

Roles and Attitudes in the Management Accounting Profession: An International Study

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EXECUTIVE SUMMARY

Although management accountants continue to carry out traditional accounting functions, business partner and hybrid roles are relatively common among global professional management accountants. This shift to high involvement/high autonomy roles may be beneficial, as these characteristics are associated with higher employee satisfaction and role prestige and lower turnover intentions.

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The accounting literature has increasingly focused on the changing nature of management accounting roles in the last several decades. This work has highlighted the evolution of management accountants' roles and responsibilities from the traditional "bean counter" role to a more "business-oriented" profile.¹ In particular, it has been suggested that traditional tasks such as bookkeeping, monitoring fiscal performance, and controlling organizational finances are taking a back seat as management accountants are increasingly expected to perform strategic decision-making roles at the heart of business operations.²

While this shift in management accounting roles has been widely discussed in the literature, empirical evidence suggests that traditional roles are yet to be supplanted in practice. For instance, in an exploratory study of Dutch management accountants, Bernard Verstegen and several colleagues found that scorekeeping activities were still a very important part of management accountants' work.³ In addition, they did not find strong evidence to support the surge of the "business partner" management accountant in their research sample. Caroline Lambert and Samuel Sponem also found that the business partner model may not be as commonplace as it is purported to be in the extant literature.⁴

Thus, it is not clear whether these new (high involvement/

high discretion) roles are widely adopted in practice or whether the business partner model is restricted to specific cultural and organizational contexts. In particular, researchers have called for more research aimed at understanding how management accounting roles may differ in different countries and regions.⁵ Moreover, we know little about the causes and effects of these changes in professional roles.

In some cases, it may be expected that new management accounting role profiles will represent a double-edged sword, giving management accountants greater power to influence business practices, but also placing greater demands on their time and resources and creating fractious relationships with business managers.⁶

Against this backdrop, we examined the roles performed by management accountants located on four continents: North America, South America, Asia, and Europe. Additionally, we explored how management accountants' roles and functions shaped their work attitudes, including their perceptions of role prestige, their levels of job satisfaction, and their turnover intentions.

METHODS

We conducted a survey with IMA® (Institute of Management Accountants) members in Winter 2016-2017. Our survey targeted IMA members located in the United States, China, and both Western and Eastern Europe. Most of our respondents filled out the survey online, but, due to internet access issues, IMA members in China carried out computer-based surveys that were forwarded to us following their completion. The survey asked respondents about their roles, tasks, and attitudes toward their profession. We primarily used closed (preestablished/prevalidated) questions in the survey, although we also asked respondents to elaborate on their roles and tasks in one open-ended question.

A total of 309 management accountants completed our survey, a response rate of approximately 6%. Management accountants in our sample had an average age of 41 and an average tenure of 6.7 years. Sixty percent were male, and 40% were female. Approximately 37% of respondents were located in the U.S., 29% were located in China, and 34% were located in Europe. (See Table 1.)

We also examined the nature of roles and functions carried out by management accountants in Brazil in a second study. Specifically, we collected data from members of Brazil's ANEFAC (National Association of Executives in Finance, Administration, and Accounting) through an online survey. We asked respondents to report on their functions and tasks, using the same open-ended question employed in the IMA survey (n=52). These data were incorporated in our analysis of management accounting profiles. Yet differences in scales and translations meant we did not include data from this sample in the broader analysis discussed in the following section.

FINDINGS

We began by examining the nature of management accounting tasks. Our second aim was to examine how management accountants' attitudes were shaped by the nature of their roles and tasks.⁷

What are management accountants' key roles and functions?

