



The Association of
Accountants and
Financial Professionals
in Business



**Increasing Your Value in the Digital Age—
The Impact of Professional Certification**

About IMA® (Institute of Management Accountants)

IMA, named the 2017 and 2018 Professional Body of the Year by *The Accountant/International Accounting Bulletin*, is one of the largest and most respected associations focused exclusively on advancing the management accounting profession. Globally, IMA supports the profession through research, the CMA® (Certified Management Accountant) and CSCA® (Certified in Strategy and Competitive Analysis) programs, continuing education, networking, and advocacy of the highest ethical business practices. IMA has a global network of more than 125,000 members in 150 countries and 300 professional and student chapters. Headquartered in Montvale, N.J., USA, IMA provides localized services through its four global regions: The Americas, Asia/Pacific, Europe, and Middle East/India. For more information about IMA, please visit www.imanet.org.



About the Authors

Raef Lawson, Ph.D., CMA, CSCA, CPA, CFA, CAE, is professor-in-residence and vice president of research and policy at IMA. You can reach him at (201) 474-1532 or rlawson@imanet.org.

Toby Hatch is a senior product marketing director for enterprise performance management with Oracle Corporation. You can reach her at toby.hatch@oracle.com.

Denis Desroches, an enterprise performance management specialist since 1993, has supported organizations with the selection, implementation, and knowledge acquisition of scorecard, performance management, and activity-based management solutions. He can be contacted at desroches.associates@sympatico.ca.



Introduction

Technology is rapidly changing how business is conducted in the Digital Age, requiring organizations to adapt in order to survive and prosper. Finance and accounting (finance) professionals in turn must ensure they have the necessary skills to succeed and be “future-ready.” But how can finance professionals ensure they have the competencies essential for competing in today’s job market? And how should these competencies be acquired?

To answer these questions, IMA® (Institute of Management Accountants) conducted a global survey of its members. The results of that survey, based on the 1,032 usable responses we received, indicate that:

- Finance is being significantly impacted by changing technology, with its role evolving from being that of record keeper and “compliance cop” to that of strategic business partner;
- This new role will require changes and rebalancing in the skill set possessed by management accountants. Some current skills will become less important, others will become more important, and new skills will be needed;
- Professional certification is viewed as most effective in preparing for the changing business environment; and
- Pursuing professional certification can have a high return on investment (ROI), with benefits that include obtaining the skills needed for career success, having greater opportunities for promotion, receiving an edge in the job market, and more.

