

Leadership Aspirations of Professional Accountants

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Abstract. This paper explores the leadership skill development of professional accountants and their capacity to engage in effective organizational change processes. Primary data from a leadership workshop is analyzed to determine the current administration, management and leadership roles of accountants, the skills and competencies they apply in those roles, as well as their aspirations to further develop leadership skills. Significant findings include a “road map” for professional accountants with leadership aspirations.

Keywords: Leadership, Accounting, Professionals, Organizational Change.

1. Introduction

Professional accounting organizations around the world are emphasizing the development of leadership skills and abilities for their members, as there are increasing expectations being placed on professional accountants to engage in the challenges of change management within organizations. Opportunities for leadership and executive skill development are now being provided by the professional organizations to encourage their members to better engage in and contribute to the management of changes within organizations. These changes are being driven by market forces, stakeholder expectations, the regulatory environment, and internationalization.

While the importance of leadership to the accounting profession is documented in professional literature, the topic has not received the same attention in the academic literature. This article explores the current expectations and aspirations of accounting professionals using the results from primary research conducted with a group of professional accountants in a leadership workshop.

2. Literature Review

Changes currently impacting the accounting profession are flowing from International Financial Reporting Standards (IFRS), private company accounting standards, technology, globalization and the increasing complexity of the business environment (Nilson, 2010). Effectively responding to these changes requires strong technical skills as well as strong leadership skills for accounting professionals. Early and Davenport (2010) concluded that developing effective leaders is critical for professional accounting organizations. They also identified the need for leaders to move beyond transactional leadership to transformational leadership behaviors specifically including creating a vision, providing intellectual stimulation and being an agent of change. In reviewing a continuum of leadership skill development, Thomson (2008) included communications, collaboration, influencing and managing teams, and managing change as essential skills for management accountants and finance professionals as their career moves to more senior levels.

Developing leadership skills in accountants in public practice is described as essential to promote excellence in service delivery and competitiveness of professional accounting firms (Werner, 2009). Creating a great place to work, building a learning organization and strategy execution are key elements of successful professional accounting firms and the provision of learning opportunities that develop future leaders are considered essential to firms of all sizes (Caragher, 2010). Jansen’s findings (2010) demonstrate successful organizational changes initiated through management accounting changes are related to leadership style. Viator (2001) reports positive impacts from transformational leadership on role clarity, job satisfaction and organizational commitment. Transformational leadership includes providing inspiration, intellectual stimulation, and individualized support which are effective in addressing the challenges of increased economic competition and demand for innovative responses to industry changes.

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Accounting systems, budgets and internal controls played an important role in implementing significant organizational change in public sector agencies in Australia (Mir & Rahaman, 2006). In researching the impact of leadership style on job performance of accountants in Taiwan, Chu and Lai (2011) found that transformational leadership is most effective in managing teams of accountants.

The next section outlines the research objective in relation to whether individual accountants are taking on the challenge to develop the leadership skills and competencies essential to engage in effective organizational change initiatives.

3. Research Objective and Methodology

To determine the current role of professional accountants in relationship to the leadership role and capacity to engage in organizational change, we formulate the following four research questions (RQ):

RQ 1 Are professional accountants engaged in the change management processes of their organizations?

RQ 2 Do professional accountants utilize the skill sets normally associated with leadership and change management?

RQ 3 How comfortable are professional accountants with organizational change?

RQ 4 Do professional accountants plan to develop more of the skill sets associated with leadership and change processes?

Using a questionnaire adapted from the Leadership Self-Assessment Activity, primary data collected from a group of 55 professional accountants in a leadership workshop is used to investigate the complex interrelationships between leadership skills and the role of professional accountants. The leadership skills include ability to work on teams, public speaking skills, relationship building, ability to plan; comprehension and interpretation of complex rules and regulations, willingness to ask for advice, collecting and analyzing data, problem solving, written communication, delegation, handling complaints, clarity of directions, developing and carrying out goals, implementing new techniques, work performance appraisal, willingness to admit mistakes, ability to resolve workplace conflict, acceptance of workplace diversity, and comfort with organizational change and satisfaction gained from mentoring co-workers. The professional accountants provide an analysis on the job content in relation to accounting administration; management and leadership after being provided with role definitions as shown in Table 1.

Table 1: Role Definitions of Administration, Management and Leadership

Role:	Definition:
Administration	Carrying out defined functions and responsibilities
Management	Responding to organizational problems; making rational decisions; working for efficiency and stability
Leadership	Shaping ideas, values, vision and change

This information is given to provide a shared understanding of the terms and a context for the questionnaire.

4. Findings and Analysis

4.1. The Profile of Respondents

Question 1 asks the respondents how long they have been qualified as a professional accountant. The percentages of the respondents in each category are shown in Table 2.

