

The Tasks and Characteristics of Management Accountants: Insights from Finnish Recruitment Processes

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Abstract

The purpose of this study is to investigate the tasks and characteristics of management accountants in the context of recruitment. The empirical materials comprise 122 job advertisements for management accounting jobs and 12 research interviews of employers at six companies. The findings suggest that the tasks of management accountants appear to be relatively traditional. However, the findings also suggest that employers appreciate business-oriented skills and qualities in their employees. Nevertheless, limitations in provided tasks may hinder opportunities for management accountants to add value to the business.

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1. Introduction

The purpose of this study is to contribute to the discussion regarding changing roles of management accountants (Granlund & Lukka 1997; 1998, Malmi et al. 2001; Järvenpää 1998; 2001; 2002; 2007; 2009; Vaivio & Kokko 2006; Hyvönen et al. 2015) by investigating the tasks and characteristics of management accountants in the context of recruitment. The range of tasks and the importance of different skills and capabilities associated with management accountants have garnered the interest of researchers in the last few decades (e.g. Byrne & Pierce 2007). Particularly, there have been many discussions regarding the potential shift in management accountants' responsibilities toward more business-oriented tasks. A study by Malmi et al. (2001) found that management accountants' work activities can be considered relatively traditional. Granlund and Lukka (1997; 1998) suggest that while management accountants attempt to respond to information needs and managerial challenges, they need to be increasingly business-oriented. Thus, Järvenpää (2001, p. 449) argues that a management accountant can be seen 'as a business-minded person with excellent skills in basic accounting as well as business management and a deep knowledge of company's business'. Moreover, communication skills, including listening, are essential to the job, as 'a good management accountant should be a very convincing performer' (Järvenpää 2001, p. 449). These findings suggest that management accountants have to interface with various groups of individuals and employ different interpretative and cognitive schemes in their jobs (Vaivio & Kokko 2006). The most recent study by Hyvönen et al. (2015) argues that being a successful management accountant requires a relevant and timely combination of different technical and social skills.

This study focuses on the characteristics of what employers look for when recruiting management accountants. In doing so, the

study provides further evidence of the requirements for present-day management accountants by using both job advertising materials and interviews conducted during recruitment processes. In organisational research, recruitment comprises a specific research program (Walker & Hinojosa 2014). However, job advertisements and other recruitment methods may also open avenues to address accounting issues (Cooper & Taylor 2000; Albu et al. 2011). Since previous studies suggest that the roles of management accountants are broadening from a narrow 'bean-counter' role to include more business-oriented elements (Byrne & Pierce 2007, p. 493), this study offers a unique perspective to that discussion by focusing on characteristics and tasks of management accountants in the context of recruitment.

2. Methodology

This study employs a mixed-method approach (Modell 2010), including two different data sets, job advertisements and interviews during recruitment processes. First, we conducted a content analysis of job advertisements. During 2014 and 2015, we collected 122 published job advertisements for jobs related to management accounting. The job advertisements were collected from the following web portals on a frequent basis: the employment and economic development offices, Duunitori, Monster, and Oikotie. Since it has been reported that job titles do not necessarily describe the actual content of work activities (Malmi et al. 2001, p. 482), the empirical materials used in the present study include job advertisements whose job descriptions contain references to management accounting. The job titles in these advertisements include, for instance, controller, financial manager, accounting manager, cost accountant, chief accountant, analyst, and finance professional. However, job titles that contained terms such as 'junior', 'assistant', and 'senior' were discarded. Moreover, jobs solely relating to bookkeeping or finance were excluded. Only advertisements

from commercial organisations were utilised. In the empirical analysis of these advertisements, different tasks and requirements tied to a management accountant were recognised and coded using ATLAS.ti software. As a result, different categories to characterise a management accountant eventually emerged. However, the overall analysis was an iterative process during which researchers shifted back and forth between data and analysis.

After analysing job advertisements, we conducted research interviews at six companies that were trying to recruit management accountants. Two researchers visited each company to collect data on two separate occasions during 2015. In conducting a total of 12 interviews, researchers gathered information regarding the expectations that people in charge of recruitment processes, mainly chief financial officers, impose on management accounting candidates. The sample comprises commercial organisations only. The vacant positions under investigation were controller in a large power production company, controller in a large engineering company, business controller in a bank, controller in a medium-size engineering company, business controller in a bank, and accountant in a large forest industry company. The interviews were recorded, then transcribed.

A mixed-method approach is used to get a more complete picture of the subject under investigation. Both job advertisements and interview materials are used to get complementary evidence of the management accountants' tasks and characteristics.

