

What It Takes to Become a Financial Leader of Tomorrow

By Anne Stuart

It's no secret: In finance and accounting, the stakes have never been higher than they are right now.

Leaders in those fields must grapple with challenges that are, in many cases, far more daunting than those faced by their counterparts in other disciplines. They typically face an enormous, complex and constantly shifting load of responsibilities mandated by the Sarbanes-Oxley Act and other regulations requiring corporations to exercise greater fiscal accountability.

"Their jobs demand more than ever these days," says Jeffrey Anderson, the associate dean for leadership development at the University of Chicago Graduate School of Business (and, as a CPA and former corporate CFO, a man with a foot in both professions). And that high-pressure environment shows no signs of easing up anytime soon.

Meet tomorrow's demands

That, in turn, means that next-generation leaders—up-and-coming finance and accounting professionals hoping to someday serve on executive teams—should start preparing themselves now to meet tomorrow's demands.

Some of that preparation involves participating in leadership-development initiatives such as mentorships and coaching. But in Anderson's view, it's equally important for would-be executives to do some work on their own as well.

He says they might start by dispensing with two pervasive leadership myths:

MYTH #1: There's a single perfect leadership style.

In reality, Anderson says, leaders rely on a wide variety of approaches and traits, and even an individual leader's style may change from one situation or environment to the next. "We all have experiences that have shaped us, and those experiences are all different," he says.

But successful leaders do share one trait: "Their approach is genuine, whoever they are," Anderson says. "If you want to connect with people, they have to know who you are and what you stand for."

Sounds simple enough—just be yourself, right? Anderson warns that developing a genuine approach is actually a bit more complicated. "You have to have a robust level of self-awareness, and that's not easy to obtain," he says.

Leaders need to work at developing a clear, strong understanding of their personalities and their natural skill sets. They especially need to recognize not only their strengths, but their weaknesses—the areas where they need to focus their development efforts.

MYTH #2: Leaders are born, not made.

Anderson, who is also a partner in an executive-coaching firm, vehemently disagrees with that old saw. “Leadership is a learned behavior,” he argues. “I’ve worked with more than 100 executives, and I see the learning occur. I see the changes in their behavior as a result.”

But he cautions that even some top-notch learning experiences in a professional’s specialty area may ultimately prove irrelevant when it comes to leadership. “There’s an old saying that’s applied to newly appointed senior leaders—CEOs, CFOs and so on—and that is: ‘What got you to this job isn’t what you need to be successful in this job,’” Anderson says.

“That’s something that a lot of leaders struggle with: They got to the top by excelling in some sort of technical expertise”—in this case, some kind of accounting or finance capability—“and that’s not what they’re paid to do anymore.” As executives in any field move up, they must learn broader leadership and management skills, often for the first time.

What companies seek

Anderson says companies typically require the following traits in potential financial leaders. You should be able to:

- Inspire and lead a team
- Craft and express a compelling vision
- Communicate well and present credibly
- Bring unique perspectives to the position.

Fly at the right altitude

Once promising candidates actually step into leadership roles, what’s the biggest single issue they face? Anderson says the most common new-leader mistake by far involves what he calls “flying at the wrong altitude” to manage effectively.

“Some are flying at too low an altitude. They’re involved in details that shouldn’t concern them,” he explains. “Some are at the other end of the scale, focusing on things that are too far removed from the business, and, as a result, they lose touch.”

Wrong-altitude flying typically happens because new leaders haven’t addressed basic questions such as: “What’s my real role here? Where and how do I get involved in day-to-day activities, and at what level?”

Ultimately, answering those questions will help each new leader find the right cruising altitude—and adjust it as necessary over time.