We first asked management accountants to describe their roles and primary functions in an open question. This format allowed respondents to report on the full range of their tasks, rather than limiting their responses to specific (predefined) accounting functions. In addition, by using an open format, we minimized the likelihood that individuals would give socially desirable or idealized answers rather than providing an accurate representation of their accounting roles. Two researchers (Gustavo Henrique Costa Souza and Juliana Gonçalves de Araujo) then categorized individuals' responses according to the types of tasks they performed. These analyses revealed five different profile groups:

- **Profile Group 1:** Accountants who exclusively carried out traditional accounting tasks.
- **Profile Group 2:** Accountants who primarily carried out traditional accounting tasks.
- **Profile Group 3:** Accountants in hybrid roles who carried out traditional accounting tasks and business-partner activities relatively equally.
- **Profile Group 4:** Accountants who primarily carried out business-partner tasks.

Table 1: IMA Survey Respondents' Characteristics (n=261-309)

Survey Respondents' Characteristics	Mean	Standard Deviation	Minimum-Maximum
Age (in years)	41.0	10.9	21-74
Tenure in current organization (in years)	6.7	6.2	1-35
Survey Respondents' Characteristics	Percentage		
Gender (%)			
Male	60.0%		
Female	40.0%		
Education (%)			
High school	1.0%		
Graduate	40.8%		
Postgraduate	24.9%		
MBA	27.7%		
Ph.D.	1.7%		
Other	3.8%		
Industry (%)			
Construction	1.7%		
Manufacturing	43.0%		
Transportation, communication, and utilities	9.6%		
Wholesale and retail trade	8.3%		
Finance, insurance, and real estate	15.7%		
Services	21.7%		
Hierarchical rank (%)			
Staff management accountant (work under direction of senior/manager)	16.7%		
Senior management accountant (responsible for segment of the overall management accounting system)	17.5%		
Management accountant manager (direct staff responsible for developing system)	14.6%		
Assistant controller (report to the controller)	5.0%		
Controller (chief accounting executive)	27.1%		
CFO	19.2%		
Country (%)			
United States	37.3%		
China	28.9%		
Europe	33.8%		
Western Europe	22.9%		
Eastern Europe	10.9%		

■ **Profile Group 5:** Accountants who exclusively carried out business-partner tasks.

Our analyses revealed that the majority of accountants enacted traditional accounting roles, exclusively or primarily carrying out four categories of activities:

1. Accounting operations (transaction processing, reporting, etc.)
2. Accounting and information systems (data capture, etc.)

3. Specialist services (audit, tax, etc.)
4. External reporting (integrity of financial reports, etc.)

Yet a relatively large number of accountants can be described as “hybrid accountants,” integrating both traditional accounting and business-partner tasks in their job remit, while a smaller but not insignificant number can be described as business partners, exclusively or primarily carrying out management information (analyzing, forecasting, and data analytics) and management

support (strategic planning, systems development, etc.) tasks.

Specifically, 33.9% of management accountants exclusively carried out traditional accounting tasks, 30.2% primarily carried out traditional accounting tasks, 23.4% were categorized as “hybrid accountants” splitting their time relatively equally between traditional accounting and business partner-related functions, 6.5% primarily carried out business partner-related tasks, and 6.0% exclusively carried out business partner-oriented functions. Moreover, our analysis showed that accountants with all five profiles could be found in each of the geographical regions (U.S., China, Europe, and Brazil) and that there were no significant differences in management accountants’ profiles according to their location. (See Figure 1.)

Thus, in line with some past findings, we found that management accountants’ roles continue to be characterized by traditional accounting tasks but that business-partner functions, and especially hybrid

accounting-business roles, are relatively common in the global management accounting profession.⁸

We then examined the importance of specific management accounting tasks and the percentage of time spent on different activities. (See Figure 2.) Management accountants said that their most important tasks included preparing financial reporting materials and ensuring that their companies complied with financial reporting requirements as well as monitoring fiscal performance. These tasks (depicted in red in the figure) can be considered traditional accounting functions. Yet respondents also said that some business-oriented tasks (depicted in gray), such as supporting organizational redesign and change management efforts and finding new ways to meet financial and nonfinancial business targets, were also relatively important in their roles.