3. Findings

3.1. The suggested tasks for management accountants

Generally speaking, the advertisements portray the activities of management accountants as relatively wide-ranging within the field of accounting. Table 1 shows the most common tasks of a management accountant, according to our analysis of 122 job advertisements.

Table 1 The most common tasks mentioned in job advertisements

TASK	PERCENTAGE (N = 122)
REPORTING	81,1
DEVELOPMENT	67,2
BUDGETING	47,5
ANALYSIS	47,5
FORECASTING	36,9
PREPARATION OF FINANCIAL STATEMENTS AND BOOKKEEPING	31,1
DEVELOPMENT OF REPORTING	27,9
DEVELOPMENT OF PROCESSES	17,2
PLANNING	17,2
FINANCIAL ADMINISTRATION	16,4
ECONOMIC FOLLOW-UP	16,4
COST ACCOUNTING	13,9
DEVELOPMENT AND MAINTENANCE OF INFORMATION SYSTEMS	13,9
WORKING WITH THE MANAGEMENT GROUP	13,1
AD HOC ANALYSES	12,3
PROJECTS	12,3
STRATEGY WORK	11,5
PERFORMANCE MEASUREMENT	10,7

As the table indicates, the most commonly referred tasks of management accountants are reporting, development, budgeting, analysis, and forecasting. It is noteworthy that various development tasks appeared frequently among the different job advertisements including activities related to the general development of financial administration or specifically mentioned projects. The importance of different development tasks seems to indicate the continuous development of planning, control, and forecasting systems to better support business practices. In addition, many advertisements included references to the preparation of financial statements and

bookkeeping. This implies that the occupational domain of management accountants also covers elements of financial accounting. It is noteworthy that tasks with increasingly business-oriented connotations, such as working with the management group, strategy work, and performance measurement, are not among the most common tasks.

In interviews, management accountants' occupational domains seemed to revolve around three tasks. Most importantly, management accountants were seen as involved in the management control processes of an organisation. In this task, the management accountant was considered to be the person responsible for reporting to management on a regular basis. A task of this type was considered the most traditional, often including considerable routine work. Interviewees also noted that management accountants are involved in supporting decision-making. In this task, management accountants conduct ad hoc analyses and work on special calculations. The third task of management accountants is related to supervision of accounting systems and processes. In this task, management accountants are portrayed as people who control systems and processes and who instruct personnel on different aspects of financial administration.

To contextualise the above findings, in the study by Malmi et al. (2001), the most common work activities among management accountants were budgeting and annual planning, financial reporting, preparation of ad hoc financial analyses, budget control, development and planning of accounting information systems, and development of accounting and management systems. Although over 15 years have passed since the study by Malmi et al. (2001), management accountants' most common tasks, according to our empirical data, appear to remain increasingly the same. Thus, it can be argued that the tasks connected to the job of a management accountant in the context of recruitment can be seen as traditional.

3.2. The most preferred skills and qualities for management accountants

Employers set strict criteria for management accountant candidates. In the examined advertisements, the employers require

Table 2 The most common requirements for management accountants in job advertisements

REQUIREMENT	PERCENTAGE (N = 122)
BACKGROUND EDUCATION	91,8
WORK EXPERIENCE	82,0
ENGLISH LANGUAGE SKILLS	79,5
GENERAL KNOWLEDGE ON INFORMATION TECHNOLOGIES	67,2
SPECIFIC TECHNICAL SKILLS	52,5
KNOWLEDGE ON SPREADSHEET APPLICATIONS	45,1
BEING DEVELOPMENT-ORIENTED	41,0
BEING ANALYTICAL	40,2
KNOWLEDGE ON ERP SYSTEMS	28,7
TAKING THE INITIATIVE	27,9
TOLERANCE FOR STRAIN	26,2
TEAMWORK SKILLS	25,4
DEGREE IN ACCOUNTING	23,8
BEING INDEPENDENT	22,1
COLLABORATION SKILLS	20,5
MOTIVATION	20,5
COMMUNICATION SKILLS	18,9
ABILITY TO SEE THE WHOLE PICTURE	18,9
FLEXIBILITY	18,9
INTERACTIVE SKILLS	18,0
KNOWLEDGE OF MICROSOFT OFFICE SOFTWARE	18,0
BEING POSITIVE	17,2
BEING ACTIVE	17,2
RESPONSIBILITY	13,9
ACCURACY	13,1
BUSINESS ORIENTATION	10,7

‘wide-ranging experience in management accounting’, ‘strong knowledge of financial reporting and management accounting’, ‘experience in advanced accounting tasks’, ‘experience in relevant accounting tasks’, and ‘adequate or a few years of experience in versatile management accounting tasks.’ Table 2 shows the most common requirements for management accountants, according to the observed job advertisements.

