Professional identity of management accountants: leadership in changing environments

Research executive summary series

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Key findings:

• The professional identity of management accountants (MAs) is evolving. According to 8,727 descriptors expressed by 1,158 participants, a range of characteristics of MAs are competing in shaping the identity of future MAs. Respondents strongly valued qualities such as professional principles, hard work, intelligence, analytical and forward thinking in MAs. Further, more innovative, dynamic and people-oriented qualities were strongly suggested for future MAs, with roles relating to multi-skilled business integrator, business partner/advisor, leader, change agent, and decision enabler/maker.

• Cultivating leadership qualities in the management accounting profession is critical according to participants. Projecting a positive image of the profession and CIMA, and innovative training in management and leadership skills can further support MAs to meet future challenges. Most of all, understanding business and continued personal development by individual MAs is highly valued in shaping the future leadership identity of MAs.

• Our quantitative data show positive relationships between the professional identification, image and reputation, and leadership qualities of MAs. This suggests that the more one identifies with the profession, the more one is likely to report higher levels of leadership qualities that support members to internalise the desired meaning of their profession and to create a positive image and reputation.

• After the financial crisis of 2008–2009, the image of financial professions has been tarnished and unpredictable markets and unstable employment opportunities have challenged the profession across all sectors. Many respondents, especially CIMA members, suggested that the turmoil of the financial crisis did not impact negatively but rather elevated the pivotal role of MAs in contributing to cost efficiency and value creation.
Introduction

Assessing collective identity and shaping a clear and distinctive image of ‘who we are’ and ‘what we do’ is a fundamental step for any organisation on their journey to business success in a changing environment. However, this reflective process is often more difficult than it appears, and is not limited to organisations but also extends to professional groups. For instance, after the financial crisis, the accountability and professionalism of financial professions was questioned. As a result, a paradigm shift occurred, re-defining the role of the management accounting profession. Recent CIMA research reports suggest that while advancing technical expertise is important, the increasing demand of traditionally ‘non-accounting’ qualities has become a constant challenge to Management Accountants (MAs). MAs are expected to effectively communicate their knowledge, facilitate organisational change and innovation, and engage in decision-making processes.

The professional identity of management accountants: leadership in changing environments research study explores the evolving characteristics and leadership landscape of MAs as a distinctive professional group. Examining individuals’ perceptions of the central, enduring and distinctive nature of collective management accountant identity, our research project examines the internal and external image of MAs and searches for fine demarcations from the traditional image of Accountants more generally.

This research also takes an innovative approach to explore the meaning of identity and leadership for MAs as a professional group with capacity to support and influence others to achieve effective outcomes for their organisations. Overall, the research identifies the need for a significant extension of the current image of MAs and the possible trajectory towards the development of an appropriate and powerful professional identity for future MAs. By taking their place as effective leaders who value innovative and holistic thinking and who are people-oriented and communicative, individual MAs will internalise the core meaning of the profession of the future and project a positive image and reputation leading to career success.

The objectives of this research project were to:

- Explore the current and future professional identity of MAs as part of the accounting profession as perceived by internal and external stakeholders of CIMA.
- Investigate the current and future required leadership competencies and qualities of MAs.
- Identify issues and strategies for MAs to achieve successful outcomes in their ‘leading’ roles and to position ‘leader’ qualities in their professional identity in the context of the recession.

This report draws on insights from 588 internal stakeholders (CIMA members and CIMA boards, accounting academics and students) and 570 external stakeholders of MAs (industry managers, senior managers and business owners) across four regions (UK and Ireland, Australia and NZ, India and Asia, and the US and other countries). Appendix 1 provides more detailed information about participants.

We collected a variety of qualitative and quantitative data through two global online surveys in 2011 (Appendix 2). The first survey was designed to broadly capture respondents’ open thoughts on MAs’ qualities and to assess their perceptions on:

- current and future levels of leadership, image and reputation
- identification within the management accounting profession.

Figure 1: The conceptual model of this research project
The second online survey further explored the trends and level of importance of key issues and strategy statements synthesised from more than 2,600 statements collected earlier. Key findings and analysis are presented in the following two sub-sections in this report:

- Evolving professional identity of MAs
- Leadership of MAs: issues and opportunities in the context of recession.

Evolving professional identity of management accountants

We approached the investigation of professional identity of MAs by exploring central, enduring and distinctive characteristics described by multiple stakeholders. This inductive approach enabled individual perceptions to be distilled independently and provided a comprehensive picture of collective voices.

Table 1: Qualities and roles of accountants (ACs), management accountants (MAs) and future management accountants (FMAs)

<table>
<thead>
<tr>
<th>Qualities (Q) and Roles (R)</th>
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<tbody>
<tr>
<td>Q1. Adhering to principles &amp; values</td>
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<td>Q2. Achieving goals &amp; results</td>
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<td>Q3. Knowledgeable &amp; intelligent</td>
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<td>Q4. Analytical</td>
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<td>Q5. Forward &amp; holistic thinking</td>
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<td>Q6. Numerical, accurate &amp; detailed</td>
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<td>Q7. Conservative &amp; cautious</td>
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<td>Q8. Creative &amp; innovative</td>
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<td>Q9. Supportive &amp; dynamic</td>
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<td>Q10. People-oriented &amp; communicative</td>
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<td>R1. Professional experts</td>
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<td>R2. Planner, manager &amp; controller</td>
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<td>R3. Managing accounts, auditor &amp; reporter</td>
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<tr>
<td>R4. Commercial &amp; entrepreneur</td>
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<td>R5. Multi-skilled &amp; business integrator</td>
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<td>R6. Business focused, advisor &amp; partner</td>
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<tr>
<td>R7. Leader, change agent, strategic thinker &amp; decision enabler/maker</td>
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1,158 participants provided 8,727 words or phrases describing the three inquiry groups:

- ACs
- MAs
- FMAs.

