

Managers' Opinions of Management Accountants' Competency Skills and Personal Qualities

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Abstract

The Chartered Global Management Accountant (CGMA) Competency Framework published in 2014 describes four knowledge areas (technical, business, people, and leadership skills) and three personal qualities (ethics, integrity, and professionalism). This study used the CGMA Competency Framework as the basis for a survey completed in 2015 of mid-level managers to assess their opinions of management accountants. The mid-level manager demographics reflected a near equal representation of men and women. All respondents were located in the United States and fairly evenly from all parts of the nation. Other demographics supported a representative sample was collected. The survey results revealed that mid-level managers rank technical skills as management accountants' strongest knowledge area and people skills as the weakest. The research and methodology in this paper set a benchmark for future comparisons as management accountants successfully work toward meeting and eliminating the perceived crisis of not fully meeting the knowledge areas and personal qualities in the CGMA Competency Framework. Surprisingly, cost accounting and reporting were ranked among management accountants' weakest knowledge areas, which might indicate that management accountants need to more effectively communicate their actual expertise. Earning the Institute of Management Accountants (IMA) Certified Management

Accountant (CMA) credential could help communicate management accountants' actual expertise

Keywords: Accountants, Management, Competency framework, People skills, Communication, Technical skills, Human resources

1. Introduction

The global landscape is constantly evolving; borders continually disappear and adaptation is the means of survival. The technologically advancing global environment appears to pose a competency challenge to management accountants and their collaborators (e.g., educators, managers, employers, and clients). Management accountants need to work towards more efficient and effective solutions to combat the competency challenge, which some see as a crisis (CGMA, 2014). Knese (2014) noted that the supply of skilled accountants is not keeping up with the demand for skilled accountants. Manpower Group (2012, p. 7) ranks accounting 6th in the top 10 jobs that employers have trouble filling. This is a global shortage. As part of the effort to meet this shortage, managers' perceptions of and experiences with management accountants could change. This study proposes a benchmark with which to measure future changes based on the perspectives on a major group (i.e., managers) that relies on management accountants' expertise.

Management accounting professionals previously carried out other roles, such as support staff, and evolved over time to become partners in the decision-making process (Brewer, Sorensen, & Stout, 2014, p. 30). The American Accounting Association (AAA) and the Institute of Management Accountants (IMA) offered four joint recommendations for accounting education that could help to minimize, if not eliminate, the competency crisis. These include: long-term career requirements; expansion into public accounting; strategy formulation; and analysis, planning and execution, in addition to using integrated instruction techniques to teach accounting. Some efforts to resolve the competency crisis also included the Management Accounting Section (MAS). Brewer, Sorensen, and Stout (2014, pp. 31-32) agreed with the joint statements in calling for an integrated competency-oriented curriculum plus continuous learning through on-the-job training and experience.

The IMA is working towards closing the competency gap. The Chartered Global Management Accountant (CGMA) Competency framework includes technical skills, business skills, people skills, and leadership skills as required knowledge areas (CGMA, 2014, pp. 1-3). Since the demands of a global market change rapidly and cross-border barriers are disappearing, there is a need for talented leaders who can keep up with the rapidly changing commerce market. Having the expertise required to earn the IMA's Certified Management Accountant (CMA) designation helps equip leaders to adapt to those changes.

This article reports the results of a survey of mid-level managers about their opinions of management accountants relative to the four knowledge areas as well as the three personal qualities of ethics, integrity, and professionalism detailed in the CGMA Competency Framework (CGMA, 2014). The CMA Competency Framework motivated the research and was used to develop the survey for this study. The research was further motivated by the questions and recommendations presented by Brewer, Sorensen, and Stout (2014) and Lawson et al. (2015) relative to the CGMA Competency Framework.

2. Method and Data

The survey was administered in 2015 to gather managers' opinions of management

accountants' knowledge areas and personal qualities as detailed in the CGMA Competency Framework. Of the 275 individuals invited to participate via the Survey Monkey website, there were 199 completed responses, a response rate of 72%. Managers ranked the four skills overall, with 1 being the strongest and 4 as the weakest skill. Managers ranked technical skills from strongest to weakest on a scale from 1 to 8, business skills on a similar scale from 1 to 6, and personal business qualities on a scale from 1 to 3.

Tables 1-4 summarize the respondents' demographic data. The respondents' age range was from 18 years to over 60 years of age, with the majority falling between the ages of 30 and 59 years old. Half of the survey respondents were female and half were male (a ratio of 106 to 93), which gave a balanced report based on gender. The respondents had annual earnings ranging from zero to \$150,000 or more. The responses represent each level, though 20 respondents preferred not to disclose this information. The respondents were located in all geographic areas across the United States, as shown in Table 10.