Accountants’ primary activities were found to differ depending on their hierarchical job position. Specifically, our analysis showed that staff accountants and those in

Figure 1: Management Accounting Role Profiles in Different Geographical Locations

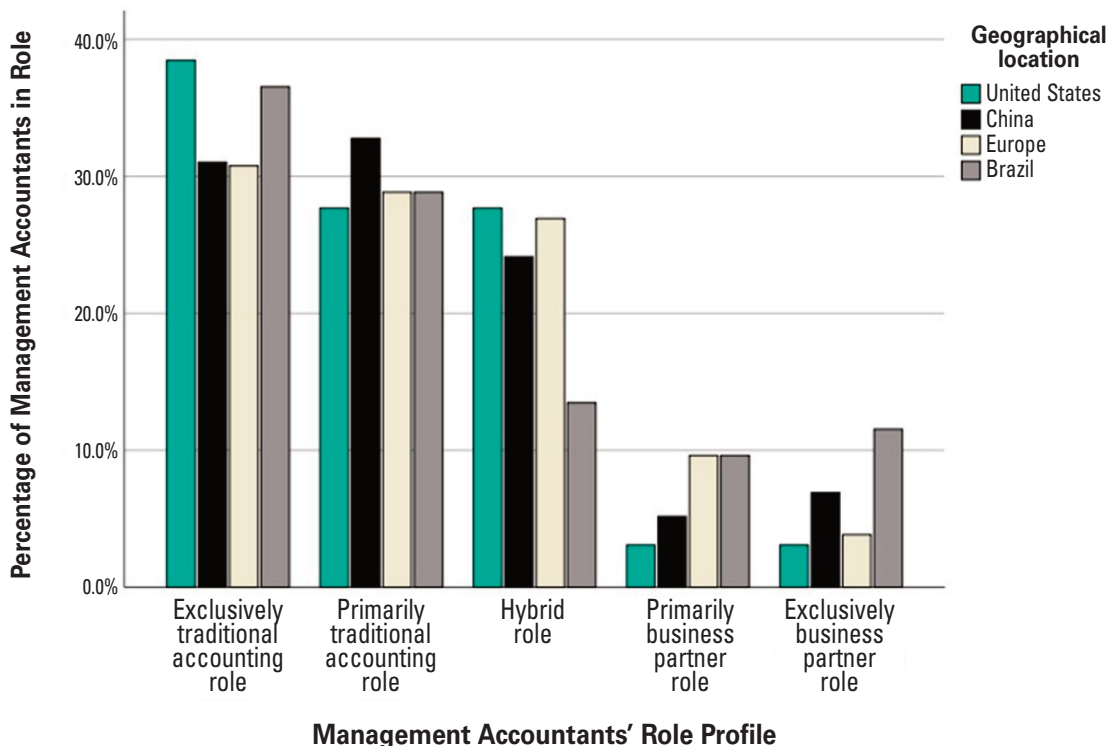


Figure 2: Relative Importance of Different Types of Management Accounting Tasks

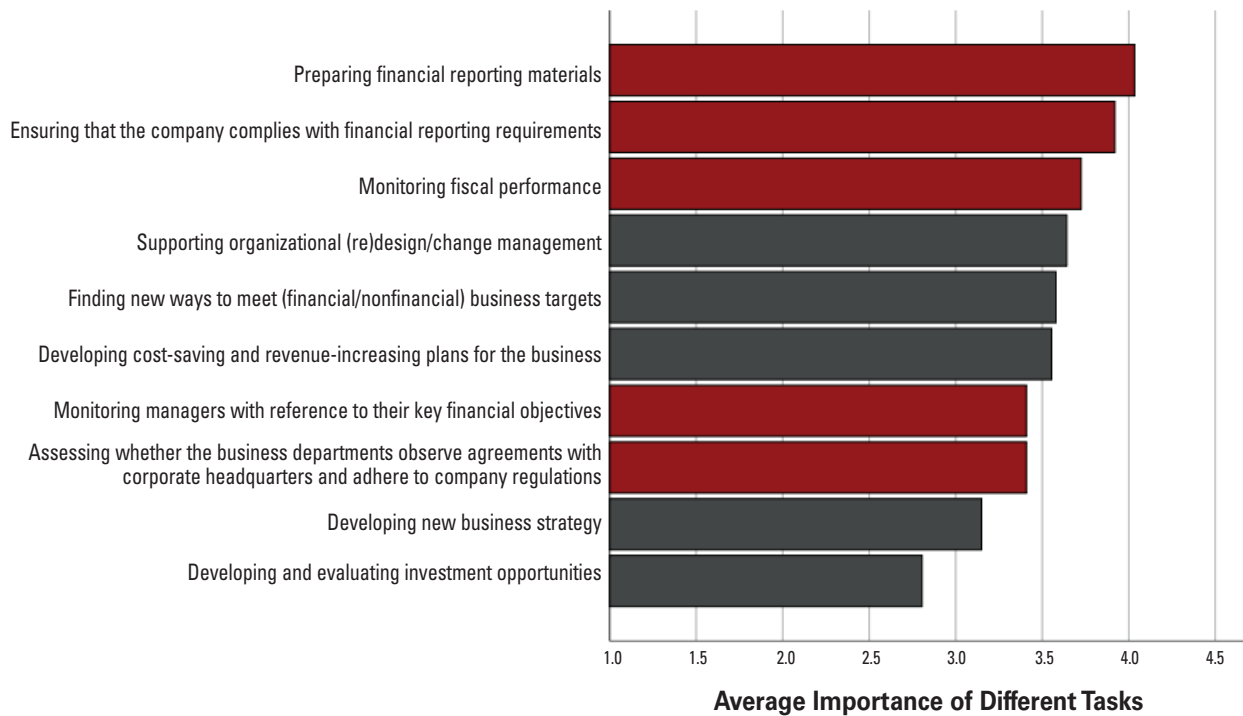


Figure 3: Percentage of Time Spent Doing Different Functions According to Hierarchical Job Position