Our first analysis resulted in more than 500 characteristics, which are broadly categorised into ten qualities (Q1 to Q10) and seven roles (R1 to R7) as summarised in Table 1.

Further evidence of differing views between internal and external stakeholders is presented in Appendix 3.

These research findings do not claim to represent a comprehensive coverage of identity representation, considering the limited survey asking selected participant groups to express three words or phrases that were ‘top of their mind’ at the time of survey. Rather, the data provides some helpful trends. For example, similar words were repeated within each group and overlapped across the three groups. Different trajectories of evolving MAs’ qualities and roles were also identified. We labelled these trends as Enduring, Diminishing and Emerging.

- Enduring: qualities and roles heavily overlapping across the three groupings (ACs, MAs and FMAs), or dominantly used in describing MAs. These themes represent inherent positive characteristics of MAs as part of the accounting profession.
- Diminishing: qualities and roles frequently used to describe ACs, but significantly reducing in current and future MAs. These themes reflect the somewhat traditional image of the Accounting profession.
- Emerging: qualities and roles scarcely used to describe ACs, but significantly increasing in current and future MAs.

Figure 2 visually depicts these trends and explains each quality and role in this section.
There are three qualities and one role (Q1, Q2, Q3 and R1) that heavily overlap ACs, MAs, and future MAs. Most of all, respondents used expressions that emphasise the importance of **Adhering to principles and values**. Key words used were ‘reliable’, ‘honest’, ‘integrity’, ‘trustworthy’, ‘ethical’, ‘accountable’, ‘rule-oriented’, and ‘compliant’. This theme comprises more than 11% of collected data and was equally valued by both stakeholder groups. Interestingly, this theme suggests an increase in importance in future MAs. According to CIMA members and industry managers, the financial crisis heightened the importance of abiding by principles and values in every day decision-making as the core qualities of finance professionals.

The next enduring qualities relate to **Achieving goals and results**. The accounting profession, including MAs, were described in terms of ‘hard working’, ‘achiever’, ‘focused’, ‘diligent’, ‘efficient’, ‘performance driven’, and ‘on-time’. This theme represents the core meaning of accounting professionals, underpinning their reliable and trustworthy qualities.

**Enduring**

- Q1. Adhering to principles & values: Reliable, honest, integrity, rules
- Q2. Achieving goals & results: Hard-working, focused, efficient

**Emerging**

- Q8. Creative & innovative: Flexible, adaptable, practical
- Q9. Supportive & dynamic: Helpful, proactive, approachable, interesting
- Q10. People-oriented & communicative: Team player, collaborative, confident

**Diminishing**

- Q6. Numerical, accurate & detailed: Thorough, attention to detail, organised
- Q7. Conservative & cautious: Boring, rigid, dull, passive

**R1. Professional experts**

- Current accountants (ACs)
- Current management accountants (MAs)
- Future management accountants (FMAs)

**Enduring**

- R2. Planner, manager & controller
- R3. Managing accounts, auditor & reporter
- R4. Commercial & entrepreneur
- R5. Multi-skilled & business integrator
- R6. Business focused, partner & advisor
- R7. Leader, change agent, strategic thinker, decision enabler/maker

**Emerging**

- Q4. Analytical: Logical, conceptual
- Q5. Forward & holistic thinking: Future-oriented, global, broad-minded
On the other hand, the third group of enduring qualities of MAs (equally valued by both stakeholder groups) were related to being Knowledgeable and intelligent. These positive qualities of the Accounting profession included the terms ‘smart’, ‘sharp’, ‘insightful’, ‘elite’, and ‘educated’. These qualities are expected to be relevant to future MAs in performing their dynamic roles.

One outstanding role enduring across the three groups was being Professional experts, who can provide extensive experience, knowledge, and competence in their field. Additionally, the role of being ‘technically up-to-date’ and ‘specialists’ was deeply grounded in the professional identity of accounting professionals and has been identified as critical across ACs, MAs and future MAs.

We also found another set of Enduring qualities and roles of MAs (Q4, Q5 and R2). These words represent the distinctive characteristics of current MAs. For instance, the Analytical quality was frequently mentioned in current MAs and ACs, but shows a decline in future MAs. It seems that being ‘analytical’ has become a normative quality of MAs, which is consequently diffused in future MAs, competing with other new desired qualities.

On the other hand, we found that Forward and holistic thinking is the most outstanding quality of current MAs; ‘future oriented’, ‘lateral thinking’, ‘global player’, ‘broad minded’, ‘cross-functional’, ‘broad-minded’, ‘broad functional’, ‘broad-minded’, ‘broad minded’, ‘broad minded’, ‘broad functional’, ‘broad-minded’ were commonly used terms. While CIMA members emphasised that MAs have already obtained these qualities (differentiating them from the ACs group), industry managers wanted to see these qualities more strongly represented in the future.

