

Skills Needed for Entry-Level Management Accounting Positions

By: Raef Lawson, Ph.D., CMA, CPA
IMA Vice President of Research and Policy
Professor-in-Residence

What skills do hiring managers look for in recruits for entry-level positions? Based on extensive research, IMA® (Institute of Management Accountants) has identified the following important hiring criteria. You can use these to gauge how well your school's curriculum is preparing you for success in the workplace.



Grades

For many companies, grades come first. "Typically, we've got a grade-point cut off," said a recruiter for a major manufacturing company. "When we start flipping through résumés, we will look at only the best because we want people who could be a business manager some day."

Self-Confidence and Self-Assurance

Several managers mentioned the confidence factor. "The entry-level people are not very assertive. They are so timid and scared," observed a senior manager at a technology company. If you need to develop this quality, you can do things that generate self-confidence, such as becoming involved in sports or assuming a leadership position in an IMA student chapter.



Accounting Skills/the Basics

Management accountants need to be grounded in both managerial and financial accounting, so classes in these areas are important. Additionally, as management accountants increasingly assume the role of business partner in their organizations, an understanding of business operations is more important than ever and courses in this area are crucial.

Communication, Initiative, and Leadership

As fundamental as accounting skills are, they aren't sufficient for success. "Leadership, initiative, communication skills. These are our top three. If you don't have these, you won't succeed here," said an executive at a major heavy-equipment manufacturer.

At the core of communication skills is the ability to take a complex subject, boil it down into easily understood language, and explain it to nonaccountants. Interpersonal skills are critical—you need to be able to influence people and must be comfortable dealing with coworkers at different levels.

To succeed, you need initiative. This means taking that extra step, asking a coworker or supervisor if they need help, making recommendations after you do the analysis on a problem, or finding alternatives and making recommendations to management. It means following through to complete the picture.

"When I am hiring a management accountant, I am looking for someone who has demonstrated leadership competencies at some point in their lives," said the CFO of a mid-size manufacturing company. Whether it's within a student organization, at an internship or summer job, or through a volunteer opportunity, look for ways to gain leadership experience, even if it's not directly related to accounting. Attending IMA's Annual Student Leadership Conference is another great way to network with like-minded peers and build leadership skills.

Critical Thinking

For many companies, critical thinking and its corollary, creative problem solving, are key. You should be able to step back and look at something "out of the box." "The skills that I find the hardest to get in people are analytical thought processes and critical thinking," said a senior accounting manager. "Nine out of ten people who I see coming here can be wizards at spreadsheets and can manipulate data effectively, but they aren't very good at figuring out whether the information in front of them is reasonable or realistic. When you ask, 'Is that reasonable?' ... the critical thinking aspect is just not there."

Accuracy

Accuracy is crucial. An error in a calculation could amount to millions of dollars, which in turn could lead to an erroneous decision. An aerospace executive highlighted the difference between school and the work world: The real world "is not like a test where you turn it in and get 10 points off because you screwed up on a number... When you get into business and mess up your numbers, the ramifications are a whole lot bigger. It's part of your job and your responsibility to check every number or to set up a system where you know that the numbers are correct."



Computer Skills

Using software is increasingly critical to all management accountants. Proficiency with Microsoft Office products especially Excel is expected. To bring additional value to an organization, an employee should have advanced skills in information systems and analytics. More often these days, finance and IT work together or are even both managed by the CFO. Exposure to enterprise resource planning (ERP) systems is helpful: More than three-fourths of U.S. firms use an ERP system as their main financial system.

Seeing the Big Picture

Attention to detail is indispensable in accounting, but so is the ability to take a broader view. Seeing the bigger picture means that you aren't just absorbed in debits and credits but that you understand what drives those transactions and how to provide decision support around them. Your accounting work will inform the planning and decision making that your company's managers engage in. It will help them understand the consequences of past decisions and the likely results of future decisions.



Integrity

Making unethical decisions and not having the courage to stand up and do the right thing have no place in accounting.

If you find yourself in a confusing situation, a good source of guidance is IMA's *Statement of Ethical Professional Practice* (available at <http://bit.ly/IMAethics>).

Commitment to Professional Development

Laws, best practices, and technology are constantly changing. You must be at the forefront of these changes to be at the top of your field. Are you learning the skills necessary for success? IMA can help bridge the gap between classroom learning and your first accounting job with its CMA® (Certified Management Accountant) program, which you can start while in school. To learn more about the CMA, visit http://bit.ly/Become_A_CMA.

Keeping your skills sharp will ensure you maintain a professional competitive advantage. Be sure to utilize all the resources IMA has available to help you on your career journey.