Table 1. Respondents' demographics: Age

Age	Respondents
< 18	0
18 – 29	24
30 – 44	57
45 – 59	64
60 +	34
Total	199

Table 2. Respondents' demographics: Gender

Gender	Respondents
Female	106
Male	93
Total	199

Table 3. Respondents' demographics: Annual household income

Earned Income	Number of Managers
\$0 to \$9,999	3
\$10,000 to \$24,999	7
\$25,000 to \$49,999	29
\$50,000 to \$74,999	39
\$75,000 to \$99,999	28
\$100,000 to \$124,999	18
\$125,000 to \$149,999	18
\$150,000 to \$174,999	16
\$175,000 to \$199,999	6
\$200,000 and up	15
Preferred not to answer	20
Total	199

Table 4. Respondents' demographics: United States regional location

United States Region	Number of Managers
New England	11
Middle Atlantic	27
East North Central	39
West North Central	15
South Atlantic	28
East South Central	7
West South Central	21
Mountain	10
Pacific	41
Total	199

3. Survey Results

The survey was based on the CGMA Competency Framework knowledge areas and personal qualities to assess management accountants' relative mastery or competency of these areas. The survey results reveal that managers ranked management accountants' weakest areas as people skills, cost accounting and reporting, business relations, communication, ability to inspire, and integrity. On the other hand, managers ranked management accountants' strongest skills as technical skills, tax strategy, planning and compliance, macroeconomic analysis, influence, change management, and professionalism.

Table 5 reports the results for the four categories of skills. Mid-level managers ranked general technical skills as management accountants' strongest skill and people skills as the weakest. The perceived lack of competency in all areas must be addressed. Management accountants not only have to be knowledgeable but know how to implement best practices within organizations. The CGMA competency framework provides a strategic guide for this process. The CGMA framework notes technical skills, business skills, leadership skills, and people skills as key areas as supported by the professional qualities of ethics, integrity, and professionalism as vital for a management accountant's career success (CGMA, 2014). For long-term career success, management accountants need competency in all four categories (Brewer et al., 2014).

Table 5. Managers' ranking of management accountants' skills

Skills	Ranking
Technical	1 Strongest
Leadership	2
Business	3
People	4 Weakest

Table 6 reports on the eight technical skills as listed in the CGMA Competency Framework.

Mid-level managers viewed tax strategy, planning, and compliance as management accountants' strongest skills. The weakest skill was cost accounting and reporting.

Table 6. Managers' ranking of management accountants' technical skills

Skills	Ranking
Tax Strategy, Planning and Compliance	1 Strongest
Risk Management and Internal Control	2 tied
Corporate Finance and Treasury Management	2 tied
Management Reporting and Analysis	3
Accounting Information Systems	4
Financial Accounting and Reporting	5
Business Planning	6
Cost Accounting and Reporting	7 Weakest

Table 7 reports on the six business skills as listed in the CGMA Competency Framework. Mid-level managers ranked management accountants' macroeconomic analysis as the strongest skill and business relations as the weakest of the business skills.

Table 7. Managers' ranking of management accountants' business skills

Skills	Ranking
Macroeconomic Analysis	1 Strongest
Market and Regulatory Environment	2
Strategy	3
Process Management	4
Project Management	5
Business Relations	6 Weakest

Table 8 reports on the four people skills. Mid-level managers ranked management accountants' skill to influence as the strongest and communication as the weakest.

Table 8. Managers' ranking of management accountants' people skills

Skills	Ranking
Influence	1 Strongest
Negotiation and Decision-Making	2
Collaboration and Partnering	3
Communication	4 Weakest

Table 9 reports on the five leadership skills as listed in the CGMA Competency Framework. Mid-level managers ranked management accountants' change management skills as the strongest, with motivating and inspiring as the weakest.

Table 9. Managers' ranking of management accountants'

Skills	Ranking
Change Management	1 Strongest
Driving Performance	2
Team Building	3
Coaching and Mentoring	4
Motivating and Inspiring	5 Weakest

Table 10 reports on the three personal business qualities as listed in the CGMA Competency Framework. Mid-level managers ranked management accountants' professionalism as the strongest and integrity as the weakest.

Table 10. Managers' ranking of management accountants' personal business qualities

Skills	Ranking
Professionalism	1 Strongest
Ethics	2
Integrity	3 Weakest

4. Discussion and Conclusions

The survey results acknowledge the factors and issues that management accountants must work to overcome for current and future challenges. Solutions that management accountants can pursue to overcome the competency crisis include acquiring more skills through continued education, earning credentials (e.g., CMA), and acquiring additional relevant experience. While educators and accounting organizations can help ameliorate the competency crisis, this will be most effect through the individual efforts of management accountants themselves.

There are resources available besides academic degrees to meet future career needs. Management accountants within organizations operating locally and internationally who achieve the CGMA indicate that they have developed the proper skills to strengthen competencies at both the local and global level. Accountants need to adapt to changes and rise to the challenges. According to Robert Half International (2015), some of the emerging issues include continuing demand for skilled accounting professionals, International Financial Reporting Standards (IFRS), pervasive technology, globalization, and fraud control.

Skilled accounting professionals can help organizations with these issues and offer possible solutions. This partially explains why skilled accounting professionals are in high demand. Robert Half International (2015, p. 1) notes that employers are aware of the need for skilled accounting professionals and have implemented enhanced recruitment and retention programs. Earning the CGMA certification shows that the accounting professionals have the required skills.

This indicates an opportunity for management accountants to focus on developing people skills. However, managers ranked some surprising technical skills (e.g., cost accounting and reporting) as weaker skills. Perhaps management accountants are not effectively communicating mastery of all of their existing skills, or they may lack skill in some of the knowledge areas that managers ranked as weaker areas. It is possible that management accountants are more knowledgeable than managers realize. One way to communicate successful mastery of the knowledge areas and personal qualities would be for more management accountants to earn the Certified Management Accountant (CMA) credential from the IMA.

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