Finally, another stream of enduring roles was related to Planner, manager and controller. Although these roles received less emphasis in future MAs, respondents explained that the financial crisis heightened the importance of this core role, and expected future MAs to be more rigorous providing tight cost control, on-time analysis, strong governance and proactive risk management.

Diminishing

It is clear that the traditional or negative images of ACs are diminishing in the professional identity of MAs (Q6, Q7 and R3). The words, such as Numerical, accurate and detailed are considerably decreasing in both current and future MAs. Other expressions contributing to the theme include ‘meticulous’, ‘number cruncher’, ‘mathematical’, ‘organised’, and ‘process driven’. However, many industry managers valued these qualities, indicating their importance in the future. Similarly, Conservative and cautious qualities, together with ‘reactive’, ‘detached’, ‘passive’, ‘pedantic’, and ‘picky’ image were predominantly used in reference to ACs, but were used considerably less in MAs and future MAs.

We found that Managing accounts, auditor and reporter roles showed a similar trend; ‘budget’, ‘financially oriented’, ‘tax advisor’, ‘auditor’, ‘supporting functions’ and ‘reporting’ were commonly mentioned in relation to current MAs, but received less attention in descriptions of qualities desired for future MAs.

Emerging

Many dynamic qualities (Q8, Q9 and Q10) and roles (R4, R5, R6 and R7) were identified as shaping future MAs, clearly distinguishing them from the characteristics of ACs more generally. Both CIMA members and industry managers valued Creative and innovative, supportive and dynamic, and a people-oriented and communicative nature. These trends were also validated by other quantitative and qualitative data sets collected. In particular, ‘soft’ qualities were recognised as of critical importance to transcend the well-developed technical skills to take MAs to the next level of leading roles.

While many CIMA members expressed that MAs have moderately achieved those qualities already, industry managers still see those as future desired qualities, wanting MAs to be more ‘approachable’, ‘helpful’, ‘dynamic’, ‘proactive’, ‘fun’, and have ‘interesting’ personalities. On the other hand, both stakeholder groups agreed that future MAs should be more ‘confident’, ‘communicative’, ‘cooperative’, ‘client and customer focused’, and be a ‘team player’.

These emerging qualities are in line with emerging roles, such as Commercial and entrepreneur; Multi-skilled and business integrator; Business focused, partner and advisor; Leader, change agent, strategic thinker and decision enabler/maker. Both CIMA members and industry managers strongly suggested that understanding business and people, beyond numbers, is a critical factor to play the new leading roles. Interestingly, CIMA members heavily used the word ‘business partner’ as an emerging role, whereas only two industry managers mentioned this particular word in the same context. Further, CIMA members strongly saw future MAs as not limited to decision influencer but elevated to decision maker, demonstrating their professional expertise.
Overall, both MAs and their industry co-workers highlighted an important shift required for future success for MAs. No longer is it adequate to provide data in a secure, repetitive and accurate way for others to make sense of. MAs must become insightful, innovative and creative business partners who facilitate effective decision-making through their understanding of the significance of data. MAs – grounded in the enduring qualities of honesty and integrity in their business dealings together with well-developed analytical and forward-thinking – face new challenges to sustain their professional expertise and to cultivate dynamic qualities and roles in the future. In addition to all this, they must become pro-active, approachable and people-oriented.

Leadership of management accountants: issues and opportunities in the context of recession

The Enduring and Emerging professional identity described in the previous section demands various qualities as part of the management accounting profession. This section of the report focuses on issues and strategies for MAs as leaders by comparing various assessments related to leadership competencies and qualities. We did not define leadership in the surveys, rather explored how respondents approach the concept of leadership.

We conducted the second survey to further understand the importance and themes of 47 issues and 49 strategies for MAs to operate as effective leaders, synthesised from more than 2,600 statements collected in Survey 1. In total, 455 respondents from the first survey were re-invited and 67 respondents completed a complex online ‘sorting’ and ‘ranking’ task. Appendix 4 presents detailed methods and their patterns of response as described by visual maps – ‘concept maps’ - of the issues and strategies they identified.

Overall, the respondents’ opinions were broadly categorised into the four themes applicable to both issues and strategies:

1. Image and reputation of MAs
2. Training and leadership skills
3. Leadership in practice
4. Personal endeavours shaping professional identity.

The sequence of the themes is from the lowest to highest importance impacting on MAs’ leadership as rated by respondents. We describe each theme in detail in the following section.

1. Image and reputation of management accountants

Having a positive image and reputation is an important factor in supporting MAs to operate as leaders.

However, the first tough obstacle facing leaders related to the inherent negative image of the accounting profession. CIMA members raised concerns that MAs struggle to fight the stigma of being associated with ACs. Common descriptions used by the participants were ‘number crunchers’, ‘boring’, ‘bean counter’, and ‘narrow-focused’. Furthermore, after the financial crisis, some core qualities of ACs seem to have been attributed unfavourably to the leadership image of MAs, being perceived as not ‘accountable’, not ‘accurate’ and even as ‘unethical’.

According to CIMA members, a major reason for this perception is the lack of differentiation from Financial Accountants (FAs) and the lack of recognition of MAs adding value to business. Further, a misperception that FAs’ qualifications are superior to MAs often hinders MAs in securing leadership positions in a competitive market.

