

IMA and CMA in China

As China's economy continues its strong growth, the need for management accountants is increasing dramatically, especially professionals with skills in planning and analysis, internal controls and risk management, performance measurement, decision support, and ethics.

The Chinese government is focusing more than ever on developing strategic talent. The thriving economy and increasingly complex financial affairs are challenging Chinese businesses and their accountants. Yet despite a huge pool of potential talent, there remains a shortage of true management accountants in China. Some estimates indicate that there are 10 million accountants in China, with millions more studying accounting and finance in universities. With the CMA® (Certified Management Accountant) credential, IMA® has a great opportunity to help China dramatically improve the skill set of accounting and finance workers. Having a team of highly competent management accountants means that companies make better decisions and grow smarter and that investors and other stakeholders are better protected and can deliver sustainable growth and benefits to society. Becoming a CMA—and encouraging employees to become

CMA—is essential to sustained success.

IMA's mission is to provide a global forum for research, practice development, education, knowledge sharing, and advocacy of the highest ethical and best business practices in management accounting and finance. Management accountants' role as reporters of the truth protects stakeholders, and our role as business partners adds value to the company, increasing economic development in general. IMA's CMA program plays a critical role in helping financial professionals throughout the world become ethically sound, capable, and talented leaders in a global business environment.

The CMA is designed specifically for finance and accounting professionals who work in business, and the language of a business is the language in which they actually work. As part of the mission of the ICMA® to certify competence in management accounting and financial management no matter what language is spoken in the office, we offer both English- and Chinese-language versions of the exam within China. Many Chinese residents want to take the exam in English—some because they work for multinationals where the lan-

guage they are working in is English and others because they want the additional challenge of taking the exam in English. Other finance and accounting professionals in a great number of companies in China want to improve their skill set and aspire to become CMAs but lack the advanced English skills required to pass a rigorous certification exam. Both exams are equal in terms of content difficulty and rigor and involve the same mix of difficult questions and same passing standards.

The number of new CMA credentials awarded in China has increased more than 200%. There are now approximately 600 CMAs in China and 3,500 active candidates pursuing the CMA in both the English- and Chinese-language exam programs. For the 12 months ended June 30, 2011, IMA administered more than 3,500 exams in China, a 75% increase in the total number of exams. The four-part Chinese-language exam, in particular, is growing at a rapid rate, with 1,352 new candidates in that program last year—and a 350% increase in the number of Chinese-language exams taken. In the last three months of our fiscal year, April through June, we administered 1,023 Chinese-



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language exams. As you can see, the CMA exam in China—both in English and in Chinese—is developing great momentum.

With the support of organizations such as China Telecom, China Hydro, China Guangdong Nuclear Group, Aviation Industry Corporation of China, CNOOC, Motorola, Caterpillar, State-owned Assets Supervision Administration Commission (SASAC), and State Administration of Foreign Expert Affairs (SAFEA), we expect to show tremendous growth in new CMA candidates in the future. IMA's course provider partner network and authorized review course provider program are doing a great job training our future CMAs. The success rate has been phenomenal!

In May 2010, IMA began testing the English-language two-part CMA exam around the world, and the results have been extremely positive. The two-part exam is more focused, and all topics are tested to a deeper and more difficult level. This exam clearly addresses the skills gap that CFOs raised during our research. Specifically, senior finance team leaders believe that their professional staffs require a stronger mastery of financial planning, analysis, control, and decision support, which correlates exactly to the body of knowledge required to pass the two-part CMA exam. The exam is ideal for candidates who want to differentiate themselves from others working as accountants and financial professionals in a competitive business environment. It's also great for companies who want to raise the level of competence on their finance teams so the teams

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can become true strategic business partners, providing business insight, adding value, and helping the company grow and prosper.

The two-part exam focuses on planning, analysis, control, and decision support. All topics in both parts are tested up to the highest difficulty level. Successful candidates not only have to know and comprehend the material—they also have to apply, analyze, and synthesize the data in order to evaluate and recommend a course of action. Requiring hundreds of hours of study, the CMA exam tests for mastery of the content, and we assume the candidate already has a foundational level of knowledge in economics, basic statistics, and financial accounting.

Ethics also is tested on both exams. Part 1 tests ethics from the perspective of the individual professional, and Part 2 tests it from the company's perspective. The individual needs to act ethically and understand where to go for guidance in difficult situations. The company must create a culture conducive to ethical decision making. As we all know, ethics is critically important to the smooth and sustained functioning of a company and the economy in general—in the U.S., in China, or anywhere else in the world.

The translation of the four-part CMA exams into Chinese has helped us achieve the primary goal of expanding the financial literacy, competence, and expertise of

finance and accounting professionals in business in China. And now, with the approval of the translation of the two-part program into Chinese, we will move even further toward this goal. The ICMA Board of Regents approved the translation of the two-part exam into Chinese, and testing will begin in the last quarter of 2012. With this decision, IMA will continue to be the “go to” organization in China for all finance and accounting professionals who want to become valuable contributors to their organizations. We are committed to the profession in China for the long term.

Next year, the CMA program will celebrate its 40th year as a world-class certification. The exam has a long tradition of high quality and rigor, and we continue that tradition as IMA moves toward our vision of the CMA being the leading certification in the world for accounting and financial professionals working in business.

Years from now, as China continues to celebrate its monumental economic success, IMA will also be celebrating the significant role of the CMA program—as implemented through the partnership of IMA, SAFEA, SASAC, and our authorized review course network—in helping China's companies become engines of growth. The business insights provided by CMAs are invaluable. There is definitely an air of excitement and support in China regarding the CMA program! **SF**

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