Table 2: Professional Profile of Respondents

Less than five years	26%
Between five and ten years	25%
Between ten and fifteen years	13%
More than fifteen years	34%
Not a professional accountant	2%

Overall 47% of respondents have at least ten years' experience as a professional accountant which provides a strong background for the examination of the research questions since this equates to a minimum of 258 person years of experience. Question 2 asks the respondents about portions of their work in

accounting administration, management and leadership. The definitions of these activities in Table 1 were provided to the participants. The percentages of the respondents in each category are shown in Table 3.

Table 3: Work Roles of Professional Accountants

More than 50% accounting administration	19%
More than 50% management	23%
About 1/3 each between accounting administration, management, and leadership	36%
More than 50% leadership	13%
Other	9%

Since less than 20% of the respondents indicated that at least 50% of their time is spent in accounting administrative functions, the majority are working in management and leadership roles for the largest portion of their working time. Question 3 asks the respondents whether they plan to take more professional development in leadership in the next twelve months. The percentages of the respondents in each category are shown in Table 4.

Table 4: Leadership Training Intent Professional Accountants

Yes	77%
No	15%
No response	8%

The results are significant with 77% of the respondents expressing the intent to undertake more training in leadership but not totally surprising in that the expressed interest in leadership was already indicated in the selection of the professional development workshop.

4.2. Correlation Analysis

A Spearman rank correlation coefficient of 0.24 is derived between the number of years as a professional accountant and the portion of leadership role in the work. This relatively weak positive correlation indicates that a senior professional accountant may have a relatively higher portion of leadership role in her workload than a junior professional accountant may have.

4.3. Conditional Probability Analysis

Firstly, we examine the probability that a respondent will plan to take more professional development in leadership in the next 12 months, given the number of years of professional accounting membership. Among respondents who have been qualified as a professional accountant for less than five years, 93% of them will plan to take more professional development in leadership in the next 12 months. The percentages for other three categories (between five year and ten years, between ten and fifteen years, and more than fifteen years) are 92%, 86%, and 50% respectively. These conditional probabilities indicate that the leadership aspiration for professional accountants is generally very high, particularly for less senior members.

Secondly, we examine the probability that a respondent will plan to take more professional development in leadership in the next 12 months, given the current level of leadership role in a professional accountant's workload. Among respondents who perform more than 50% accounting administration in their workload, 90% of them will plan to take more professional development in leadership in the next 12 months. The percentages for other three categories (more than 50% management, about 1/3 each between accounting administration, management and leadership, and more than 50% leadership) are 77%, 75%, and 63% respectively. Again, these conditional probabilities indicate that the leadership aspiration for professional accountants is generally high and is very high for members mainly performing accounting administration.

4.4. Ability and Skill Analysis

In Question 6, respondents are asked how closely each of twenty abilities or skills applies to them in a 1-5 score scale with 5 as most closely applicable. Before proceeding to the results, Table 5 is presented to categorize the skills and abilities into the roles most frequently associated with administration, management and leadership. Question 19 is addressed separately as it relates to comfort with organizational change, it is also included in Table 5 in the leadership category.

The average scores of each ability/skill are calculated for four groups of respondents with different levels of leadership role in their workload as described in Question 2 of the survey. The results are shown in Table 6.

Table 5: Skills and Abilities used in Administration, Management and Leadership

Role:	Definition:	Related Questions:
Administration	Carrying out defined functions and responsibilities	Comprehension and interpretation of rules and regulations (5) Willingness to ask for advice (6) Skills at collecting and analyzing data (7) Problem solving skills (8)
Management	Responding to organizational problems; making rational decisions; working for efficiency and stability	Ability to work on teams (1) Relationship building (3) Ability to delegate work (10) Effective at handling complaints (11) Ability to give clear directions (12) Ability to develop goals and implement (13) Ability to appraise others' work performance(15) Satisfaction from mentoring co-workers (20)
Leadership	Shaping ideas, values, vision and change	Strong public speaking (2) Ability to plan (4) Strong written communication skills (9) Ability to implement new techniques (14) Willingness to admit mistakes (16) Ability to resolve workplace conflict (17) Acceptance of workplace diversity (18) Comfort with organizational change (19)

For convenience, we use Q6-1, Q6-2... Q6-20 to denote the first, the second ... the twentieth ability/skill described in Question 6 of the survey. Similarly, we use Q2=1, Q2=2, Q2=3 and Q2=4 to denote four groups of respondents with different levels of leadership role in their workload as described in Question 2 of the survey (Q2=1 and Q=4 for the groups performing least and most leadership role respectively).