Identity management strategy

Being seen as leaders

Better branding of management accountancy to enable organisations to realise the value. (CIMA member, Senior Management, Manufacturing, Australia)

Clear enunciation of the differences between management accountants and financial reporting accountants, and the benefits ahead. (Senior Management, Marketing, Technology Industry, Australia)

Increase communication to educate non-accounting disciplines on the diversity of skills that MAs possess. (CIMA member, Manager Accounting, Manufacturing, UK)

Marketing of the qualification and celebration of successful MAs. (CIMA Member, Senior Management, Public sector, Other)

These issues are also highlighted by our quantitative survey results. The relative level of positive image and reputation of MAs and CIMA is perceived differently by two stakeholder groups (see Figure 3).
FAs' on a 1 to 5 scale with 1 indicating strongly disagree and 5 indicating strongly agree, CIMA members (Mean = 2.88) scored the question lower compared to industry managers (Mean = 3.25). This suggests that MAs believe that they are not well regarded in the accounting industry. On the other hand, in answering the question ‘People in the accounting industry think highly of CIMA’, CIMA members (Mean = 3.54) scored the question slightly higher than industry managers (Mean = 3.45). The link to CIMA is thus more important to MAs identity than is the identification as an MA.

Figure 3: Image and reputation by group

Regional variations are also evident (see Figure 4). The India/Asia region reported the most positive image and reputation of both MAs and CIMA, followed by the US and other countries. On the other hand, Australia and NZ ranked the lowest scores on MAs’ image and reputation. According to Australian CIMA members, management accounting is still regarded as a back-office function in this region compared to others.

Interestingly, the UK and Ireland showed the lowest score for the image of MAs, but valued CIMA relatively higher compared to Australia and New Zealand. Overall, this suggests that while the overarching image of CIMA and MAs is quite well developed, local level promotion and strategies are also needed to shift regional perceptions of CIMA and MAs more generally.

Figure 4: Image and reputation by region

Strategies

The second survey requested the panel members to sort and rank 49 strategy statements. Eighteen statements belong to this theme of image and reputation of MAs. The highest ranking strategies, on a 1 to 5 scale, are:

• CIMA needs to provide a clear vision and inspiring change to lead the management accounting function into the next 20 years (Mean = 3.59).
• Educate non-financial managers about MAs’ contribution to supporting their functions (Mean = 3.41).
• Conduct public relations activities to heighten the value of MAs and CIMA as a global brand (Mean = 3.32).

The contribution of MAs to achieving business success and their unique potential is unrealised by MAs and by their industry partners generally. Improving awareness and profile of the work of MAs and the targeting of a broader audience by CIMA represent key identity management strategies revealed by this present study. Shifting the external perceptions can create a positive image and reputation for MAs. This will support individual MAs to stand tall in their profession and to operate as leaders with a sense of status.
2. Training and leadership skills

Innovative training and developing stronger leadership skills will encourage MAs to see themselves as leaders.

First, traditional accounting training has been identified as a key issue and opportunity area. According to some CIMA members, 'We were being taught as just accountants who keep the record', 'not trained to look for solutions outside their brief', and 'lacking commercial exposure and entrepreneurial thinking'. This practice often drives a lack of self-confidence and the perception (by industry managers in this survey) that MAs are 'not ambitious' and 'not interested' in leadership roles.

Another issue related to the Emerging role of MAs. Both CIMA members and industry managers agreed that MAs needed 'in-depth' finance/accounting knowledge and 'wider' management skills, but MAs were often negatively perceived as professionals who are 'too broad' and 'not sufficiently technical'. MAs are often facing the dilemma to balance their roles between 'score keeper' and 'change agent' according to responses.

To further explore these concepts we investigated the survey data collected in more detail. We asked participants to rate MAs for leadership skills, both current and future, using the eight competencies identified by the Occupational Personality Framework on a 1 to 5 scale (Figure 5).

**Figure 5: Leadership competencies of management accountants - current and future**

As can be seen in the graph, respondent ratings indicate that all competencies could be more represented in the future for MAs as a group. Some competencies, though, are particularly noteworthy. First, it is important to note that for the most
represented competencies the trends in terms of importance are quite stable between current and future states. More specifically, the most important competencies currently and in the future are related to Analysing and Interpreting (e.g. writing, reporting, applying expertise and technology), Supporting and Cooperating (e.g. adhering to principles and values), and Organising and Executing (e.g. planning, delivering results, and following instructions).

On the other hand, Adapting, Creating, Enterprising and Leading competencies scored relatively lower in both current and needed in the future, but showed larger differences between current and future:

- Adapting and Responding (difference = 0.43, e.g. coping with pressures and responsive to change).
- Creating and Conceptualising (difference = 0.42, e.g. innovating and formulating strategies).
- Enterprising and Performing (difference = 0.4, e.g. entrepreneurial and commercial thinking).
- Leading and Deciding (difference = 0.39, e.g. initiating actions and supervising).

It is also interesting to note, however, that while Leading and Deciding is represented as being the least important competency in the future competency mix, the graph suggests that Leading and Deciding nonetheless plays a significant role in future desirable MA leadership competencies. The findings suggest that future development of the management accounting profession should not only reflect technical issues but also leadership competencies to support MA leadership and for future career opportunities and to add value to business.

