



UNIVERSITATEA BABEȘ-BOLYAI
BABEȘ-BOLYAI TUDOMÁNYEGYETEM
BABEȘ-BOLYAI UNIVERSITÄT
BABEȘ-BOLYAI UNIVERSITY
TRADITIO ET EXCELLENTIA



Facultatea de Științe Economice și Gestiunea Afacerilor

HABILITATION THESIS

**Developments and insights into information reporting systems -
from diversity to harmonization**

Candidate

Ștefănescu Cristina Alexandrina

Associate Professor, PhD.

2021

SUMMARY

The habilitation thesis aims to present the candidate's professional path since becoming a PhD and summarize an essential part of the scientific research activity developed in recent years.

The candidate has educational training in accounting, but also practical experience in the financial and banking sphere. Accordingly, her research and teaching activity covered the thematic areas associated with her training. Therefore, the whole research path can be described by diversity. The areas addressed are consistent with her professional experience and the new teaching and research opportunities, which have arisen over time.

During her research career, the candidate has carried out scientific studies in accounting, a complex scientific area, which encompassed research topics applied at different levels and in various economic environments. On this evolutionary path, the candidate aimed, in particular, to gain international research experience. In doing so, she focused on publishing the scientific results in top journals. From her achievements, there worth mentioning: 7 articles in the Social Sciences Citation Index (SSCI), of which 6 with AIS>0 and 3 as the only author; 7 papers in ISI Proceedings and 2 in Emerging Source Citation Index (ESCI), as well as studies disseminated through prestigious international publishers (9 articles and/or book chapters in Taylor & Francis, Emerald, Elsevier, Springer, Palgrave MacMillan). She has also participated in multiple international scientific events in Romania and abroad (23 conferences), including prestigious ones for her area of interest (European Accounting Association (EAA), Comparative International Governmental Accounting Research (CIGAR)). The wide range of research published throughout her academic career (9 books and over 60 articles) led to an increase in the scientific impact and international visibility (over 350 citations (Google Scholar h-index=10), of which 30 citations in Web of Science (WoS)). These impressive outcomes are due to the research skills acquired during postdoctoral studies, the active contribution to research projects and the dynamic teamwork activities within the faculty's department.

The habilitation thesis is structured in two main sections:

Section I - Scientific and professional achievements encompasses two chapters dedicated to the evolution of the academic, scientific and professional career (chapter A) and the main research directions and scientific contributions (chapter B).

Chapter (A) begins with a synthesis of graduated studies and diplomas gained during the educational development. Then, it briefly outlines the main achievements of academic and professional career, followed by a review of the evolution of scientific research and teaching activities.

Chapter (B) represents the substance of the habilitation thesis, presenting the main research directions and the significant results reached. It is structured on two main parts representing the two primary research directions: *financial reporting (B1)* and *non-financial reporting (B2 and B3)*, both focused on the need for harmonization of information reporting systems. It encompasses theoretical and empirical studies performed either in the public or private sector, at the regulatory and/or implementation level. The research directions outlined and comprehensively developed converge towards the development of unitary, comparable reporting information systems, based on theories (institutional, legitimacy, agency, stakeholders, public interest), paradigms (NPM - New Public Management, NPG - New Public Governance) and values (transparency, comparability, public/corporate social responsibility, "integrated thinking", performance, sustainability), thus supporting the need to harmonize both financial and non-financial reporting.

The first research direction on financial reporting focused on the public sector. It was strongly marked by managerial paradigms - New Public Management (NPM), post-New Public Management (post-NPM) and New Public Governance (NPG) - which have put pressure on the accounting, budgetary and fiscal reforms through the accrual principle adoption. In this context, various international standards (IPSAS, EPSAS and ESA 2010) have been promoted over time to improve the quality, transparency and comparability of information. Along with these, an undeniable need for a harmonization process arisen, based on a unitary recognition of the "accrual" concept. It concerns both financial and budgetary systems and the convergence with statistical reporting.

Based on this background, the research performed within this direction was focused on the need to harmonize public sector reporting systems in the European Union Member States and certify the importance of the "accrual" reform in ensuring efficient public management (subchapter *B1*).

The first objective aimed to identify the need for particular reporting standards in the public sector. The study "The managerial decisions for the European Union under the siege of changes in public sector accounting" provides a current picture of the status of public sector reform in the EU Member States. It highlights the gap between material and formal harmonization by assessing the degree of IPSAS regulation and implementation at the national level. The results confirmed the existing need for a specific referential for the public sector, other than the private one (IFRS), thus promoting the European framework of EPSAS standards as a benchmark of the accrual financial reporting system.

Based on these premises, the second important objective within this research direction aimed to identify the need for harmonization between different reporting systems (budgetary vs. financial, respectively statistical vs. financial) (achieved through the studies "Public accounting reporting, under an achievable metamorphosis?" respectively "New approaches in public sector reporting at European Union level"). Their results supported the need for a unitary governmental reporting system that brings together all three dimensions (statistical, budgetary and financial) (achieved through the study "United in diversity" public financial, statistical and budgetary reporting in the European Union"). Consequently, these outcomes support and encourage national and international efforts meant to harmonize and improve the comparability of financial-budgetary information and aggregate statistics, promoting the idea of "unity in diversity".