Table 6: Leadership Role Intensity relative to Skills/Abilities

Relationship of Leadership role and Leadership Skills	Q2 = 1	Q2 = 2	Q2 = 3	Q2 = 4
Q6-1	4.1	4.33	4.16	4.71
Q6-2	3.4	3	2.84	3.14
Q6-3	3.9	4	3.84	4.33
Q6-4	4.4	4.67	4.26	4.29
Q6-5	4.5	4.33	4.33	4
Q6-6	4	4.08	4.21	4.14
Q6-7	4.5	4.33	4.21	4.43
Q6-8	4.3	4.5	4.22	4.43
Q6-9	4.1	4.17	3.79	4.14
Q6-10	3.8	3.75	3.63	4
Q6-11	3.5	3.58	3.21	3.86
Q6-12	4.2	4	4	4
Q6-13	3.7	4.5	4	4
Q6-14	4.2	4.45	4.21	3.86
Q6-15	3.8	3.5	3.53	3.86
Q6-16	4.6	4.33	4.42	4.43
Q6-17	3.4	3.5	3.26	3.71
Q6-18	4.2	4.33	4.28	4.71
Q6-19	4	4.17	4.16	4.14
Q6-20	4.5	4	3.95	4.43

The highest average scores in each of 20 abilities and skills are selected and the corresponding four groups of respondents with the highest average scores are identified. The results indicate the abilities or skills most closely applied to each of the four groups of respondents.

For respondents performing more than 50% accounting administration in their work, the following abilities or skills, as numbered in Question 6 of the survey, are most closely applied:

- 2 Strong public speaking skills
- 5 Comprehension and interpretation of rules and regulations
- 7 Skills at collecting and analyzing data
- 12 Ability to give clear directions
- 16 Willingness to admit mistakes
- 20 Satisfaction from mentoring/training co-workers

For respondents performing more than 50% management in their work, the following abilities or skills, as numbered in Question 6 of the survey, are most closely applied:

- 4 Ability to plan
- 8 Problem-solving skills
- 9 Strong written communication skills
- 13 Ability to develop goals and carry them out
- 14 Ability to implement new techniques
- 19 Comfort with organizational change

For respondents performing one-third each between accounting administration, management, and leadership in their work, the following ability/skill, as numbered in Question 6 of the survey, is most closely applied:

- 6 Willingness to ask others for advice

For respondents performing more than 50% leadership in their work, the following abilities or skills, numbered in Question 6 of the survey, are most closely applied:

- 1 Ability to work on teams
- 3 Relationship building skills
- 10 Ability to delegate work
- 11 Effective at handling complaints
- 15 Ability to appraise the work performance of others
- 17 Ability to resolve workplace conflict
- 18 Acceptance of workplace diversity

The above results are meaningful. They clearly indicate what abilities and skills are most closely applied to each category of work with a different level of leadership role. For professional accountants who have leadership aspirations, these results presented a “road map” for them to improve their abilities and skills, prepare them for the next stage of their career, and consequently help them achieve their goals.

5. Limitations

There are two significant limitations on this research. The first relates to the sample size of 55 respondents who were self-selected participants in a leadership workshop. It is therefore highly likely that these participants may have a greater proclivity towards involvement in organizational leadership than other professional accountants. The second limitation is that the categorization of the workplace skills and abilities into administration, management and leadership is exploratory and not yet validated externally.

6. Conclusions

The above analysis is used to respond to the four research questions. In relation to RQ 1 it is highly probable that professional accountants are engaged in the change management processes of their organizations as all groups show scores above 4 (Agree) in response to the ability to work on teams, the ability to plan, problem-solving skills and the ability to implement new techniques. While not definitive, these results indicate capacity to undertake change management roles within their organizations.

RQ 2 Do professional accountants utilize a range of skill sets normally associated with leadership and change management? From the results presented in the preceding section the skills with the highest scores for the professional accountants who describe their organizational role as more than 50% leadership include the ability to work on teams, relationship building skills, ability to delegate work, effectiveness at handling complaints, ability to appraise the work performance of others, ability to resolve workplace conflict, and

acceptance of workplace diversity. These are valuable skill sets for leading and implementing organizational change.

RQ 3 How comfortable are professional accountants with organizational change?

All respondents indicate “Agree” or “Strongly Agree” when assessing their individual level of comfort with organizational change with scores ranging from 4.0 for those mostly involved in administration and 4.14 for those whose work involves more than 50% leadership roles. The highest score of 4.17 is from the group who described their role as more than 50% management activities. These results indicate a high level of comfort with organizational change by professional accountants and augers well for the future of their organizations.

The results to RQ 4 in relation to the intent to take more professional development in leadership are presented in Table 4 and show that 77% of the participants plan to take more professional development in leadership in the next twelve months. This presents a clear intent by this group of professional accountants to develop more of the skill sets associated with leadership and change processes and answers the research question in relation to the intent to undertake more leadership training.

The educational and employment preparation required for professional accountants builds strong technical skills and competencies. The need is identified for leadership skill development and is considered essential to the future as changes in the regulatory environment, technology and increasing stakeholder expectations impact the work of professional accounting firms. The results of this exploratory study indicate these additional skill sets are being developed within organizations, professional associations and participation in training and development preparing professional accountants for active engagement in organizational change.

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