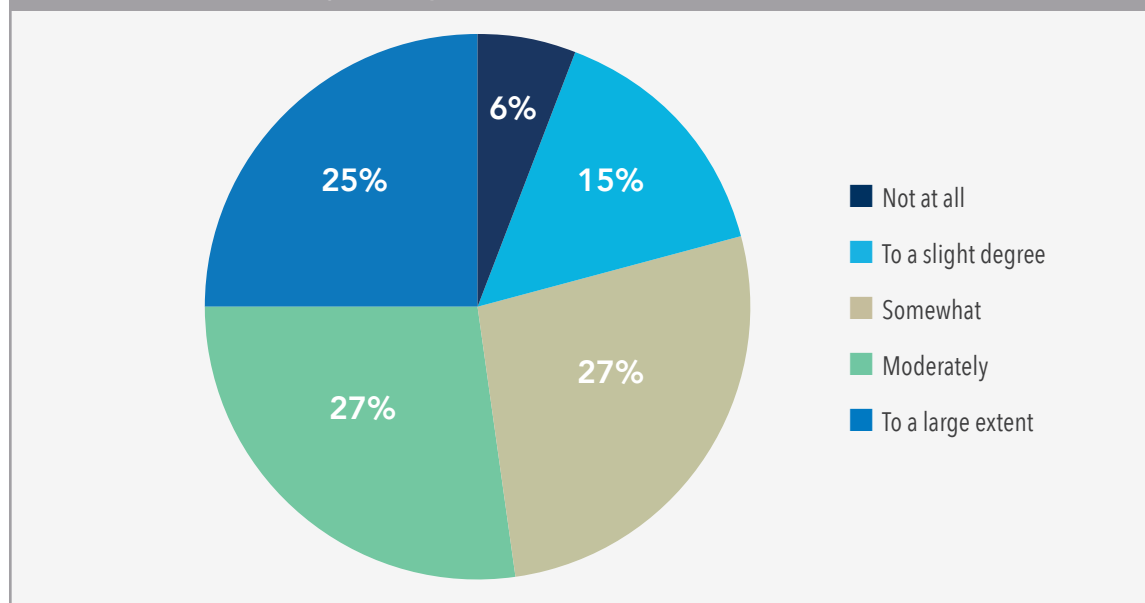
A Changing Business Environment

The field of management accounting is rapidly changing. A key factor driving this change is the relentless evolution of technology. New technologies such as **Big Data, predictive analytics, artificial intelligence (AI), blockchain, cognitive computing, machine learning, and robotic process automation (RPA)** are changing how management accountants perform their work. The impact of technological change on the finance function was evident in our survey, with a majority of respondents indicating that automation was having a moderate to large impact on the finance function in their organizations (see Figure 1).





Figure 1: Impact of Automation on the Finance Function

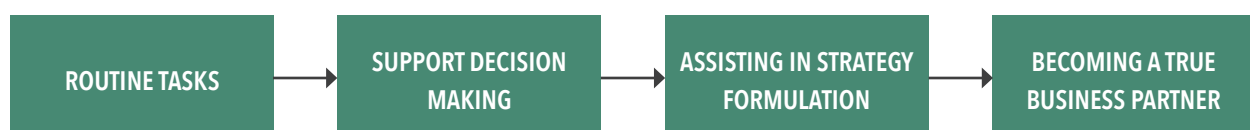


Many traditional accounting jobs that exist today may not exist in a few years. Another IMA survey found that 42% of senior finance professionals worried that technology will eliminate their jobs, with those doing general accounting functions most concerned.¹ Respondents to that survey identified other jobs that involve standardized processes and repetitive tasks as being

Many traditional accounting jobs that exist today may not exist in a few years.

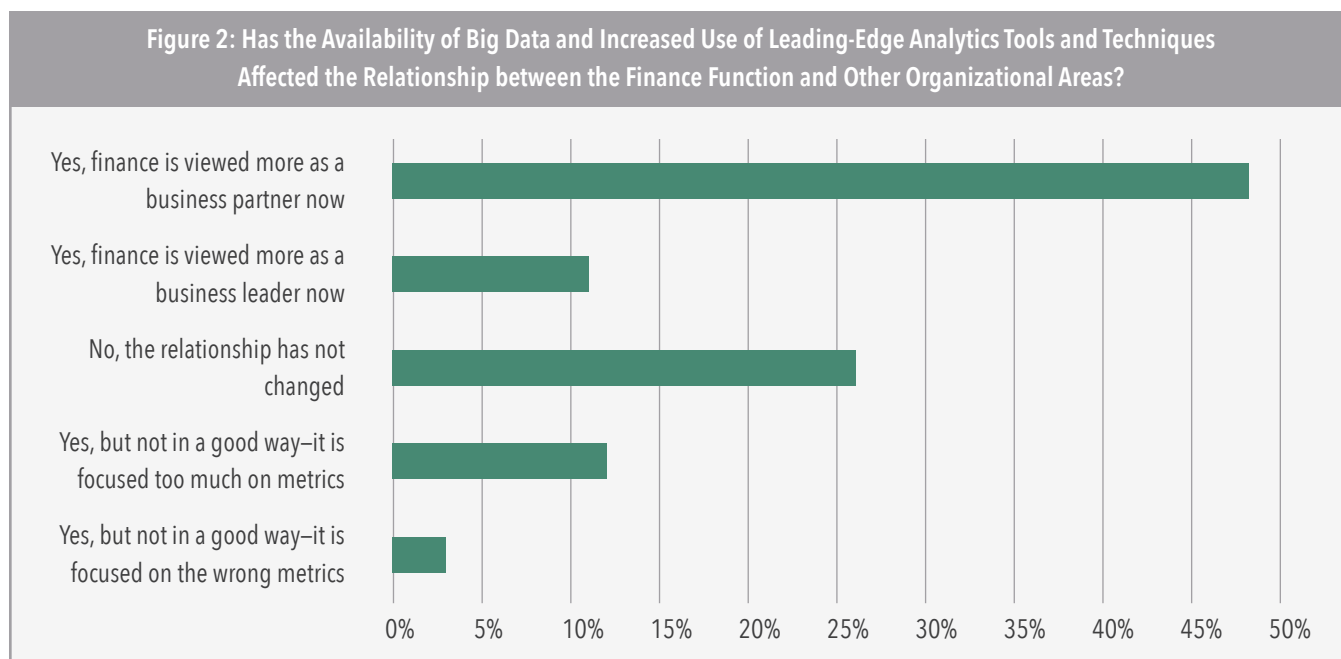
likely to be automated in the very near future. Other functions currently performed by accountants are also susceptible to encroachment by technology. A study by Forrester Research, Inc., predicted 72% of jobs in management, business, and finance would be eliminated by technology by the year 2020.²