Finally, the research carried out within this direction went beyond the accounting area by focusing on the importance of the "accrual" reform in ensuring efficient public management. Studies conducted ("Public management reform under the dome of accruals" and "The link between public management and accounting from the point of view of performance") acknowledged this concept as the best way to improve public sector management through "SMART" objectives and increased efficiency. Moreover, these recognized the accrual power to provide high-quality information for the decision-making process and ensure greater comparability between countries throughout the harmonization process of the reporting information systems.

The second research direction on non-financial reporting focused on both the public and private sectors. It was supported by the emerging international interest in strengthening the paths to sustainability, increasing transparency and accountability to stakeholders. In this context, the latest advances in voluntary disclosure practices, with an increased emphasis on environmental and social issues, have created the premises for developing various reporting frameworks (e.g. GRI, <IR>) designed to facilitate the disclosure of such information. Their diversity and the widespread use within voluntary disclosure practices have recently led to the issuance of the Directive 2014/95/EU - as a way to standardize the reporting of non-financial information.

Based on this background, the research performed within this direction focused on identifying a uniform non-financial reporting framework to increase transparency and ensure economic and financial

sustainability (subchapter B2), as well as on the Directive 2014/95/EU – the outcome of the need to harmonize non-financial reporting (subchapter B3).

Therefore, the first research sub-direction (B2) was mainly focused on *integrated reporting <IR>*, as the best benchmark of existing frameworks.

An important objective pursued within this sub-direction was to identify the *role of non-financial reporting in increasing transparency and public accountability*, based on integrated reporting <IR>. An significant contribution in achieving this goal had the study “An original Assessment tool for transparency in the public sector based on the integrated reporting approach”. It developed an original tool for assessing non-financial information disclosure by overlapping the GRI indicators on the six capitals defined by the <IR>. It also considered the qualitative characteristics of the information as stated by both reporting frameworks. The holistic approach followed by considering both quantitative and qualitative facets of information disclosure offered challenging opportunities for future empirical studies. Consequently, the tool developed was subsequently tested through the study "Approaching public sector transparent through an integrated reporting benchmark. It aimed to identify specific patterns in disclosure practices within various public sector reporting entities and debate on the influential elements of the transparency index. The results showed that gathering detailed financial indicators, operational data and sustainability information provided by the integrated reporting (<IR>) in conjunction with the increased attention paid to their qualitative features, can increase transparency, thus enhancing public accountability.

The second foremost objective of this sub-direction focused on *the role of non-financial reporting in ensuring economic and financial sustainability* by exploring the architecture of the integrated reporting framework (<IR>). In this vein, the study carried out a content analysis by synthesizing and overlapping the constituents of the reporting framework (<IR>) with the pillars of financial sustainability models (OAG and IPSASB) analyzed. In this vein, the study carried out a content analysis by synthesizing and overlapping the pillars and basic constituents of the reporting model (<IR>) and financial sustainability (OAG and IPSASB) analyzed. On the other hand, the study "The role of university in consolidating intellectual capital and generating new knowledge for a sustainable bio-economy" focused on one of the most significant pillars of <IR>, namely the intellectual capital, aiming to highlight the role of its related information transparency in ensuring a sustainable economy throughout a knowledge-based society.

Finally, within this research sub-direction, the study "Sustainability reporting in the public realm - trends and patterns in knowledge development" aimed to investigate the structure of the scientific literature by providing a comprehensive overview of the state of knowledge, useful for future research avenues within this challenging area.

The second sub-direction of research (B3) was represented by the Directive 2014/95/EU - the outcome of the need to harmonize non-financial reporting, which raised many diverging opinions, pros and cons, criticisms and practical challenges. This emerging research area allowed us to add value to the scientific literature, both in the "de jure" and "de facto" harmonization sphere.

The studies conducted ("Improving transparency through the new transposition of Directive 2014/95/EU - An institutional perspective on isomorphism" and "Transposition of Directive 2014/95/EU - Do macroeconomic determinants affect the harmonization of non-financial reporting?") shed light on the challenges of formal harmonization of non-financial reporting in Europe. They aimed to assess either the strength of coercive, mimetic and normative pressures on the degree of transposition into national regulations or the influences of various macroeconomic factors, such as legal (regulatory system), cultural (education), social (protection of interests), financial (openness and dependence on external financing) or economic (development and inflation) on the decision to transpose the Directive in a timely and complete manner. Stepping into the material harmonization, the study "Including non-financial reporting in a coercive framework for improving social responsibility: the cases of listed companies in Romania"

explored the non-financial information disclosure both before and after the adoption of Directive 2014/95/EU, seeking to identify its determinants.