**Strategies**

Suggestions for strategies to improve ‘in-depth finance and accounting’, ‘management’ and ‘soft leadership’ skills were diverse. Highly ranked strategies in this theme (1 to 5 scale) are:

- Learn how to deal with people, as this weakness has been commonly branded onto the finance profession (mean = 4.11).
- Improve the commercial side of the qualification fostering entrepreneurial thinking (mean = 3.86).
- Provide more leadership training to enable MAs to become better communicators and influencers (mean = 3.97).

Further suggestions were: strategic alliances with other accounting professional bodies to broaden MAs’ skill-sets to support the migration of MAs into leadership, more active mentoring programs, and a greater mentoring role for senior CIMA members. Soft skills, such as communication and leadership skills are critical to MA success in the future and must become part of the MAs tool kit. Overall, there seems to be a need for training in a wider range of skills such as innovation and soft skill development to provide opportunities for MAs to see themselves as ‘strategic’, ‘forward-thinking’, and ‘cutting edge’ global business leaders of tomorrow.

**3. Leadership in practice**

MAs play a critical role in linking business and financial strategies. Both CIMA members and industry managers agreed that MAs need to ‘get out of the office’ to learn more about their business and their customers. Industry managers felt that MAs ‘block operational initiatives’ based on costing rationales, while MAs experience that dealing with non-financial decision makers is challenging as they often ignore figures. Without a broad spectrum of business experience, it is difficult to gain trust from others and to be influential as leaders.

Further, CIMA members argue that they need to convince senior management to understand that MAs are ‘right-hand’ advisors, thus promoting MAs’ value and strategic capability.
Identity management strategy
Influencing as leaders

Make MAs to spend more time out in the operational area and drive the understanding of commercial acumen in non accounting areas. (Senior Management, Construction industry, Australia)

Leadership by learning business strategies, understanding goals, objectives, and challenging peers and leaders. (CIMA members, Senior Management, Accounting Finance, Banking industry, UK)

Demonstrate their abilities to shape strategy and develop business partnerships with other parts of the organisation. (Senior Management, Oil and Gas Industry, US)

We asked respondents to rate eight leadership qualities at a collective level based on Transformational Leadership studies to better understand the levels of MAs’ leadership practices (Figure 6). These items were rated on a 1 to 5 scale with 1 indicating strongly disagree and 5 indicating strongly agree.

As can be seen from the data, external stakeholders rated MAs’ leadership qualities at relatively low levels across all categories. Interestingly, internal stakeholders rated MAs’ leadership qualities at much higher levels.

Internal stakeholders rated MAs favourably in terms of Providing an appropriate model (Mean = 3.78, e.g. leading by example with good models for others to follow), Fostering the acceptance of group goals (Mean = 3.73, e.g. developing team spirit towards common goals), Inspirational communication (Mean = 3.69, e.g. encouraging people to see opportunities and say positive things about the profession). Interestingly though, the largest gaps between internal and external stakeholders were related to these leadership quality variables. While the gap is not vast, these perceptual differences may guide CIMA in areas of focus in future development.

Similarly, some leadership outcome measures were perceived differently by internal and external stakeholders. For instance, Satisfaction with leadership (e.g. using methods of leadership that are satisfying) and Effectiveness (e.g. representing their groups and meeting organisational requirements) received relatively moderate scores and were rated more favourably by internal stakeholders than external stakeholders.

Overall, the qualities rated lowest by internal stakeholders were: Intellectual stimulation (Mean = 3.6, e.g. challenging others to think about old problems in new ways), Extra effort
(Mean = 3.48, e.g. helping others to go above and beyond and try harder), and Vision of collective professionals (Mean = 3.38, e.g. a clear understanding and sense of where their profession is going). It is worthy to note that internal and external stakeholders were in agreement regarding the levels of Visionary Leadership relevant to MAs and that this rating was quite low, nearing the midpoint of the scale.

Consequently, improving people skills, innovative and critical thinking, and developing a strong vision for the future of the profession represent some potential areas for development for the management accounting profession.

**Strategies**

Panel members rated ‘developing MAs to exercise their leadership in practice’ as being of critical strategic importance. High ranking strategies are:

- Encourage MAs to have a greater understanding of the whole business (Mean = 4.32).
- MAs should think outside the box and act proactively to identify issues and solutions in practice (Mean = 4.3).
- Interact and partner with other operational areas to identify the impact of success and sustainability for the organisation (Mean = 4.27).

One opportunity suggested by participants was that MAs take advantage of training or secondments to other functions to achieve a greater understanding of business and to integrate their business cross-functionally. By using their influencing skills and ‘getting the message across’, MAs can become critical players in strategy formulation, decision-making and change management for the preparation of business in the future.

### 4. Personal endeavours shaping professional identity

Since the financial crisis there has been a general loss of confidence and trust in financial markets. The financial profession, including MAs, are often seen as reluctant to predict the economic and financial futures and to interrelate with company level decision-making.

Respondents perceived that MAs were constantly under pressure to deliver more outputs, often turning themselves into ‘doers’ rather than ‘strategic thinkers’. The unpredictable global market with fewer job opportunities has also become a hard-yard obstacle for MAs to face. Most of all, individual members need to improve their leadership skills to operate more effectively.