Yet while technological advances are reducing, and in some cases eliminating, jobs in management accounting, they are creating new opportunities as well. **Management accountants are being freed from performing routine tasks, enabling them to add greater value as they assume the role of business partners within their organizations, supporting decision making, and assisting in strategy formulation and implementation.** A majority of our survey respondents indicated that the finance department in their organizations is increasingly being viewed as a business partner or leader (see Figure 2).



¹ Kip Krumwiede, "How to Keep Your Job," IMA Pulse blog, September 21, 2017, bit.ly/2K5bsaP.

² J.P. Gownder, et al., "The Future of Jobs, 2027: Working Side by Side With Robots," Forrester Research, Inc., April 3, 2017, bit.ly/2LpJBVO.



A finance professional who knows how to apply and use the current technology tools is able to progress from low-value, transactional activities to higher-value, strategic ones.

Technological advancements provide several positive opportunities for the finance role:

- They liberate the finance function from the need to perform rote, repetitive tasks, enabling it to apply its efforts to better support decision making and to assist in strategy formulation and implementation.
- They enable finance professionals to improve their decision-making abilities. Practitioners are increasingly relying on the expert knowledge built into software to work efficiently and effectively.
- They provide the finance function with the ability to use organizational data to provide greater insights into the business, unlocking enterprise value and enabling finance professionals to truly become business partners.

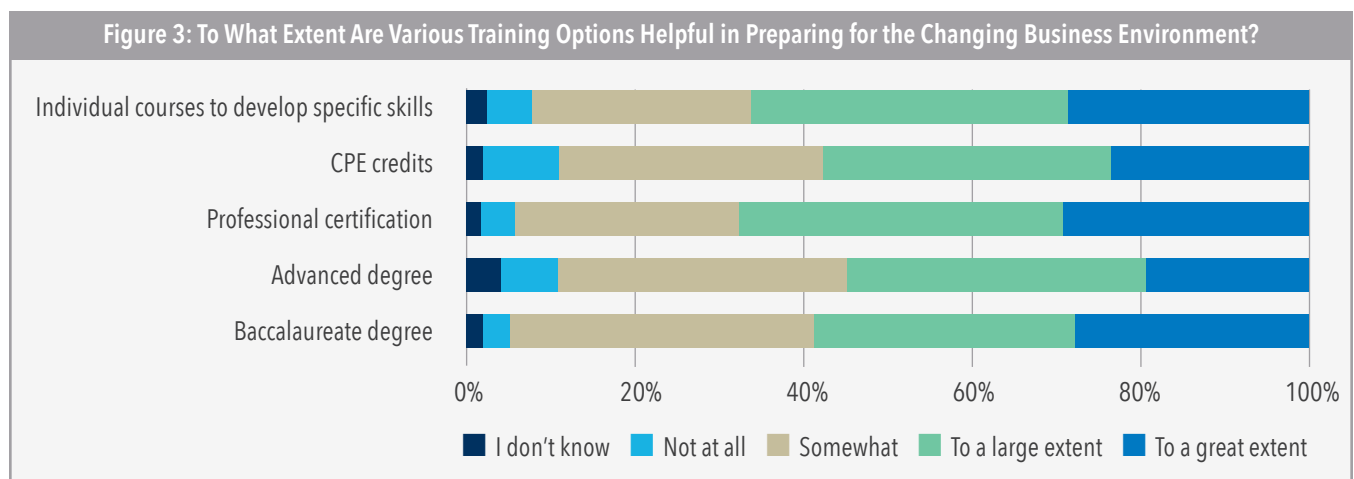
But to succeed in these new roles, management accountants need to demonstrate mastery of a broader range of competencies. An effective way of doing this is pursuing a professional certification with a specific focus on these competencies. Whether your employer reimburses you for the expense or you pursue it on your own, a certification shows you know how to leverage data and analytics for improved organizational decision making. This is no longer a “nice to have” but a required skill set if you want to stay relevant.