Finally, within this research sub-direction, the study “Non-financial reporting - insights, gaps, patterns and future agenda” provided one of the first comprehensive reviews of the literature in the field of non-financial reporting. It aimed to discover critical aspects and new perspectives that might stand as a basis for the future research agenda.

Section II - Career progress and development plan presents future perspectives and captures the two sides of the profession - research and teaching activities. The outline highlights the premises, objectives and foremost developing coordinates on both sides – scientific and educational. Thus, it describes the main approaches proposed (dissemination of results, presumed impact of research, development strategies in teaching and research process).

The final part of the habilitation thesis includes the bibliographic references of the studies carried out and presented within it.

References¹:

B1. Harmonization of information reporting systems – a need and a prerequisite for ensuring efficient management

Nistor Cristina-Silvia, **Stefanescu Cristina-Alexandrina** (2016), The managerial decisions for the European Union under the siege of changes in the public sector accounting, *African Journal of Accounting, Auditing and Finance*, vol. 5(3), pp. 207–230.

Nistor Cristina-Silvia, **Stefanescu Cristina-Alexandrina** (2018), Public accounting reporting, under an achievable metamorphosis?, *Current Science*, vol. 114(10), pp. 2131–2137.

Nistor Cristina Silvia, **Stefanescu Cristina Alexandrina** (2016), New approaches in public sector reporting at European Union level, *Studia Universitatis Babeş-Bolyai Oeconomica*, vol. 61(2), pp. 49-66.

Tiron-Tudor Adriana, Nistor Cristina-Silvia, **Stefanescu Cristina-Alexandrina** (2020), „United in diversity” public sector financial, statistical and budgetary reporting in the European Union, *International Journal of Public Sector Management*, vol. 33(2/3), pp. 265-283.

Stefanescu Cristina-Alexandrina (2020), Public management reform under the dome of accruals, *Spanish Accounting Review*, vol 23(1), pp. 91-101.

Nistor Cristina-Silvia, **Stefanescu Cristina-Alexandrina** (2021), The link between public management and accounting from the point of view of performance, *CECCAR Business Review*, no. 1, pp. 60-72.

B2. Non-financial assesment tools and reporting frameworks – from diversity to harmonization need

Stefanescu Cristina-Alexandrina, Oprisor Tudor, Sintejudeanu Mara Andreea (2016), An original assessment tool for transparency in the public sector based on the integrated reporting approach, *Proceedings of the 11th International Conference Accounting and Management Information Systems (AMIS 2016)*, *Journal of Accounting and Management Information Systems*, vol. 15(3), pp. 542-564.

Nistor Cristina Silvia, **Stefanescu Cristina-Alexandrina**, Oprisor Tudor, Crişan Andrei Răzvan (2019), Approaching public sector transparency through an integrated reporting benchmark, *Journal of Financial Reporting and Accounting*, vol. 17(2), pp. 249-270.

¹ The references are listed in the order of their presentation within the habilitation thesis

Tiron-Tudor Adriana, Nistor Cristina-Silvia, **Stefanescu Cristina-Alexandrina** (2018), The role of universities in consolidating intellectual capital and generating new knowledge for a sustainable bio-economy, *Amfiteatru Economic*, vol. 20(49), pp. 599–615.

Nistor Cristina Silvia; **Stefanescu Cristina-Alexandrina**; Oprea Tudor; Tiron-Tudor Adriana (2017), Enabling financial sustainability through integrated reporting, in *Financial Sustainability in Public Administration* (editors: Rodríguez Bolívar, Manuel Pedro), Editura Palgrave/Macmillan, pp. 139-166.

Stefanescu Cristina-Alexandrina (2021), Sustainability reporting in the public realm – trends and patterns in knowledge development, *Sustainability*, vol.13(8), 4128.

B3. Directive 2014/95/EU – an outcome of non-financial reporting harmonization need

Stefanescu Cristina-Alexandrina (2021), Enhancing transparency through the new Directive 2014/95/EU transposition – An institutional isomorphism perspective, *Spanish Journal of Finance and Accounting*. DOI:10.1080/02102412.2021.1937850 (acceptat pentru publicare).

Stefanescu Cristina-Alexandrina (2021), Transposition of Directive 2014/95/EU – Do macroeconomic determinants affect non-financial reporting harmonization?, *Journal of Financial Reporting and Accounting*. DOI:10.1108/JFRA-07-2020-0193 (acceptat pentru publicare).

Tiron-Tudor Adriana, Nistor Cristina-Silvia, **Stefanescu Cristina-Alexandrina**, Zanellato Gianluca (2019), Encompassing non-financial reporting in a coercive framework for enhancing social responsibility: Romanian listed companies' case, *Amfiteatru Economic*, vol. 21(52), pp. 590-606.

Stefanescu Cristina-Alexandrina, Tiron-Tudor Adriana, Moise Ecaterina Monica (2021), EU Non-financial reporting – insights, gaps, patterns and future agenda, *Journal of Business, Economics and Management*, vol. 22(1), pp. 257-276.