

4-1982

CMA Profile and Commentary: A New Elite Corps

Guy L. Cochran

O. Ronald Grey

Kenneth J. Morey

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Cochran, Guy L.; Grey, O. Ronald; and Morey, Kenneth J. (1982) "CMA Profile and Commentary: A New Elite Corps," *Woman C.P.A.*: Vol. 44 : Iss. 2 , Article 8.

Available at: <https://egrove.olemiss.edu/wcpa/vol44/iss2/8>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

CMA Profile and Commentary

A New Elite Corps

By Guy L. Cochran, O. Ronald Gray, and Kenneth J. Morey

Since 1972, when the Certificate in Management Accounting (CMA) examination program was established, over two thousand CMA certificates have been issued. This article relates the results of a demographic study of this select group of management accountants, in the form of a profile and commentary on CMA holders. Such a profile is of more than passing interest because it provides insight into the characteristics of individuals who have successfully participated in the CMA program. Moreover, such a CMA profile may stimulate interest and participation in the program by other management accountants.

Survey

The questionnaire used in the survey asked CMAs to provide information about their membership involvement in professional organizations, professional certifications held, academic degrees held, present employment, number of years experience in various areas of employment, present management level, age, and sex. Questionnaires were mailed to 629 CMAs selected on a random basis from a listing of all CMAs provided by the Institute of Management Accounting (IMA). Three hundred and twenty-four usable responses were received for a response rate of 52%. This number of responses resulted in a $\pm 5\%$ precision level at a 95% level of confi-

dence. That is, there is a 95% probability that survey response percentages are within $\pm 5\%$ of percentages responses obtainable from a complete census of CMAs.

Professional Affiliations

As Exhibit 1 shows, a majority of CMAs are active in one or more professional organizations. As one might expect, the National Association of Accountants (NAA) is the professional organization with the largest number of CMAs (approximately 69 percent). Moreover, CMAs tend to be actively involved NAA members. Some 19 percent of CMAs serve as officers or directors of NAA chapters. Approximately 34 percent are members of the American Institute of Certified Public Accountants (AICPA), the second most frequent professional organization membership held by CMAs. Other organizations such as the Financial Executive Institute (FEI) and the Institute of Internal Auditors (IIA) have

relatively few CMAs as members. Interestingly enough, some 26 percent of CMAs are active in one or more other professional organizations.

Exhibit 2 Professional Certifications

	Percent of CMAs Holding Other Professional Credentials
CPA	41
CIA	4
CDP	4
Other	4

It is interesting, as indicated in Exhibit 2, to note that a substantial percentage of CMAs have one or more other professional credentials as well. As one might expect, given the large number of CMAs belonging to the AICPA, the most common other certification held is the CPA certificate. Approximately 41 percent of CMAs are CPAs who have participated in the CMA certification program. Of course, many CMAs who hold CPA certificates are no longer active in public accounting. Most CPA/CMAs are employed in private industry. However, a number of CPAs in public accounting practice who are heavily involved in management advisory services or consulting activities apparently have felt the need to objectively demonstrate their competency and proficiency in management accounting and have used the CMA as a means of doing so. Approximately 12 percent of CMAs are Certified Internal Auditors, Certified Data Processors, or hold one or more lesser known certifications. One individual, an academic, was found to have four professional certifications: CPA, CMA, CIA, and CDP. This is a curious exaggeration of the tendency exhibited by many CMAs to arm themselves with professional certificates.

In summary, many holders of

Exhibit 1 CMA Participation in Professional Organizations

Professional Organization	Percent of CMAs who are Members	Percent of CMAs Officer/Director
NAA	69	19
AICPA	34	1
FEI	4	0.6
IIA	4	1.5
Other	26	1

CMA's have demonstrated a proclivity to sit for professional certification examinations. One conclusion reasonably drawn and defended is that CMA's tend to be individuals who are very achievement oriented and are likely to seize any opportunity to demonstrate their proficiency and competency. A less kindly interpretation might be that many CMA's use test taking to reassure themselves about their own competence.