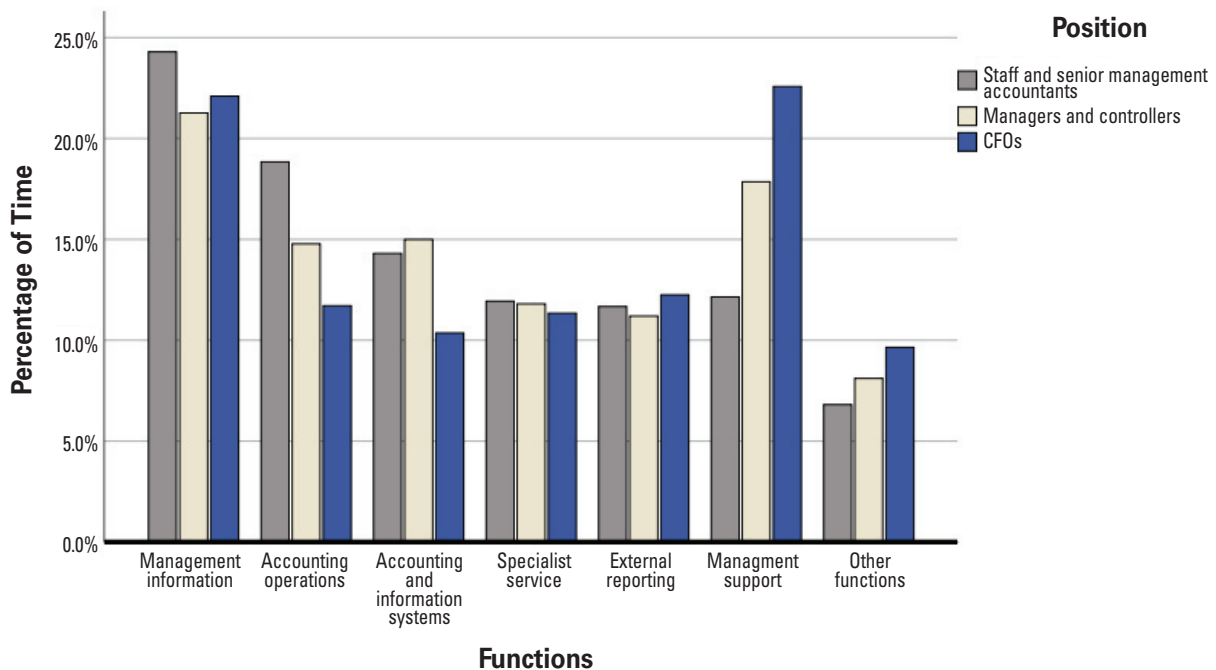
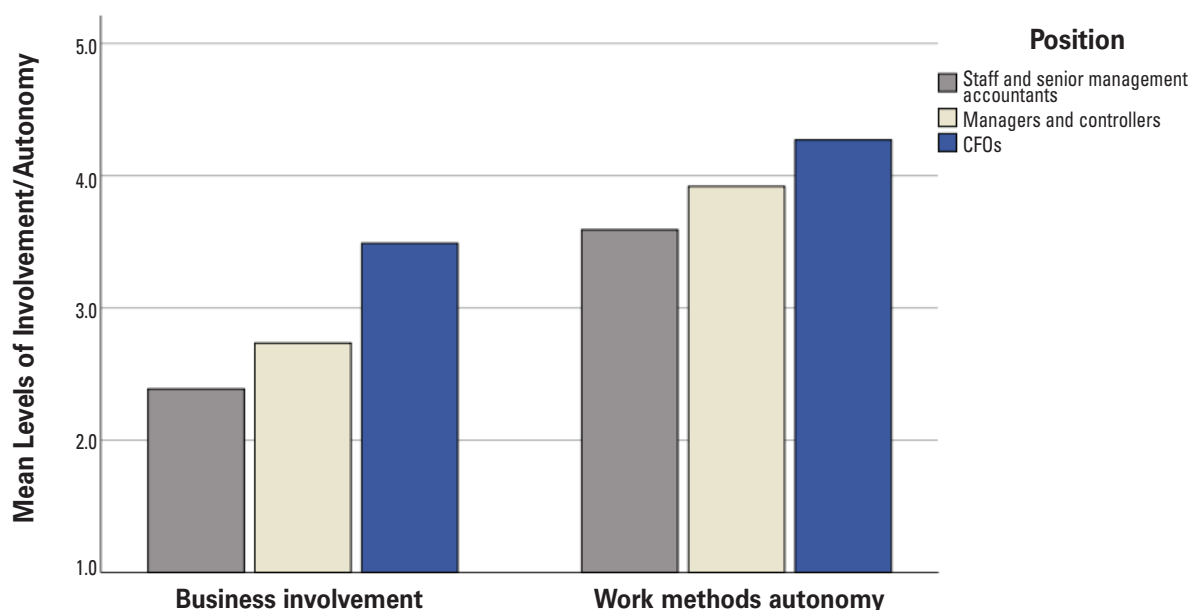


Figure 4: Role Involvement and Work Methods Autonomy Levels According to Hierarchical Job Position



senior management tended to spend the greatest proportion of their time on management information tasks (e.g., analysis, insight and forecasting, and data analytics) and accounting operations (e.g., transaction processing, recording, and basic reporting including purchase to pay, order to cash, and record to report processes).