Acquiring the Skills to Become “Future-Ready”

Our survey results indicate that pursuing professional certification is considered the most helpful way to prepare accounting and finance professionals for the future, followed by taking individual courses to develop specific skills.

There are multiple options for acquiring these new skills. How do you decide which is best for you? Our survey results indicate that pursuing professional certification is considered the most helpful knowledge acquisition method to prepare accounting and finance professionals for the future, followed by taking individual courses to develop specific skills (see Figure 3). This is consistent with the requirement of most professional certifications that certified individuals engage in continuing professional education (CPE) after certification in order to maintain competency in their field.



This result supports what others have found. A recent survey by Northeastern University and Gallup found that workers are agreeing that as technology increasingly impacts their companies, they need retraining in today's in-demand skills. At the same time, they say going back to school is not a feasible option. Tuition costs are a big deterrent, as are academic programs that are not keeping up with an evolving workplace environment.³

³ Shelly Hagan, “Americans Surveyed See Artificial Intelligence as Jobs Killer,” [bloomberg.com](https://www.bloomberg.com/news/articles/2019-07-09/americans-surveyed-see-artificial-intelligence-as-jobs-killer), July 9, 2019, [bloom.bg/2JKIzle](https://www.bloom.bg/2JKIzle).



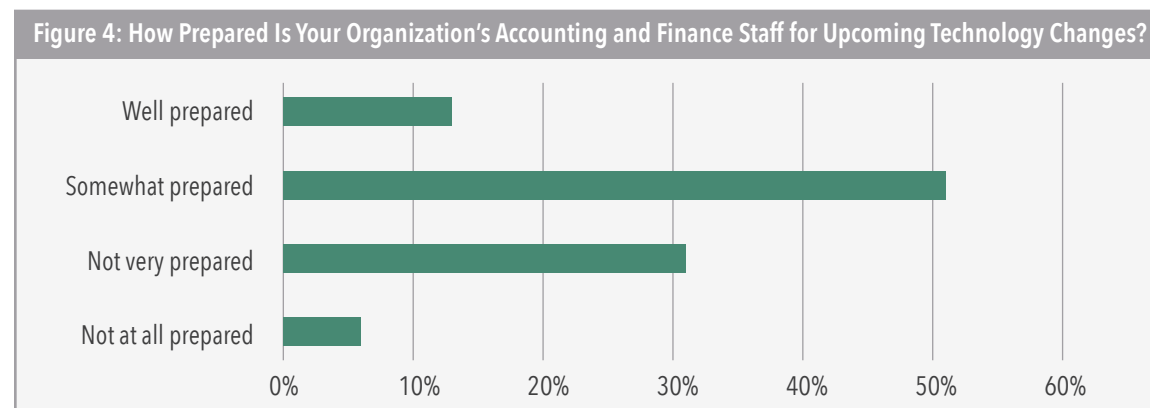
The Business Case for Professional Certification

The average cost of pursuing a graduate degree in the United States now hovers between \$30,000 and \$40,000, depending on the degree and type of institution where it is pursued.⁴ Professional certifications offer a more cost-effective means of acquiring the skill sets necessary for practitioners who are already working in their chosen field.

Professional certifications often offer more immediate return on investment (ROI), especially when the certification is recognized globally and held by the people whose roles you aspire to assume at some later stage in your career. The CMA® (Certified Management Accountant) certification meets both criteria. It is likely why our survey respondents indicate that certification has had a positive ROI for them, with numerous benefits that outweigh its costs.