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### Identity management strategy

**Selling themselves as leaders**

It’s down to the individual MA, they need to work their way into the hearts and minds of fellow senior managers and become a critical component of the decision-making process based on the value add they bring to the table. (CIMA members, Senior Management Finance, Public Sector, India)

*Individuals needs to speak the language of business and push themselves forward, demonstrating that the skill set of an MA has wider uses.* (CIMA member, Senior Management, Public Sector, UK)

To understand how strongly CIMA members identify and internalise the professional identity of MAs in their personal identity, we asked six questions. Examples are ‘when people praise MAs, it feels like a personal compliment’ and ‘When I talk about MAs, I usually say “we” rather than “they”’.

There were some regional variations (Figure 7). Australia and NZ (Mean = 3.24) have relatively lower scores than the UK and Ireland (Mean = 3.59), and India and Asia (Mean = 3.58) who scored similarly. On the other hand, the US and other countries had relatively higher scores, suggesting stronger identification with the management accounting profession in their personal identity (Mean = 3.74).

**Figure 7: Professional identification of MAs by region**

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<th>Region</th>
<th>Professional identification</th>
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<tr>
<td>UK</td>
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<td>NZ</td>
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Most of all, our quantitative data found positive relationships between the professional identification, image and reputation, and leadership qualities of MAs. This suggests that the more one identifies with the profession, the more one is likely to report higher levels of leadership qualities that support members to internalise the desired meaning of their profession and to create a positive image and reputation.

**Strategies**

In shaping the professional identity of MAs collectively, respondents strongly emphasised the need for personal endeavours to enhance their professionalism and to promote themselves as leaders. The following strategies were strongly supported by respondents on a 1 to 5 scale:

- MAs need to personally show professionalism ensuring integrity and honesty to stay true to their principles (Mean = 4.43).
- MAs should think outside the box and train themselves to translate numbers to strategies and solutions (Mean = 4.30).
- Leadership is up to the individual and MAs need to demonstrate their own leadership capability (Mean = 4.16).

Respondents suggested that individual MAs need to get out of their comfort zone to build broader career experiences. Individual MAs should ‘do their own research’, ‘up-skill themselves’, and ‘go the extra mile at work’. MAs need to sell themselves as innovative business partners, demonstrating both financial expertise and a wider set of leadership qualities (which ultimately are embedded in MA’s own and collective identities).

**Post financial crisis**

However, would these personal and institutional efforts work in a tough business environment? We posed an open question about the impact of the recession on the professional identity of MAs. Overall, a majority of statements showed encouraging opportunities for the MA profession.

Internal stakeholders, particularly CIMA members, were optimistic about their profession, stating that the financial crisis had little impact on MAs, or possibly even increased the awareness of their contribution to organisational sustainability. By comparison, industry managers were almost equally split on the positive/nil, or negative impact of the financial crisis on the future professional identity of MAs. They often identified that distrust and blame of the accounting profession contributing to the financial crisis and an unstable employment market are the main issues impacting MAs’ leadership roles.

The dominant message here was that the financial crisis 08/09 elevated the critical role of MAs to sustain business through cost efficiency and value creation. It is a good time for well-prepared MAs to position themselves as leaders, stepping up to the obstacles of ‘being seen’, ‘seeing’, ‘influencing’, and ‘selling themselves’ in their workplaces.

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The recession has offered MAs the opportunity to demonstrate how we can add value to a business by behaving more as a business partner, interpreter and communicator of forward looking strategies and profitability business decision. (CIMA members, Self-employed, Retail, UK)

It has damaged accountancy in general in the same way that the debt crisis has destroyed the image of banks. (CIMA members, Senior Management, Public Sector, UK)

The recession has enhanced the importance of management accountancy even more than it was previously. (Non CIMA member, Senior Management, Accountancy, US)

It has given them [MAs] new areas of effort. It has, in some cases, tarnished the image of those who ‘should have seen it coming’. (Business Owner, US)
Conclusions

This research project provided unique insights to the management accounting profession, exploring evolving characteristics and leadership issues in the global context. Our analysis suggests that the Enduring and Emerging qualities and roles of MAs are closely aligned with leadership competencies and desirable qualities of current and future professionals. However, current analytical skills are no longer the differentiator in the market place. There is a significant need for flexibility, insight and leadership. There are genuine market-identified opportunities for MAs to take significant roles in driving business for the future according to our survey, and professional expert, leader, strategic thinker, decision enabler, and decision-maker were highlighted by both internal and external stakeholders of CIMA.

However, management accounting professionals are facing challenges to sustain their technical expertise and at the same time meet the demand of diversified skills at work, while experiencing the misfit with the well-established image of Accountants. Further, the critical contribution of MAs to achieving business success and their unique potential to play emerging roles are somewhat unappreciated and certainly not yet fully realised in industry and within MAs’ own sense of identity. The financial crisis 08/09 further heightened these challenges and opportunities for MAs. Importantly, it is also critical, in the light of the banking crisis, that CIMA ethics around professionalism, honesty and objectivity remain a key pillar of the current and future MAs.

MAs' training and their perceived collective identity as professionals serve as a key reference for actions shaping their personal identity. If leadership becomes a defining and central characteristic of MAs, it will provide opportunities for individual members to operate as professionals who facilitate the fusion of knowledge, systems and people, leading to their career success.

