When Knowledge Isn't Power

WHY CFOS AND CONTROLLERS COMPLAIN ABOUT THEIR JOBS

BY PAUL KUNIN, CPA

As part of my consulting practice I have interviewed hundreds of finance professionals for placement as CFOs or controllers in closely held companies. My task in these interviews is to determine two broad areas of "fit": candidates' technical qualifications and their less easily defined work style or personality as they align with the organization's own culture and needs.

Most finance professionals are reasonably articulate about their technical competencies. They confidently recount their mastery of GAAP, insurance and benefit plans, costing, inventory and sales analyses, and cash flow projections—all to the most minute letter, verse, and number. In terms of the less easily defined aspects of the fit, however, articulateness gives way to grayness. Many candidates look to me for clues about my client and then conform their answers to what they think will match. You might be surprised to learn that the same controller is both hands-on *and* a good delegator or is both a self-starter *and* someone who works well under strict guidelines. Still, it's my job as the diligent interviewer to get to the bottom of things. I ask pointed questions. Sometimes I force either/or answers. Sometimes, in the end, I'm the one who must decide exactly who they are.

In the course of these conversations, I always ask questions about the candidates' relationship to former supervisors. Perhaps it's my standing as an ex-CFO, but I find a very large percentage of candidates eventually open up and complain about their former bosses. The candidates' hands were tied. They would see the numbers, analyze the business, and make recommendations, but the boss wouldn't listen. The organization was dysfunctional. The boss's son or wife was in a position of power and misused it—without repercussion. There was more than one master to report to. There were mixed messages. Succeeding at the job was often impossible.

All of it was undoubtedly true, but very little of it was anything I wanted to hear, and, if I did hear it more than in passing, I would scratch the candidate off the list. "Doesn't this person know," I would ask myself, "that I, and certainly my client, would identify with the very boss about whom they were complaining? Don't they know that we are much more *like* their former bosses than *unlike* them, so their complaints are the kiss of death?" Well, if you don't know, I am stating it now: Beware of complaining about former bosses. Finesse your answers about why you left or why you were let go from former jobs. Yes, find a way to make yourself look innocent, but do it without blaming the boss altogether. You may mention problems with management, but decline elaboration about them if you are asked for the details.

Over the years this regular, overarching complaining about former bosses has led me to ask a more general, theoretical question: Why is there such a preponderance of it among CFOs and controllers? Is it any different with other professionals? Do sales, operations, or other technical professionals blame and complain in the same way? Or is there something peculiar about finance professionals that leads them to complain more than others and, if so, why? Let me suggest a few answers.

THE WAY IT IS

First, complaining is a universal phenomenon. People complain when their hopes and expectations don't match their experience and reality. Rather than accept this condition as "part of life" or as a function of their own limitations, people externalize its cause and rail against it: They blame "fortune," they blame it on their upbringing, or, when the gap between expectation and reality involves other people—especially people the complainers experience as having power over them (like a boss)—they blame these others. The workplace is especially suited to the phenomenon because of its inherent power differentials. However competent individuals are, their capacity to affect the gap between their own expectations and reality is limited by the power and authority of those above them. That's often "just the way it is," and complaining becomes the next best alternative, an emotional outlet, a way to explain or justify why they feel bad. Also, though complaining is an alternative to acceptance and/or taking personal responsibility, this doesn't mean the complaints about others are untrue or illegitimate. There are plenty of "bad bosses" out there, and most of us have worked for some of them.

Though all employees complain, what factors might make this phenomenon among finance professionals different or, perhaps, even more severe? The most obvious differentiating factor is the controller's work with and knowledge of the company numbers. They see the bottom line and whether it's rising or falling. They see the company's debt and the dollars that are retained or distributed. They see how the owners and all employees are compensated (and they see these numbers in comparison to their own). As a result, finance people know what others—except owners—don't know, or, at the least, they know these numbers before others do. In many companies, finance professionals also are privy to "secrets": The company may use accounting principles that don't conform to GAAP, or it may operate in defiance of vendor agreements, regulatory provisions, or even legal code. Finance professionals are most often aware of these machinations and, in some cases, may even initiate or oversee them.