Professional Certification Training Provides the Essential Skills Needed by Employers

Employers are currently struggling with a skills gap. Their workers lack the necessary skills for leveraging technology and for assuming more strategic roles. Our survey results bear this out. We asked survey respondents how prepared finance and accounting professionals were for the new roles they must assume. The answer was “not sufficiently.” **Just 13% of survey respondents felt their organizations’ finance staff was well prepared for technological change. This means a huge cohort (87%) of people feel finance staff members are not up to the challenges technology poses for them.** See Figure 4.



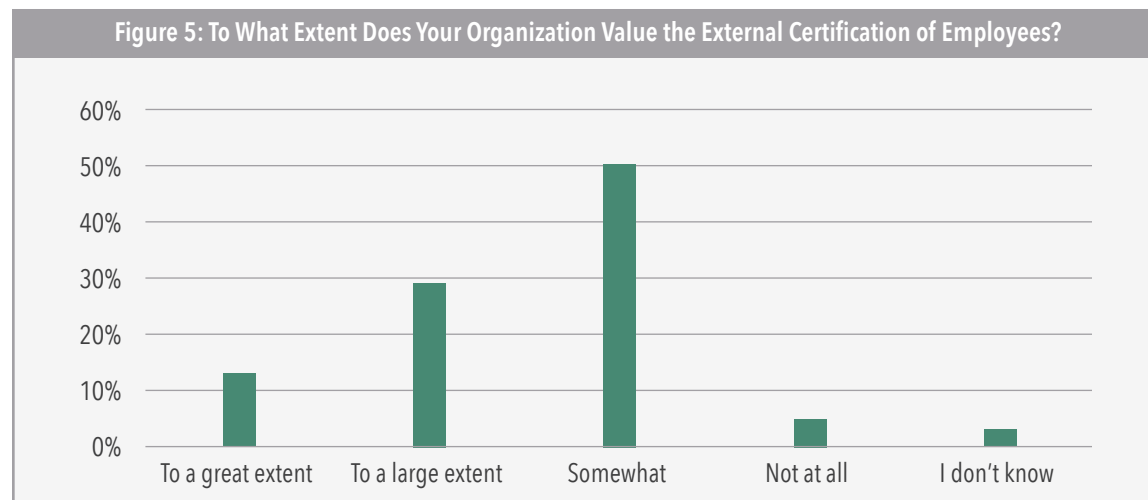
Professional certification programs like the CMA can help address this skills gap. The CMA offers a unified framework of knowledge for accounting and finance professionals. It was developed after extensive study of the skills accounting and finance professionals use on the job. This means every competency tested by the CMA tracks back to real-world scenarios. The skills outlined in the framework are the ones necessary for career success.

⁴ “Is the Cost of a Graduate Degree Worth It?” Peterson’s, January 9, 2018, bit.ly/2XXEn5o.



Employers Value Professional Certification of Their Employees

Nearly all employers in our survey value external certification at least to some extent, with a large percentage (>40%) valuing it to a great or large extent. Employers know that their certified employees have mastered the core competencies needed to effectively perform their jobs (see Figure 5).

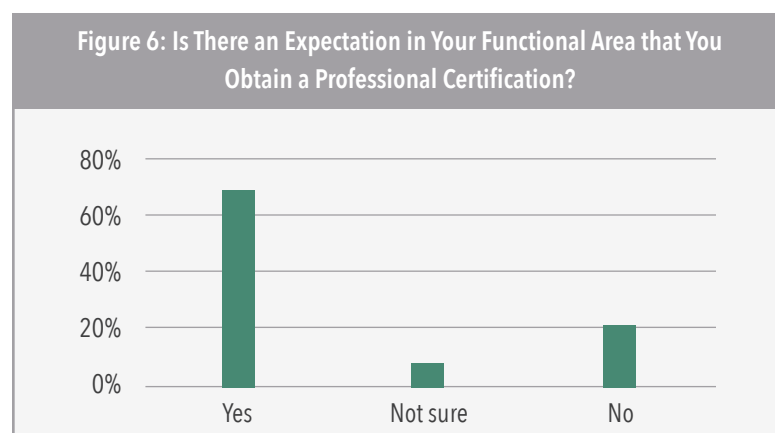


Pursuing professional certification is a sure way to show your potential to an employer.