Employment

As indicated in Exhibit 3, a significant majority of CMA's (65 percent) are employed in industry. Of this group, (54 percent) describe themselves as being middle management and an additional 20 percent as first level management. Only 21 percent of CMA's are self-proclaimed top management types. This distribution reflects the relative youth of CMA holders (see Exhibit 8), and leads one to the conclusion that the CMA program is very likely to be the beneficiary of reflected glory in the future. That is, the CMA designation is likely to assume new status and gain increased prestige as present CMA holders mature and advance in the corporate hierarchy.

There is a virtual tie between education (14 percent) and public accounting (13 percent) for second place in terms of numbers of CMA's employed as shown in Exhibit 3. The CMA program has received considerable support, acceptance, and promotion from the academic community. Accounting periodicals frequently carry university teaching position announcements which list as a minimum criteria for employment consideration either CPA or CMA. Many academics, particularly those who teach cost/managerial type accounting courses, have become CMA's. In addition, a number of academics are residents of states, such as Alabama, in which the public accountancy law effectively precludes non-public practitioners from sitting for the CPA Examination. This restriction accompanied by a requirement for a minimum percentage of professional certificate holders in the new accreditation standards for accounting programs has resulted in many accounting faculty being actively encouraged by their department

chairperson to sit for the CMA.

CMA's who are employed in public accounting are generally active or interested in management advisory services. From the perspective of a public accounting practitioner, the CMA is a luxury, nice to have but definitely a non-essential. Some CPAs tend to view the CMA as something that might be done to get some mileage out of preparation for the CPA examination. Others, particularly CPAs involved in management advisory services, view the CMA as a means of validating their expertise in the management accounting area thereby increasing their marketability. The distribution of CMA's among recognized public accounting personnel levels suggests that those individuals at the senior levels are more likely to be interested in the CMA. (See Exhibit 3) Generally, staff accountants are concerned with passing the CPA examination. After the pressing urgency of the CPA examination has passed, a staff accountant is more likely to think about the CMA.

Exhibit 3

A. Employment of CMA's

	Percent of CMA's
Industry	65
Public Accounting	13
Government	3
Education	14
Other	5

B. CMA's Employed In Industry

Classified by Management Level

Top	21
Middle	54
First Level	20
Other	5

C. CMA's Employed In Public

Accounting Classified By Level

Partner	38
Manager	26
Supervisor	12
Senior	17
Junior	7

D. CMA's Employed In Education

Classified By Academic Rank

Full Professor	20
Associate Professor	41
Assistant Professor	28
Instructor	10
Other	1

Exhibit 4 Years Experience

Industrial	
Years	Percent
0	20
1-5	28
6-10	25
11-15	17
Over 15	10

As seen in Exhibit 4, of those CMA's who have industrial experience, over two-thirds have 10 or less years of such experience. It is interesting to note that 19 percent of CMA's have no industrial experience at all. This is a paradox for a certification program with an avowed management accounting thrust. Many CMA holders without industrial experience are academics and some are involved in management advisory activities in public accounting firms.

Exhibit 5 Years Experience

Public Accounting	
Years	Percent
0	63
1-5	27
6-10	7
11-15	2
Over 15	1

Some 37 percent of CMA's have had some public accounting experience. Among this significant minority relatively few, as seen in Exhibit 5, have more than five years experience. The most common length of experience in public accounting is two years. This is a natural consequence of the minimum experience requirement which many states have for obtaining the CPA certificate. Very few CMA's with public accounting have more than eight years such experience.

Exhibit 6 Years Experience

Education	
Years	Percent
0	78
1-5	8
6-10	9
11-15	4
Over 15	1

A significant number of CMAs (22 percent) have had some experience teaching. Given the substantial number of academics who are CMA holders and the overall educational background of CMAs, this is not a particularly surprising statistic. Consistent with the relative youth of the group few CMAs have more than ten years teaching experience.

Personal Characteristics

Exhibit 7 Academic Degrees	
Percent of CMAs Holding	
Bachelor	94
Master	67
Law	1
Doctorate	0

As a group, it seems evident that CMAs are well prepared in terms of formal schooling. The academic credentials of CMAs are truly impressive. Results presented in Exhibit 7 show that only six percent of CMAs do not have at least an undergraduate degree and a majority have a master's degree or higher. There are few other professional accounting groups that can boast such educational accomplishments.

