

The Management Accountant's Leadership Role

All leaders must be effective teachers to ensure proper training of employees. Part of a management accountant's job is to provide decision makers with financial information.

There's a simple phrase that has stuck with me after reading Noel Tichy's *The Leadership Engine*: "If you aren't teaching, you're simply not leading." If I remember nothing else from the book, I'll remember that because it sums up the mission of the management accountant in one sentence. In this article, I'd like to explore that idea with you and explain our leadership responsibilities as management accountants.

The Foundation of Management

Over the years, I've learned that the basics don't change. So-called "new" ideas are offered, but, generally speaking, they are simply re-statements of what we already know. The idea of leaders as teachers isn't new, but that isn't to say I'm against a new presentation of the idea. I firmly believe that we need to keep these principles of leadership in front of us as we move through our careers because they are the foundation of any legacy we build.

Take W. Edwards Deming, for instance. As a young statistician at

the Western Electric Hawthorne Works, he learned production and later went on to develop a means of using statistics to arrive at a quick and accurate way to conduct the census without needing a specific headcount. He also developed some really good ideas for using statistical process control (SPC) to improve production methods.

For years Deming tried to convince U.S. automakers to adopt SPC in their operations, but he wasn't good at making presentations. He was actually a very dull presenter and, as a result, wasn't able to sell his ideas to American industry. Thanks to an energetic interpreter, however, his ideas went over in a big way when he took them to Japan. The results of that breakthrough for the Deming Management Method are still being felt—and admired—today. Deming's life's work was to teach others how to improve productivity. His legacy is statistical process control in all its various forms, including Six Sigma, total quality management (TQM), and others. The Deming Management Method, which contains the famous "14 Points" that managers must employ to be highly effective, also includes SPC practices. More than one of

those points address the importance of not only the initial training of employees, but also the continual effort to keep them trained. To Deming, managing was training.

Deming's methodologies aren't the only ones that have grown in popularity over the years. Peter Drucker, that icon of American management, focused on two points in his journey to make managers leaders: (1) Find out what your customers need and deliver that to them, and (2) train leaders and others to be critical thinkers who need minimal supervision to achieve highly productive levels of excellence. These ideas aren't new, but as we plow our way through this new age of cultural stratification caused by technological advances, the need for leaders who excel at teaching becomes critical.

Training Yourself and Your Team

There are three areas in which teaching has to occur, and, as effective leaders, we must be highly effective in each one of them. First, leaders must have the capability to provide formal training to new employees so they don't learn someone else's bad habits—they will learn the correct way from the



start. Certainly the corporate trainer can routinely provide a lot of training, but if the organization's leadership can't—or won't—establish themselves as leaders who know enough to pass on that critical knowledge to their team, they can't establish the level of trust and credibility needed to motivate the workforce when things aren't going smoothly. Morale suffers, productivity declines, and the business may not survive.

On the other hand, if those leaders establish themselves as teachers, they will gain the confidence of those they supervise, and there will be a more open environment that permits growth and the level of risk taking that every organization needs to remain competitive.

The second area for teaching isn't as formal as the first because it's the hands-on training of production (or service or merchandising, as the case may be) crews. These opportunities usually have to do with new procedures, new equipment, or new policies that have an impact on the lowest levels of the organization. Often ad hoc, these training moments are oriented on operations and how we might or should do better.

The third area is what I call “spur of the moment” teaching opportunities. They occur most often when mistakes are found, and, rather than screaming and berating anyone, the team is brought in to identify the core problem that caused the mistake so that everyone can learn from it. In this way, leaders also teach that it's okay to make mistakes

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because mistakes allow for learning and growth. Note that allowing mistakes doesn't extend to catastrophic mistakes: There are times when leaders must step in and take definitive action to avoid catastrophe. As you develop your employees, do so in a safe environment, and that can be determined only by the businesses involved.

Management Accountant's Role
How does this relate to the management accountant's role? Our task is to help guide the company

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through the tar pits of uncertainty and fear to arrive at the organization's strategic goals. Because we are in the unique position that allows us to see all of the interactions within the company (and often those outside the company) and receive all the financial and some of the nonfinancial data generated in our processes, we should be the “go-to” people for interpretation of the data. Our networks within the company will help us do that, but, in order to develop effective networks, we must be capable of training those in the accounting office and those nonfinancial operators in the company to whom we must provide useful decision-making information, whether it's the board of directors, CEO, CIO, or shipping supervisor. Because those very well-qualified and knowledgeable folks don't understand accounting language or what we can do for them, it falls to us to be the teachers.

In doing so, we become more effective, versatile, and professional. Look for ways to teach and develop that skill. It will serve you well, and your example in doing so will also help others develop.

With apologies to Mr. Tichy, learn to teach so you can lead. You may even lead better in your local, regional, or global IMA® chapter! Go on, dare to achieve! **SF**

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