Professional Certification Can Help Promote Career Advancement

Pursuing professional certification is a sure way to show your potential to an employer. Our survey results confirm this: For 40% of organizations, professional certification is an

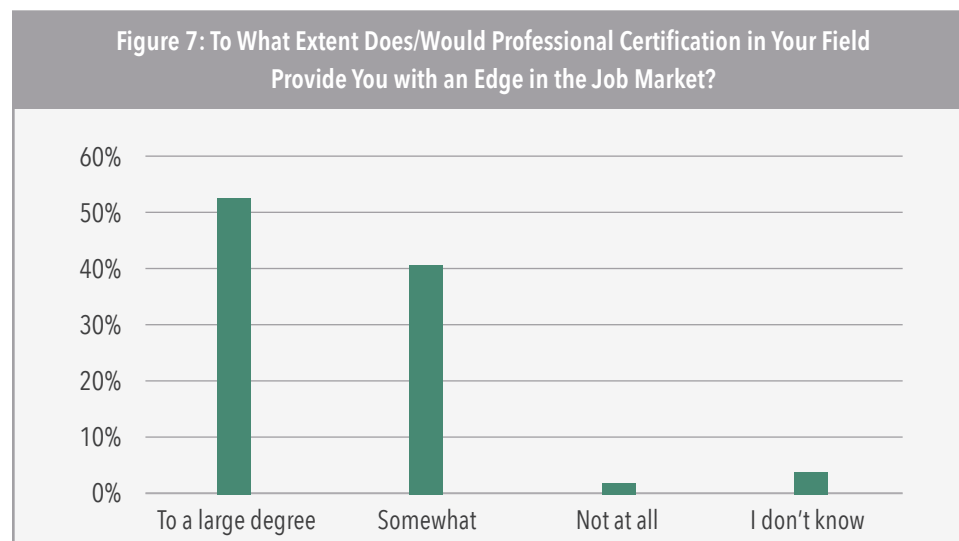
important factor in promotion decisions. Not only does professional certification help promote advancement, lack of certification may hurt it—as our survey indicates, most employers expect their employees to obtain professional certification. See Figure 6.





Professional Certification Provides an Edge in the Job Market

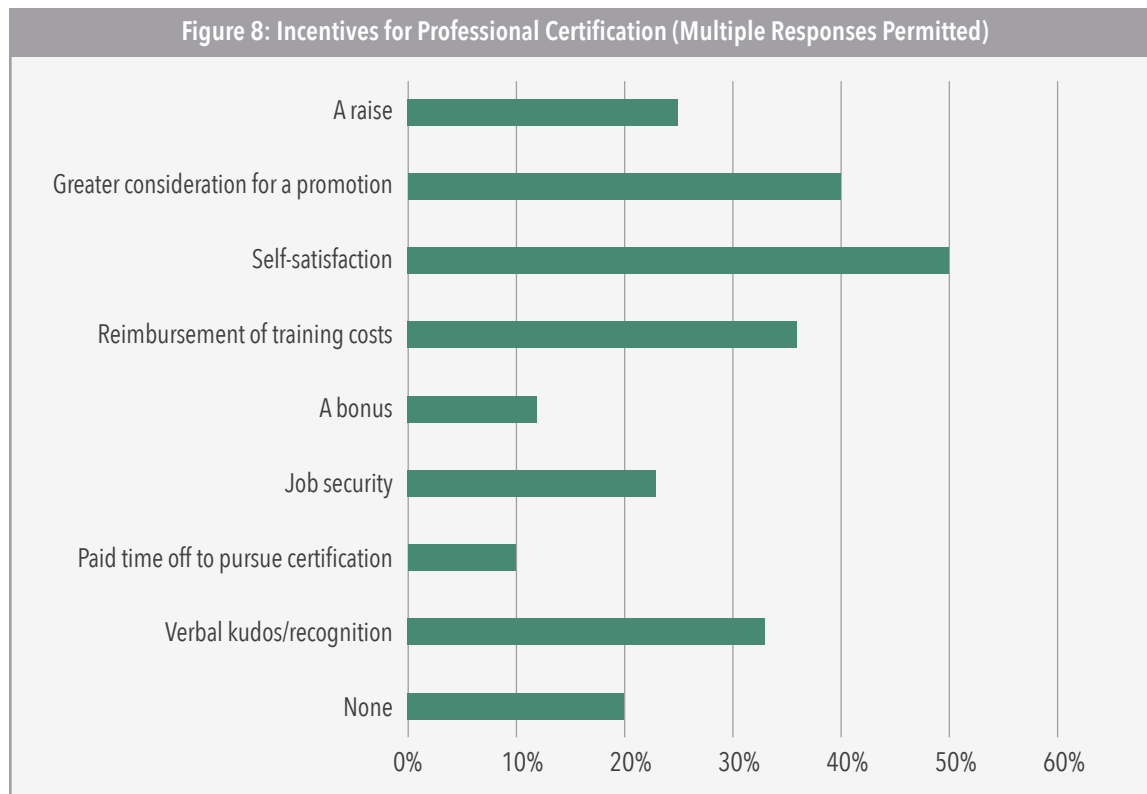
When employers are looking to hire new employees, they often include a list of desired professional certifications like the CMA. Hiring new staff members who hold professional certifications gives employers added confidence that they are hiring employees with the necessary skills. Job hunters with a certification have an advantage over those who do not. This is confirmed by our survey, where more than half of our respondents indicated that professional certification provided an edge in the job market. Virtually all the rest somewhat agreed on its value in helping them get a job (see Figure 7).



