

BOOKKEEPING FOR FOREIGN COMPANIES: THE REQUIRED LEVEL OF ENGLISH LANGUAGE PROFICIENCY IN ACCOUNTING PRACTICES

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Abstract: *This study examines the importance of maintaining accurate business records in foreign companies operating in the Republic of Serbia, with a focus on employees' proficiency in English as it pertains to accounting. The goal of the work was to highlight the significance of obtaining an English language proficiency certificate for employees involved in bookkeeping for foreign companies in Serbia. The results demonstrate significant differences in the reliability of business reports prepared by professionals with a valid English language certificate compared to those without one. The practical implications of this study emphasize the necessity of certified employees in foreign companies, particularly in accounting, auditing, and the preparation of annual reports.*

Keywords: *certification, English language proficiency, annual report, accounting, auditing*

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INTRODUCTION

The economic landscape in the Republic of Serbia increasingly features foreign companies operating within the country. As part of their operations, these companies regularly submit numerous reports to their headquarters abroad, detailing various aspects of their business activities in Serbia.

Doing business within the daily operations of foreign companies in our economy requires employees to constantly improve and adapt to the already adopted business norms that have been reached in the country from which the foreign company comes to do business in our economy.

One of the most important tasks is related to the performance of tasks in the field of real financial reporting of the company's top management, and therefore the reporting of the same in the company's headquarters in a proper, clearly understandable way, especially with regard to the use of the correct business English language in which business correspondence takes place in most cases.

In addition, foreign employers require all employees to conduct their communication - especially business communication - in a clear, precise, and professional manner, adhering to established standards of business English. This requirement is particularly evident in the areas of accounting and financial audit reporting.

Motivated by current business practices in Serbia, the author became interested in examining the quality of English-language communication among employees in foreign companies, particularly in the preparation of financial and other business reports. This interest extended to exploring the role of certified employees, who are responsible for submitting numerous reports to their superiors on a daily basis. The relevance and significance of this research lie in highlighting the need for continuous professional training for employees working in foreign companies - especially in roles that demand precise and professional business communication in English between staff and company leadership.

The above highlights the importance of business communication, which becomes significantly easier and more reliable when the workforce has invested in additional education - specifically by taking the English for

Accounting exam to obtain a recognized certificate. Such certification is important and widely acknowledged for roles in accounting and auditing.

LITERATURE OVERVIEW

The use of English in business can be seen as economic capital in business even in very demanding markets such as the fastest growing economy in the world, but also in other countries that belong to the group of highly developed economies, as pointed out by numerous authors such as (Telichkin & Mihalka, 2010; Ai et al., 2018; Nel & Govender, 2020).

The development of the English business language is very dynamic, especially if it is viewed from the point of view of cooperatives and other forms of real business of very heterogeneous legal entities, which can be seen in the works of authors such as (Webster, 2012; Hashemi et al., 2022; Sevnarayan & Suliman, 2024; Tan & Quek, 2024).

In business, static English is not used, but it is viewed in the context of dynamic business English that operates within the framework of realistic standards that apply to business and other communication (Wong & Tupas, 2018; Kucukaltan et al., 2020; Alcolado, 2021; Bernardo, 2023; Lee, 2024).

The acceptance of continuous education in business communication inevitably implies the realistic acceptance of the English language as a basis for making other important business decisions in the operations of numerous entities within the framework of observing business communication (Martinez, 2021; Vinberg & Danielsson, 2021; Hiramoto, 2022; Yamaguchi & Pétursson, 2022; Chen, 2024).

Innovation in business communication is a necessity and an existential need for numerous foreign companies operating abroad (Shi et al., 2021; Raadha & Sharmini, 2022; Arslan et al., 2024), and therefore also in business that takes place in.

In addition, business communication observed in such a way, especially that which takes place in the English business language in numerous companies, implies that in the short future period the overall business risk of doing business will be reduced in a large number of heterogeneous legal entities, and therefore also in the work of foreign companies in the Republic of Serbia (Li, 2021; Virglerova et al., 2021).

RESEARCH RESULTS AND DISCUSSIONS

The study included 130 employees who perform business communication tasks in English for the needs of foreign companies in 65 surveyed medium-sized and large companies operating in the Republic of Serbia.

The classification of employees who perform business communication in English was done by surveying 55 employees who do not have an English language certificate and 75 employees who have a certificate of proficiency in business English in the aforementioned 65 surveyed medium-sized companies and the same number of large companies.

The authors' determination for this type of research was to discover possible differences in the evaluation of top management regarding trust in the workforce that performs the aforementioned business communication tasks in English. The possible rating interval ranged from 1 to 10, with the least trust in top management being rated 1, and the highest trust being rated 10. The research period was from September 1 to September 30, 2024. After conducting the survey and achieving an increase in the quality of drawing valid conclusions, the author conducted statistical processing using the Statistical Package, version 25, with the aim of presenting the obtained data processing results.

The obtained results were validated using the t-test in order to compare the performance of employees in English communication in medium-sized and large foreign companies in terms of assessing business security.

This observation additionally included an analysis of the following factors: the ability to describe all audit tasks, the ability to describe all accounting tasks, the ability to conduct business correspondence, the ability to perform oral communication, and the knowledge of international accounting rules and regulations. In addition, the research conducted included a presentation of the threshold value, the significance level of which was 0.05.

Presentation of the evaluation of job groups in which English language is required in business communication in medium-sized enterprises in the Republic of Serbia

The author systematized the obtained results of the evaluation of top managers in the form of Table 1, where the values of two categories of workers who perform business communication are given, namely as non-certified workers,

that is, as certified workers within the work of medium-sized enterprises in the Republic of Serbia.