Recommendations

To shape the professional identity and provide a clear pathway for MAs, we recommend the following for CIMA and its members:

- Promote a Management Accountant profile and contributions to not only finance, but also to broader business audiences demonstrating the desirable leadership and professional characteristics of MAs outlined in the report.
- MAs to change their role from being a stand-alone function to be strongly integrated into the business team and express and react to opinions cross-functionally.
- Review current management accounting curriculum and encourage opportunities for management accountancy training in collaboration with education institutions and the wider business community.
- Communication and leadership skills to be considered key additions to the CIMA syllabus, or students and members.
- Promote greater diversity in skills in MAs toolkit and encourage workplace secondment and training in other functions.

In summary, to realise the potential of MAs and to set them on the path to career success, all MAs should be encouraged to exercise their leadership at any management level to heighten their standing as professionals. CIMA, as an association, has a critical leadership role here. This will, in turn, assist the shaping of the emerging collective identity for Management Accountants.
Appendix 1: About the participants

A total of 588 internal stakeholders and 570 external management accounting stakeholders participated in this study across four regions: UK and Ireland, Australia and NZ, India and Asia, and the US and other countries.

Internal stakeholders comprised CIMA members and CIMA board members, accounting academics, and university students majoring in accounting and commerce. External stakeholders were represented by industry managers, senior managers or business owners in the fields of human resources, sales, marketing, information technology, engineering and project management. Figures 8 to 10 and Tables 2 and 3 summarise survey participants’ key demographic information.

Table 2: Participants by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountancy</td>
<td>5.5</td>
</tr>
<tr>
<td>Banking and Finance</td>
<td>9.2</td>
</tr>
<tr>
<td>Construction</td>
<td>3.6</td>
</tr>
<tr>
<td>Health</td>
<td>4.1</td>
</tr>
<tr>
<td>Education</td>
<td>4.7</td>
</tr>
<tr>
<td>ICT, Technology and Telecoms</td>
<td>16.7</td>
</tr>
<tr>
<td>Manufacturing and Engineering</td>
<td>10.4</td>
</tr>
<tr>
<td>Media, Marketing and Advertising</td>
<td>1.7</td>
</tr>
<tr>
<td>Natural Resources and Energy</td>
<td>2.2</td>
</tr>
<tr>
<td>Old, Gas and Alternative Energy</td>
<td>1.6</td>
</tr>
<tr>
<td>Public Sector and Non-For-Profit</td>
<td>8.2</td>
</tr>
<tr>
<td>Retail and Consumer Goods</td>
<td>4.7</td>
</tr>
<tr>
<td>Sales, Purchasing and Supply chain</td>
<td>2.6</td>
</tr>
<tr>
<td>Transport, Distribution and Storage</td>
<td>2.8</td>
</tr>
<tr>
<td>Travel, Leisure and Tourism</td>
<td>2.2</td>
</tr>
<tr>
<td>Other</td>
<td>7.6</td>
</tr>
<tr>
<td>Accounting Students</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Table 3: External stakeholders’ relationship to MAs

<table>
<thead>
<tr>
<th>Relationship to Management Accountants</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Accountants report to me.</td>
<td>24</td>
</tr>
<tr>
<td>I work with Management Accountants.</td>
<td>33</td>
</tr>
<tr>
<td>I know Management Accountants.</td>
<td>19</td>
</tr>
<tr>
<td>I have no relationship with Management Accountants.</td>
<td>24</td>
</tr>
</tbody>
</table>
Appendix 2: About the methods

This project collected a variety of qualitative and quantitative data through two global online surveys in 2011. The first survey was designed to broadly capture respondents’ open thoughts on MAs and to assess their perceptions on current and future levels of leadership, image and reputation, and identification within the management accounting profession and current perceptions by those in industry who work with MAs.

The first section of the survey requested participants to describe, in their own words, the three qualities or characteristics of ‘Accountants’ (ACs), ‘Management Accountants’ (MAs), and ‘Future Management Accountants’ (FMAs) as a group of professionals. A total of 8,727 usable descriptions were collected and a multi-layered clustering technique was used to understand the trends.

In the second section, participants also assessed 90 quantitative questions on a 5-point Likert scale on the following topics:

- Leadership qualities of MAs based on transformational leadership studies.3
- Current and future leadership competencies drawn from a variety of recognised competency frameworks.4
- Image/reputation and identification of the management accounting profession, building on validated scales used in management studies.5

In the final section, we posed three open questions to expand our understanding of the following:

- Impacts of the financial crisis on the professional identity of MAs.
- Issues that MAs face in operating as leaders.
- Strategies to solve issues and help MAs to operate as effective leaders.

More than 2,600 statements provided various insights. The research team synthesised those statements into 47 key issues and 49 strategies for the second survey.

The second online survey was designed to further explore the trends and level of importance of the synthesised statements.6 Overall, 455 respondents were re-invited to take part in this survey. This sample was represented by those from the first survey who indicated willingness to re-participate as international expert panel members. Overall, 67 members completed complex ‘sorting’ and ‘ranking’ assessments on those key issues or strategies identified in the first survey. The process of analysis and results are visualised as ‘issue’ and ‘strategy’ concept maps and explained in Appendix 4.
Appendix 3: Differing views on professional identity of management accountants by internal and external stakeholders

588 internal and 570 external stakeholders of MAs provided 8,727 words or phrases describing the three inquiry groups:

- ACs: Accountants
- MAs: Management Accountants
- FMAs: Future Management Accountants