Knowledge is power, or it's supposed to be, but is it? Many owners, especially owners of small, closely held companies, view their controllers as numbers crunchers and technicians. Owners see them as overhead, as historians or reporters who have little effect on the bottom line, short of cost containment. As a result, many owners value finance professionals less highly than the star salesperson or the product developer. Even those controllers who forge their knowledge of the numbers into operational or marketing recommendations find management often doesn't listen to their answers. Owners whose equity, independence, drive, and industry knowledge built the company often ignore the ideas of "accountants," or anyone else, for that matter. Ideas are like money for these owners, and all of it must be theirs. There are many owners who, often for complicated psychological reasons, dismiss the ideas of employees because "if they were so smart, they'd be owners like me."

Controllers, therefore, often find themselves having knowledge without power. This is an unenviable position, worse in many ways than having neither. Generally, people gain knowledge with the hope and expectation that they can use it. When what they know is dismissed or ignored and the gap between expectation and reality is wide, this is worse psychologically than if there is little knowledge with no expectation to use it. The urge to complain ensues. Moreover, the specific knowledge finance professionals possess tends to fan the flames of discontent: The ideas of the operations or development managers may not be listened to either, but they, unlike the controller, don't know the compensation of the underperforming son or the dollars going into the boss's pocket rather than employees' bonuses. Knowledge, therefore, can be toxic for finance professionals. They *know* but can effect little change with what they know. They *know*, but, as responsible and confidential professionals, they can't share what they know with anyone. The result is an imbalance between knowledge and power that can be difficult to bear. It's no wonder that many interviewees can't quite contain themselves when it comes to explaining how they left their last job!

BE POSITIVE

What's a finance professional to do? Finding a company that values and utilizes your knowledge is the ideal solution. There's research you can do and questions you can ask in interviews that will shed light on any new job situation. Private companies are, by definition, difficult to learn about. But all of them have vendors and customers who, with some footwork on your part, may be able to provide important information on their central players, management style, and business prospects. When interviewing for a position, it's important that you learn as many details about the job as possible. What is the itemized job description, and is it complete? Who are the people reporting to you, to whom will you report, and what can the interviewer tell you about their styles and abilities? What are the company's strategic plans, its decision-making structure, and where do you—and expectations of you—fit in? There's a fine line between asking overly invasive questions that will sour the interviewer on you on the one hand and asking questions that will reveal your competence, passion, and personal agency—making you attractive to them—on the other. Assertiveness may disqualify you from certain positions, but you have to ask yourself "Do I want this job?" if it does.

In terms of what can be done while still on the job, there are many possible solutions. We all get into routines, including the ways we think about and report on the numbers we generate. Are there new or even old models that may provide fresh perspectives that the otherwise dismissive boss would value? Is it time to take a course, join a trade association, or network among industry colleagues to learn what they're thinking? Finance and accounting are only relatively useful if they are divorced from the business realities they serve to measure. Is there something regarding the company's product or service, its operations and future trends, to which, with some additional learning, you can make a contribution?

Many owners understand their business in different terms or even in a different language from their finance people. Some may focus on sales, or expenses, or margins, or cash flow without considering all of them together. Many focus on the short term and, as a result, neglect investments that will better ensure long-term success. Rather than hitting them over the head with the same numbers and arguments, be creative and empathic, study the terms and language that suits them, and present your findings using their point of view rather than your own.

CONTROLLERS: ASSERT CONTROL OVER YOUR LIFE

It's a fact of business life that many employees experience knowledge without power. The situation, as we have seen, is particularly poignant and troublesome for finance professionals. But there are ways to counteract this reality. Controllers need to assert or reassert control—not control over a company because controllers never had or will have that, but control over their own life and performance. The obstacles can be daunting, as I've described: They're built into the job. By recognizing this fact of corporate life, you can step back and begin the process of reestablishing control—by leaving your job for a better one or, through a variety of methods, by recalibrating and reinventing the job you already have. Controllers and CFOs are knowledgeable, savvy professionals with much to offer their companies. Remembering, refining, and reasserting that is the surest path to closing the gap between knowledge and power. ■

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