Table 1. *Differences between evaluated job groups in the use of English in business communication in medium-sized enterprises in the Republic of Serbia*

	Uncertified workers (N=55)	Certified workers (N=75)	t	p
	Average value			
Ability to describe all audit jobs	20.40 ± 0.65	24.99 ± 0.99	-36.030	<0.0005*
The possibility of describing all bookkeeping jobs	31.27 ± 0.86	39.99 ± 0.89	-64.300	<0.0005*
Conducting business correspondence	1.58 ± 0.59	4.44 ± 0.57	-30.399	<0.0005*
Performing oral communication	1.21 ± 0.48	3.44 ± 0.54	-27.299	<0.0005*
Knowledge of international rules and regulations in the field of accounting	59,08 ± 0.62	89.00 ± 3.95	-52.248	<0.0005*

Source: Author, 2024.

Based on Table 1, it can be seen that there is a significant difference in the assessment of top managers regarding the safety of the work of non-certified workers and certified workers who carry out business communication in English in medium-sized enterprises.

At the same time, there is a significant difference in the evaluation of the mentioned workers according to all the analyzed factors, namely for: performance of audit job descriptions, bookkeeping, business correspondence, oral communication and business according to international standards.

The t test of independent samples was used to examine the differences, which showed the existence of significant differences for all six analyzed factors.

The obtained results are very similar to the already published works of the authors (Duarte et al., 2023; Huynh, 2024).

Presentation of the evaluation of job groups in which the use of the English language is required in business communication in medium-sized enterprises in the Republic of Serbia

The author systematized the presentation of the evaluation results of top managers related to the work of large companies in the form of Table 2, where the values of two categories of workers who perform business communication in English are given, namely as non-certified workers and certified workers.

Table 2. *Differences between evaluated job groups in the use of English in business communication in large companies in the Republic of Serbia*

	Uncertified workers (N=55)	Certified workers (N=75)	t	p
	Average value			
Ability to describe all audit jobs	48.88 ± 0.43	69.03 ± 0.70	-146.063	<0.0005*
The possibility of describing all bookkeeping jobs	59.11 ± 0.82	89.47 ± 0.91	-176.352	<0.0005*
Conducting business correspondence	3.42 ± 0.46	7.31 ± 0.71	-31.355	<0.0005*
Performing oral communication	4.44 ± 0.48	7.48 ± 0.48	-31.556	<0.0005*
Knowledge of international rules and regulations in the field of accounting	131.89 ± 3.70	200.52 ± 2.35	-105.454	<0.0005*

Source: Author, 2024.

By showing the results in Table 2, it can be seen that there is a significant difference in the evaluation of the top managers of large companies regarding the safety of the work of non-certified workers and certified workers who carry out business communication in English. At the same time, it can be seen that there is a significant difference in the evaluation of the mentioned workers according to all the analyzed factors, namely for: performing the tasks of describing audit tasks, bookkeeping, managing business correspondence, oral communication and business according to international standards.

The obtained results were strengthened after showing the existence of differences when the t test of independent samples was used, which showed the existence of significant differences in all six analyzed factors.

At the same time, the obtained results confirm that there are great similarities with already published works that indicated the importance of determining and respecting important factors for making valid management decisions, which can also be seen in the works of authors such as (Arnautović et al., 2022; Abu, & Al-Abbadi, 2023; Bakmaz et al., 2024).

CONSLUSION

The study's findings indicate a strong need for the use of high-quality English in business communication across the diverse range of companies operating in the Republic of Serbia. With the continued arrival of foreign firms, this need has grown, highlighting the importance of employee training and further education - particularly through the acquisition of recognized certifications in business communication, which is predominantly conducted in English. A key conclusion of the study is that there is a significant difference between certified and non-certified employees in terms of performance across all evaluated areas: audit-related tasks, bookkeeping and correspondence, oral communication, and adherence to international business standards, especially within medium and large foreign companies operating in Serbia. Another important finding is that top management tends to place greater trust in certified employees when it comes to business communication in English. The author believes that the study has met its initial goals and that its insights can be extended to other types of enterprises and broader geographic regions, particularly the Western Balkans and potentially beyond.

CONFLICT OF INTEREST

None declared.

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VOĐENJE POSLOVNIH KNJIGA STRANIM KOMPANIJAMA UZ POSTOJANJE ODREĐENOG NIVOA ZNANJA ENGLESKOG JEZIKA KOJI SE KORISTI U OBLASTI RAČUNOVODSTVA

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Sažetak: U studiji je dat prikaz značaja sigurnog vođenja poslovnih knjiga u stranim kompanijama koje posluju u Republici Srbiji, na način da zaposleni poseduju određeni nivo znanja engleskog jezika koji se koristi u oblasti računovodstva. Cilj rada bio je da prikaže važnost dobijanja sertifikata o poznavanju engleskog jezika kojim se služe zaposleni na poslovima vođenja poslovnih knjiga u radu stranih kompanija u Srbiji. Dobijeni rezultati prikazuju postojanje značajnih razlika u vezi sa sigurnošću sastavljanja poslovnih izveštaja koje sastavljaju stručna lica koja poseduju validni sertifikat o poznavanju engleskog jezika u odnosu na stručna lica koja ga ne poseduju. Praktična primena dobijenih rezultata u ovoj studiji upućuje na važnost sticanja sertifikata o poznavanju engleskog jezika. Sertifikovana radna snaga je neophodna u radu stranih firmi koje posluju u Republici Srbiji, a to se naročito odnosi na rad u računovodstvu i reviziji i to za obavljanje poslova koji su vezani za sastavljanje godišnjih izveštaja.

Ključne reči: sertifikat, engleski jezik, godišnji izveštaj, računovodstvo, revizija.