In examining the academic accomplishments, one must remember that there is a degree of double counting to be adjusted out. Specifically the questionnaire asked CMAs to indicate all degrees held. Hence, a reasonable assumption would be that under normal circumstances all CMAs holding a doctorate would also hold a master's degree and an undergraduate degree as well.

The educational attainments of CMAs are consistent with what one might expect. One cannot avoid noting the achievement orientation of CMAs. There is a consistent pattern of assertive involvement in all areas, i.e., professional organization, certifications held, and educational accomplishments. It seems that CMAs as a group are consciously and purposefully grooming themselves. One might reasonably characterize CMAs as strivers and tryers; accountants who have an unfulfilled desire for recognition and status. It seems evident that these accountants are the "comers," i.e., leaders, innovators, competitors who will ultimately excel; a group to watch in

the next twenty years as they fulfill their aspirations.

Exhibit 8 Age of CMAs	
Years	Percent of CMAs
25-34	46
35-44	43
45-54	8
55-64	3

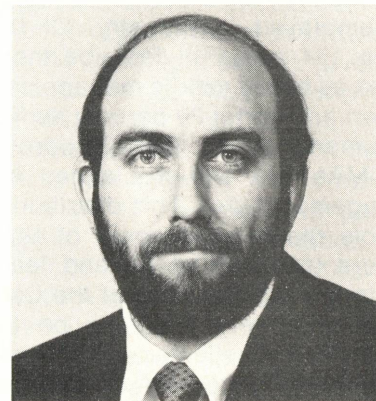
Less than 1 percent of CMAs are under age 25 or over age 64. Consequently, these were not set out as a separate category in Exhibit 8. Most CMAs are from the leading edge of the post World War II baby boom. The median age, i.e., an equal number older and younger, for CMAs is 35.5 years. Hence, CMAs as a group are yet to arrive at their most productive age. One can speculate that many CMAs have used professional certification as a means of differentiating themselves from their baby boom cohorts who vie with them for jobs. Presumably, they view the CMA and other professional certifications as a competitive advantage that will assure that they stand out from their cohorts.

A surprising result of the survey was that only six percent of CMAs are female. The CMA is clearly a male dominated program. To some degree this is a natural consequence of traditional job patterns which results in male dominance. Times, however, are changing; given the increasing numbers of women graduating from accounting programs and entering the profession this should and probably will change in years to come. Still the CMA program was established in 1972 well after the feminist movement brought heightened consciousness of sex discrimination and encouraged females to break down barriers to advancements. Why then are there so few female CMAs? Why does the CMA have so little evident appeal to women? This is a question which bears some investigation.

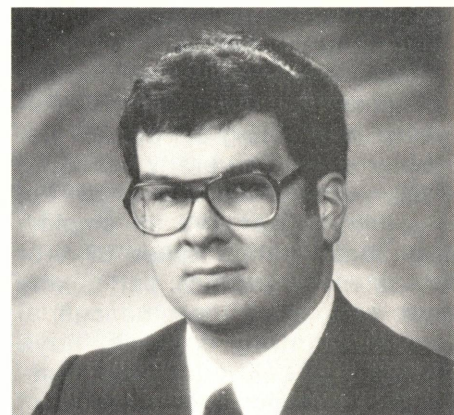
In Conclusion

CMAs have some very impressive credentials. Their credentials are all the more impressive when considered in light of their relative youth. The evidence suggests that CMAs are a very select group of accountants who have outstanding

promise. There is good reason to believe, based on their past accomplishments, that this promise will be realized. The reputation and standing of any program is a reflection of the achievements and deeds of individuals who have participated in the program and are thus identified with it. In this respect, the CMA program is indeed fortunate to have attracted participants who are outstanding performers. This virtually assures the CMA program of increasing prominence and recognition in the years ahead. Ω



O. Ronald Gray, CPA, Ph.D., is assistant professor of accounting at the University of Alabama at Birmingham. He holds the CMA and is a member of South Birmingham Chapter of the National Association of Accountants.



Kenneth J. Morey, MBA, CMA, is assistant staff manager — corporate accounting, for South Central Bell Telephone Co., and is a member of the South Birmingham Chapter of NAA.

Guy L. Cochran, CMA, is staff manager — regulatory accounting, for South Central Bell Telephone Co. and is a member of the South Birmingham Chapter of NAA.