined in the Explanatory Dictionary of the Romanian Language, as: "a logical chaining of judgments, leading to a conclusion; a number of arguments that someone uses while analysing an issue or supporting his view. From Fr. *raisonnement* (restore in terms of reason)".

Nothing is easier than to go further and say that "the professional reasoning" has the purpose to provide qualitative, accurate information, an information connected to market realities and which is useful in decision making by users of accounting information: current and potential investors, financial creditors, customers, suppliers, employees, the State and the public in general. It is easy to understand that we refer to the process of obtaining and disseminating the accounting information, to the preparation of financial statements. The value judgments of the accounting are represented by these documents and their supporting by the attraction of financing sources, by obtaining economic-financial performance, by stability and business continuity. The data and information submitted by these financial reporting documents have behind them a structure based on professional reasoning. The exercise of professional reasoning has a conditionality generated by the environment. Thus, in an uncertain environment, reasoning is affected due to the quality of information. The environment is built and affected by people, so it is very important to issue a reasoning that is not affected by the views or objectives of the manager. It is known that in companies with strong shareholder presence, the management is separated from the ownership, and the accountant should be solidary with the idea to reflect transactions and to present the economic reality in order to produce complete information about the entity, about the course of the ownership's business and not to enter the games of management. Thus, it is very difficult to separate MAN, the accountant from the activity that he provides, from the conditionality of the environment in which he operates, from his interests and needs, and to transfer him in an ideational level of ideas to do business, to represent and to be represented. It is accepted that good practice in the field (accounting profession) means qualitative professional reasoning. It is synonymous with the value growth of the accountant, implicitly of the entity whose interests the accounting represents and he indirectly serves the public interest. From now on, the accountant's work product, the accounting information, operates at this level.

4. The fidelity in accounting

In order to be useful to its recipients, the accounting information must meet a number of characteristics: reliability, understandability, relevance and comparability. Reliability means that the information does not contain significant errors, it is not biased and users can trust it (Verifiable = products of regulation, Neutral = honest, objective, Reliable = to faithfully present the reality; Complete = no omissions, Prudent = estimating risks) . The true image appears as a reflection of the reality and not as a structure of it, although there would be no problem in this regard (the creative accounting). Based on a foundation made of a coherent set of principles, rules and regulations, the accounting provides performance through "fidelity" (the true image). Thus, the true image is based on ethical and moral concepts: truth, honesty, fairness, neutrality. These items condition each other, highlighting the interdependence between the profession and the professional and between the seeker of truth and the obtaining of truth, helping to legitimize morality in business. The problem that deserves attention is that of reality, or better said, that of the acceptance of only one reality or of more realities reflected through the eyes of each of us.

5. The value in accounting profession

When we perform an activity, we always intend to succeed in what we aimed, we want to do it better than the others, to be competitive, to get performance. We start a business having in mind the performance, a performance translated this time by profit. If in the first case we act more individually, in the second one, beyond imposing ourselves as leaders, as the initiators and by directing the energies and forces, we aim at a collective, institutional, project oriented performance. This state of affairs makes us demanding with ourselves, impose ourselves higher and higher performance standards and objectives, want to overcome limits and thresholds, that were until recently considered as impossible, bring us the state of individual and social progress. We are part of the individual development, of the human society as a whole, we are driving changes in our lives and we are suppliers of anxiety and we are always seeking for more and for better. We prefer this rapid pace to our lives, we accept the idea of consumption, we accept the sacrifice, we do not display convenience, we do not like the indifference and the anonymity. It is value, it is valuation, it is a result of an individual, and also a collective activity. In terms of accounting work, the professional accountant's role is to bring, to create value for the economic entity. He manages this by his own value and by valuing methods and steps taken to make efficient the activities of the entity whose performance targets he endorses. Thus, we obtain an added value triangle, consisting of individual value - valuing act - social value. It is a chain, a trophic connection, where the lack of one item leads to the rejection of the other items. Regarding the specific conditions of the market economy, where survival is extremely difficult, it is hard to believe that a profitable economic activity can run without substantial contributions from the accounting specialist (his personal value resulting from the art to organize accounting, to generate and keep getting cash flows

and to manage efficiently and effectively), without him to be supported by the management in carrying out his roles (valuing act) and without his steps that offer a social value (the quality of decisions made in terms of information collected from financial statements).

6. Conclusions

The structure faithful - fidelity - value, this trinomial which now, following this approach, can be found responsible for performance, is a requirement for any entrepreneur that should know everything that happens in the company or related to his business, and it is a good opportunity to highlight the professional accountant's roles. The professional accountant is the one who makes his presence felt at all stages in a business, starting from its setting up to its climax and liquidation, both by capturing and presenting the economic reality and by the art that he manages to be understood by the management in carrying out his tasks. The accountant is not enslaved for the people in the management or for the ownership of the economic entity, but for the strategy and its purpose. He does not aim to ensure the peace of the personal management, but to ensure the financial peace of business. He does not simply apply clear and strict rules, but he predicts, he interprets the economic reality where the economic entity operates. He does not act on instinct, but he is consistent with the professional reasoning. The trinomial in question can be approached from the perspective of overlapping features of both the professional accountant and the accounting profession. It is easily to notice that we are dealing with a profession where to be or not to be faithful, to faithfully present or not and to obtain value or not, are situations in which the positioning closer or farther to extremes is related to ethics, moral education, training, professional reasoning and to the perception of the concept of value. The reality offered by the environment and the reality that the professional accountant should offer may be identical or antagonistic. This leads to either providing the necessary conditions for further work or to problems in the running stages specific of a business or in the worst case to cosmetic use, to creativity. What could determine the professional accountant to resort to cosmetic use, to creativity? The determinations could be the most diverse: the need to be appreciated by managers that "he is doing a good job", the stake of a result expected and about not to happen, the need to access some credits, the need to attract investors (their capital). If the first cases are concerned more to satisfy the personal pride and very likely to obtain indirect performance bonuses, the last ones deal sometimes with the need of funds which are vital for the entity. Are these latter extreme situations where we can accept half measures? No, for the financial health of the market economy system. No, for the principle of respecting the elements of ethics and moral values that give you status, recognition and value in the world of manufacturers, suppliers and beneficiaries of accounting information.

Our discussion highlights the changing nature of environmental realities, which is a characteristic of management sciences, a field of accounting. The variables that appear and that can hardly be measurable and the need of constant remodelling of the

economic reality, arouse the interest of regulating bodies in the field, require constant study and training of the professional accountants, require flexibility for the training providers and for their training. The ethical and moral values are those that provide stability, foresight and ensure the exercise of professional reasoning in a business world, where the Machiavellian slogan "The end justifies the means" seems ever present.

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7. References

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