<table>
<thead>
<tr>
<th>Qualities and Roles</th>
<th>ACs</th>
<th>MAs</th>
<th>FMAs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. Adhering principles &amp; values</td>
<td>Int 307</td>
<td>Ext 139</td>
<td>Int 120</td>
<td>Ext 109</td>
</tr>
<tr>
<td>Reliable, honest, integrity, rules</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2. Achieving goals &amp; results</td>
<td>Int 127</td>
<td>Ext 130</td>
<td>Int 77</td>
<td>Ext 121</td>
</tr>
<tr>
<td>Hard-working, focused, efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3. Knowledgeable &amp; intelligent</td>
<td>Int 132</td>
<td>Ext 118</td>
<td>Int 88</td>
<td>Ext 95</td>
</tr>
<tr>
<td>Sharp, smart, educated, elite</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4. Analytical</td>
<td>Int 66</td>
<td>Ext 47</td>
<td>Int 90</td>
<td>Ext 46</td>
</tr>
<tr>
<td>Logical, conceptual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q5. Forward &amp; holistic thinking</td>
<td>Int 15</td>
<td>Ext 8</td>
<td>Int 124</td>
<td>Ext 20</td>
</tr>
<tr>
<td>Future-oriented, global, broad-minded</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q6. Numerical, accurate &amp; detailed</td>
<td>Int 299</td>
<td>Ext 316</td>
<td>Int 103</td>
<td>Ext 177</td>
</tr>
<tr>
<td>Thorough, attention to detail, organised</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q7. Conservative &amp; cautious</td>
<td>Int 181</td>
<td>Ext 207</td>
<td>Int 51</td>
<td>Ext 143</td>
</tr>
<tr>
<td>Boring, rigid, dull, passive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q8. Creative &amp; innovative</td>
<td>Int 15</td>
<td>Ext 16</td>
<td>Int 90</td>
<td>Ext 30</td>
</tr>
<tr>
<td>Flexible, adaptable, practical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q9. Supportive &amp; dynamic</td>
<td>Int 30</td>
<td>Ext 45</td>
<td>Int 81</td>
<td>Ext 46</td>
</tr>
<tr>
<td>Helpful, proactive, approachable, interesting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q10 People-oriented &amp; communicative</td>
<td>Int 22</td>
<td>Ext 40</td>
<td>Int 89</td>
<td>Ext 68</td>
</tr>
<tr>
<td>Team player, collaborative, confident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R1. Professional experts</td>
<td>Int 157</td>
<td>Ext 62</td>
<td>Int 101</td>
<td>Ext 65</td>
</tr>
<tr>
<td>R2. Planner, manager &amp; controller</td>
<td>Int 53</td>
<td>Ext 33</td>
<td>Int 92</td>
<td>Ext 77</td>
</tr>
<tr>
<td>R3. Managing accounts, auditor &amp; reporter</td>
<td>Int 145</td>
<td>Ext 138</td>
<td>Int 114</td>
<td>Ext 118</td>
</tr>
<tr>
<td>R4. Commercial &amp; entrepreneur</td>
<td>Int 22</td>
<td>Ext 27</td>
<td>Int 54</td>
<td>Ext 22</td>
</tr>
<tr>
<td>R5. Multi skilled &amp; business integrator</td>
<td>Int 22</td>
<td>Ext 30</td>
<td>Int 56</td>
<td>Ext 30</td>
</tr>
<tr>
<td>R6. Business focused, partner &amp; advisor</td>
<td>Int 32</td>
<td>Ext 14</td>
<td>Int 145</td>
<td>Ext 29</td>
</tr>
<tr>
<td>R7. Leader, change agent, strategic thinker &amp; decision enabler/maker</td>
<td>Int 36</td>
<td>Ext 22</td>
<td>Int 155</td>
<td>Ext 73</td>
</tr>
<tr>
<td>Total</td>
<td>1661</td>
<td>1392</td>
<td>1630</td>
<td>1269</td>
</tr>
</tbody>
</table>

Legend

- Int: Internal stakeholders (CIMA members and CIMA boards, accounting academics and university students majoring in accounting and commerce)
- Ext: External stakeholders (industry managers, senior management or business owners in the field of human resources, sales, marketing, information technology, engineering and project management)
Appendix 4: Leadership landscape of management accountants: Issue and strategy concept map

We conducted the second survey to further understand the importance and themes of 47 issues and 49 strategies for MAs to operate as effective leaders, synthesised from more than 2,600 statements collected in Survey 1.

First, participants ranked each statement according to its importance to MAs leadership on a scale of 1 (low) to 5 (high). Second, participants sorted issue or strategy statements into piles in a way that makes sense to them electronically and labelled the piles with their own words.

The aggregated results of the relative importance (ranking) and positioning of similar statements (sorting) from all participants are displayed as multi-layered grey dots and clusters (see Figures 11 and 12). We used a concept mapping methodology and software to generate the leadership landscapes of MAs visualised below.

Further, the research analysed the results and identified four themes applicable to both issues and strategies highlighted with coloured circles. The sequence of the themes is from the lowest to highest importance rated by respondents:

Figure 11: Issue concept map

Figure 12: Strategy concept map

- Level of importance and positioning of statements with numbers (system generated participants’ ranking)
- Clusters of statements having similar meanings (system generated participants’ sorting)
- Themes applicable to both issues and strategies (interpretation by the research team)
References


7. For more information on concept mapping see www.conceptsystems.com

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