Conversely, relative to those in junior positions, CFOs (and to a lesser degree managers and controllers) spent a greater proportion of their time on management support tasks, such as strategy and plans, performance management, and risk management. At the same time, it is important to note that accountants in all positions (from entry-level to CFO) said they carried out all functions to some degree. (See Figure 3.)

Individuals' levels of business involvement and work methods autonomy were also found to vary according to their hierarchical position. In particular, management accountants in junior positions tended to be in "low involvement" roles, operating relatively independently from business managers and being less involved in business decision making. In addition, these individuals had less "work methods autonomy"—that is, they had

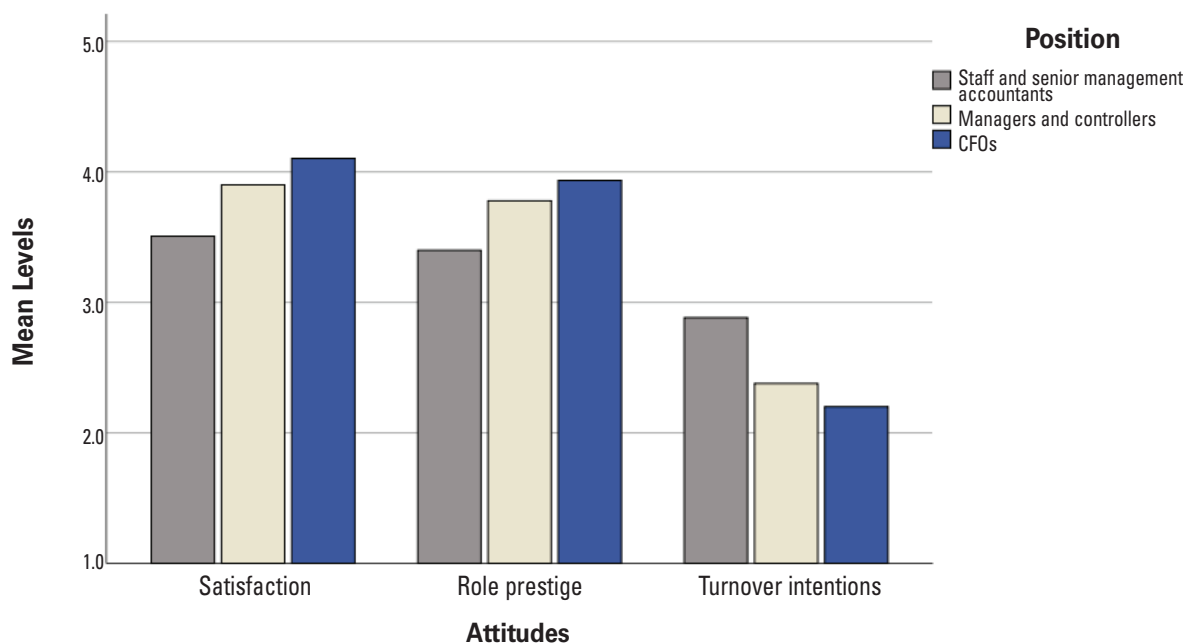
less freedom or discretion in deciding how they carried out their accounting tasks relative to those in managerial, controllership, or CFO functions. (See Figure 4.)

How do management accountants' roles and functions shape their attitudes?

Perhaps unsurprisingly, we found that management accountants had higher levels of role prestige and satisfaction and lower levels of turnover intentions when they were in higher-ranking roles (e.g., CFO) than when they were in lower-ranking positions (e.g., staff and senior management accountants). (See Figure 5.)

Yet management accountants' attitudes were not only shaped by their hierarchical level, but also by the kind of work that they did. In particular, we found that controlling for individuals' hierarchical job positions, management accountants who spent a higher percentage of their time performing management support tasks (strategy and plans, performance management, and risk management) had higher levels of role prestige ($\beta = 0.19, p < 0.01$) and lower levels of turnover intentions ($\beta = -0.19, p < 0.01$). Similarly, those in high busi-

Figure 5: Differences in Satisfaction, Role Prestige, and Turnover Intentions According to Hierarchical Job Position



ness involvement roles (who were more integrated in their local business units) also perceived that their job role had higher levels of role prestige ($\beta = 0.14$, $p < 0.05$).