As the table indicates, relevant background education and employment experience are the most common requirements in advertisements. References to English language skills and general knowledge of information technologies also occur relatively frequently. Specific technical skills refer to competencies needed in technical exercises of management accounting, such as a command of cost accounting methods. In addition to increasingly technical skills, the findings suggest that employers are looking for social skills, including the ability to work in teams and to effectively collaborate, communicate, and interact with fellow employees. The most preferred qualities for management accountants centered on being a development-oriented and analytical person with initiative.

The interviews suggested that personal qualities were important in selecting candidates. In particular, employers looked for candidates equipped with ‘good’ social skills. The ideal management accountant was characterised as a person who was willing to operate in a team environment and interact beyond the obvious boundaries of the position. Moreover, an orientation toward self-guided work was appreciated. The site manager of a forest industry company captures the desired qualities for management accountants quite well:

For us, a management accountant is self-directed. He does not require or need daily supervision and instructions about what to do each day. He does it independently, offers suggestions, develops processes, thinks how things could be done better and has the cour-

age to open his mouth. Increasingly, we have an assumption and expectation that our entire [accounting] staff will set up networks actively within the firm. [...] Active discussions and unprompted contacts with our business and other stakeholders.

Moreover, management accountants are expected to be analytical individuals with a problem-solving mindset. The interviews demonstrated that it is important for management accountants to be able to develop insights regarding accounting and organisational issues. Thus, management accountants are seen as having considerable influence in an organisation, particularly through verbal forms of communication. Often, interviewees responded that social skills and qualities of a candidate were seen as more crucial than technical knowledge when recruiting management accountants. The chief financial officer at a power production company explains:

If he [the new recruit] gets into a rut where he provides quantitative information on the basis of given instructions [...] and always provides the same information, is satisfied with it, and says the same things in meetings of management teams without understanding the whole picture [...] He has to have courage to say out loud and develop unpromptedly. He is a proactive, self-directed, does not wait, hands crossed, for today’s tasks. He is active and develops. We do not want to get any silent wimp to sit on a desk. This is very important for the team spirit since our team is very good.

In light of this, it can be argued that employers regulate conditions for being a management accountant by emphasising the increasingly social aspects of successful management accounting.

In all, the findings suggest that the employers’ expectations concerning management accountants connote the characteristics that are linked to business-oriented management accountants (Granlund & Lukka 1997; 1998; Järvenpää 1998; 2001). This indicates the

long lasting and slow development toward business orientation since these expectations for management accountants have been noted as early as two decades ago in fore-runner companies such as Nokia (Järvenpää 1998).

4. Conclusions

Reporting, development work, budgeting, and analysis appear to be the most common tasks of management accountants. In line with findings in Malmi et al. (2001), these tasks can be considered traditional. However, it appears that employers set several requirements for management accountants. In addition to technical skills, the most common skills that appear in job advertisements for management accountants refer to analytical and development-related capabilities. The conducted interviews particularly suggest that employers are looking for 'exceptional' individuals (Granlund & Lukka 1997). Thus, it appears that employers' expectations of management accountants connote the characteristics that are often connected to business-oriented management accountants (Granlund & Lukka 1998; Järvenpää 2007; Hyvönen et al. 2015). It can be argued that the core occupational domain of management accountants is connected to relatively traditional areas in accounting, but their added value originates from communicational and interpersonal skills. However, it is uncertain whether these expectations have enough room to materialise because the best opportunities for management accountants to add value probably take place in working with the management group, strategy work and performance

measurement, which were not commonly mentioned in job advertisements. Thus, we suggest that employers should bridge this gap by providing genuine opportunities for management accountants to add value to the business. The ability of employers to establish these opportunities may depend on issues such as organisational culture (Järvenpää 2002; 2007).

Nevertheless, this study's findings should be interpreted in the context of recruitment. In addition to the generation of applications, job advertisements appear as promotional materials that are connected to the formation of organisational images. Moreover, tasks and characteristics relating to management accountants are increasingly difficult to reduce into mutually exclusive categories (Albu et al. 2011). It appears that management accountants are expected to have a combination of different technical and social skills (c.f. Järvenpää 1998). The results concerning management accountants' personal characteristics portrayed in job advertisements and research interviews may appear as slightly paradoxical. While analytical and development-related capabilities are highlighted in job advertisements, employers seem to adjust their requirements during recruitment processes and turn their focus toward interpersonal communication skills. Thus, further research could investigate whether and how employers should adjust their expectations as recruitment processes evolve, what types of applicants employers eventually recruit, and what tasks recruited management accountants actually do.

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