Organizations Often Provide Incentives for Pursuing Professional Certification

Organizations can reward their employees in a variety of ways for pursuing certification, and most do. Eighty percent of our survey respondents indicated their organizations provided some incentive for employees to become certified. While many employees pursue certification for personal development and self-satisfaction, as noted earlier, 40% of organizations give greater consideration for a promotion to employees who are professionally certified. In order to motivate their employees to pursue certification, organizations often offer other incentives as well, including reimbursement of training costs (see Figure 8).





Summary

The rapid changes in the workplace require a renewed focus on upskilling and lifelong learning. There is no better way for an individual worker to show his or her adaptability and commitment to professional growth than by pursuing a professional certification.

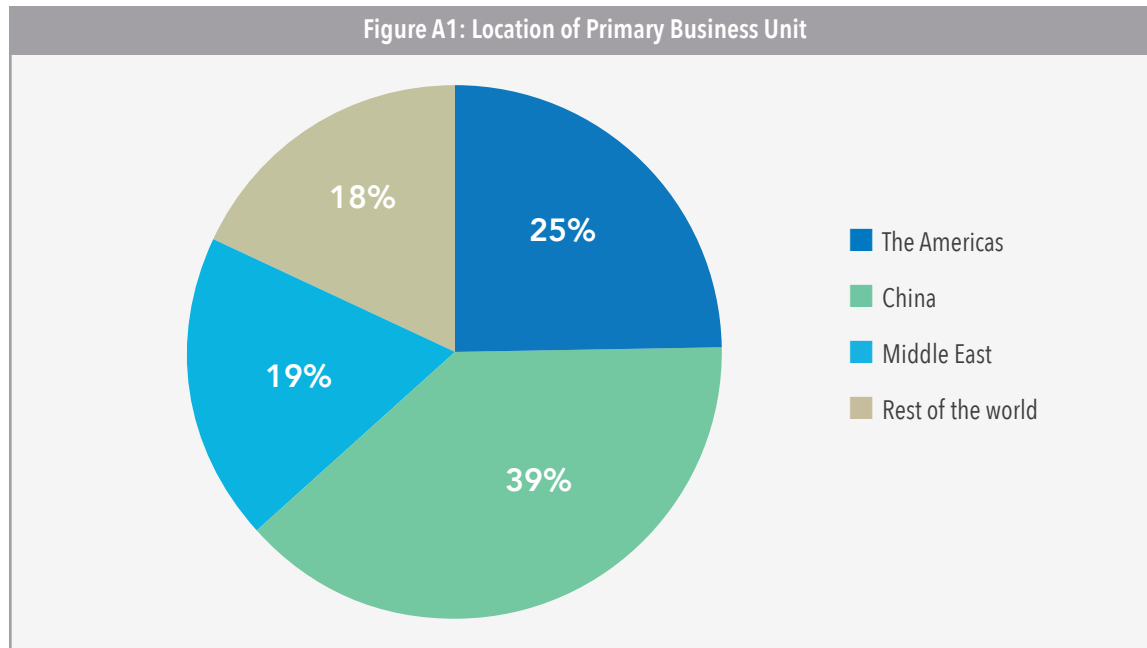
While academic programs have value, they cannot deliver the same ROI from a cost and time perspective. The “future-ready” skills accounting and finance professionals need have been extensively studied by IMA, as the leading professional association for these individuals. The Management Accounting Competency Framework upon which the CMA certification is based reflects a real-world understanding of what it takes to succeed in today’s digital accounting and finance world.