Finally, research has suggested that individuals tend to be more satisfied with their work roles when they have higher levels of work autonomy or discretion in deciding how they carry out their tasks.⁹ Consistent with this research, we found that (again controlling for individuals' hierarchical job positions) higher levels of work methods autonomy (i.e., higher levels of discretion/independence) were associated with higher levels of job satisfaction ($\beta = 0.46$, $p < 0.001$) and role prestige ($\beta = 0.41$, $p < 0.001$). In addition, management accountants with higher levels of work methods autonomy showed a lower desire to leave their organization ($\beta = -0.20$, $p < 0.01$).

DISCUSSION

Our analysis extended past research by considering the nature of management accounting roles in different

geographical regions and how these roles relate to satisfaction, role prestige, and turnover intentions among accountants.

We found that management accountants in all geographical regions (spanning Europe, the U.S., China, and Brazil) could be characterized as having traditional accounting roles, hybrid roles, and business partner-oriented roles. Although we cannot make definitive country-based comparisons due to the small size of our sample, this suggests that global accounting roles are still dominated by traditional accounting functions/activities, such as monitoring fiscal performance, cost control, scorekeeping, and preparing financial reporting materials. At the same time, however, these findings suggest that the move to more business partner-oriented roles (involving developing new business strategy, change management, organizational redesign, etc.) is not restricted to Western countries and may reflect a broader trend in the management accounting profession.

Accounting education has often been subject to criticism, with critics claiming that accountants often fail to graduate with the necessary skills to create value in their companies. For instance, Kip Krumwiede and Raef Lawson pointed out in 2018 that as accounting education in the U.S. is chiefly focused on developing financial accounting and auditing skills, many management accountants do not develop the kinds of strategic, leadership, and decision analysis competencies that are essential to modern business-partner roles.¹⁰ They therefore claim that key tasks that should fall under the remit of accounting are often undertaken by professionals from other departments, such as marketing or engineering, due to a dearth of candidates with the necessary skills from accounting backgrounds.

Based on our analysis, we support calls for educational reforms aimed at moving beyond technical accounting to develop broader management skills, for example, in change management and strategic decision making. Such skills are not only vital for current management accounting roles, as highlighted in our analysis, but are likely to be increasingly crucial for management accountants to excel in the future. In particular, low-level accounting functions are expected to become subject to automation in the coming decades. Indeed, the Association of Chartered Certified Accountants (ACCA) predicted that within the next five to 10 years, “the spectre of technology looms large,” with automation expected to replace “entire tiers of lower-level and middle management.”¹¹ As basic and traditional accounting functions become automated, management accountants may be expected to shift to more business-oriented roles, with a view to creating value for their companies and facilitating effective business decision making. At the same time, such automation processes are likely to free up accountants’ time so that they can focus on such critical functions more intensively in the future. Thus, future training, professional development, and educational programs must be adapted to (re)skill management accountants and to develop the required competencies to prosper in modern, business-oriented management accounting roles.

Interestingly, our analysis suggests that as well as increasing management accountants’ opportunities to provide value-added contributions to their organiza-

tions, such changes to management accounting roles may have the additional benefit of enhancing professional prestige and accountants’ job satisfaction. Specifically, our results indicate that by allowing management accountants more business involvement and giving them more discretion or autonomy in deciding how they carry out their tasks, organizations can enhance employees’ satisfaction, reduce their desire to leave their organizations, and bolster the prestige of the management accounting profession. As such, these changes to management accounting roles may be advantageous on multiple levels—not only for organizations, but also for individual accountants and, more generally, for the profession of management accounting. ■

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