Pursing a professional certification like the CMA gives finance professionals the skills desired and valued by employers so they can obtain an edge in the job market and increase their prospects for career advancement.

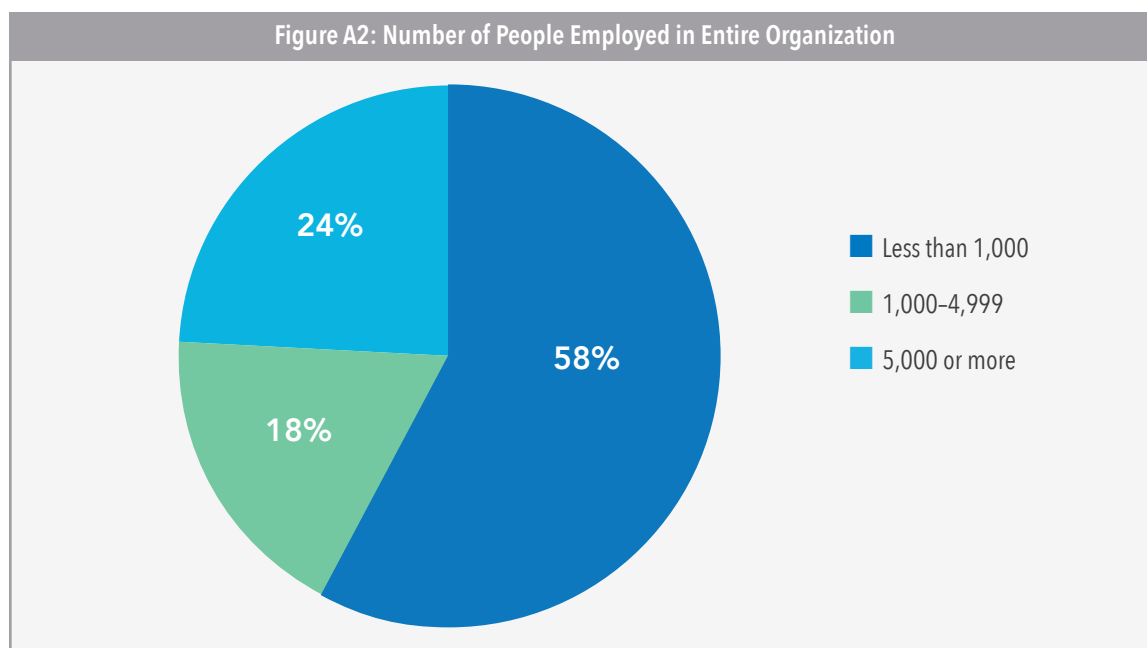


Appendix: Participant Demographics

Survey respondents represented a globally diverse set of organizations. The largest number of respondents came from the Americas, China, and the Middle East, with additional responses from Africa, Europe, and Asia (outside of China). See Figure A1.



The majority of respondents were from small companies (less than 1,000 employees), although medium and larger organizations were also well represented (see Figure A2).





Survey participants were from a wide variety of industry sectors, including manufacturing, service, government/nonprofit/academia, and others (see Figure A3).

