

Think Ahead

ACCA

Professional accountants – the future:

Generation Next



About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. It offers business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

ACCA supports its **188,000** members and **480,000** students in **181** countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of **95** offices and centres and more than **7,110** Approved Employers worldwide, who provide high standards of employee learning and development. Through its public interest remit, ACCA promotes appropriate regulation of accounting and conducts relevant research to ensure accountancy continues to grow in reputation and influence.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. It believes that accountants bring value to economies in all stages of development and seek to develop capacity in the profession and encourage the adoption of global standards. ACCA's core values are aligned to the needs of employers in all sectors and it ensures that, through its range of qualifications, it prepares accountants for business. ACCA seeks to open up the profession to people of all backgrounds and remove artificial barriers, innovating its qualifications and delivery to meet the diverse needs of trainee professionals and their employers.

In June 2016 ACCA formed a strategic alliance with Chartered Accountants Australia and New Zealand (CA ANZ). The alliance represents the voice of 788,000 members and future professional accountants around the world, who share the commitment to uphold the highest ethical, professional and technical standards.

More information is available at: www.accaglobal.com



This report shares insights on the work preferences and career aspirations of the youngest generation in accounting and finance today.

Almost 19,000 respondents under the age of 36 from 150 countries participated, making this one of the largest ever surveys across the global profession.

One of the largest ever global studies across the profession

AGE GROUPS	
16 – 20	10%
21 – 25	30%
26 – 30	32%
31 – 36	28%

TOTAL RESPONSES	
	18,646
f	9,069
m	9,577
countries	150



Preface

Pick up any business magazine and there is likely to be an article about the implications of millennials in the workplace – their likes, dislikes, work habits and aspirations. But are the youngest generation at work today innately different from those in whose footsteps they are following? Are their career aspirations and work preferences truly at odds from generations before?

Taking the question a step further, what are the implications of the entry of today's younger generation in the global accountancy profession? In isolation, are their career dreams and preferences so vastly different – and at cross purposes – to a profession that is renowned for its steadfast career progression? Or are there other fundamental forces at play? Are some of the results in this survey simply evidence of an adaptive response from the younger generation in the face of a changing employer – employee relationship? What are the implications for the future of the profession? These questions are evoked by this survey.

Executive summary

Organisations cannot attract, nurture or retain the finance leaders of tomorrow in the same way as the leaders of today. That is the core theme of ACCA's ground-breaking study of Generation Next, the youngest generation of finance and accounting professionals – those who are 36 years of age or younger.

With innovation and the pace of change at an all-time high creating a 'new normal', and drivers such as globalisation and digitisation influencing the future, the opportunities for the accountancy profession have never been greater in helping promote growth and prosperity in the global economy. Yet adding to the equation the ambitions of today's young workforce, the stakes for the attraction, engagement, development, and retention of the youngest generation in the profession today are high.

This survey suggests Millennials in the accountancy profession are well equipped to deal with change driven by technology and globalisation. They have a global outlook, often expecting to work in another country in their next role or at some time in their careers. They are technologically savvy and technology holds little fear for them. Work-life balance and a variety of experiences are important to them and they will switch jobs quickly to attain what they want from their careers.

The findings from this survey also challenge some of the common assumptions about how this generation views their place in the world of work. Whilst popular perception may hold that those at the outset of their careers (16-25 year olds) may think differently to those starting to shift into mid-career (31-36 year olds) this conclusion is not borne out by this study.



The career goals and ambitions of the youngest generation has implications for the profession on a number of dimensions.

- Changing ways of working are driving a change in talent priorities. The "job for life" no longer applies. As the profession enters a new era, for both employers and employees, we can expect to see continuing evolution in roles, responsibilities and career constructs.
- The profession will be increasingly defined by a new paradigm: the age of collaboration between smart tools and smart people. The application of automation and different technology options will create new opportunities for value.
- Generation Next's mobility aspirations will put pressure on engagement and retention and increasingly redefine the employer – employee proposition. Accountancy training is seen as an opportunity to acquire a portfolio of skills relevant in the wider business world beyond the traditional confines of the profession.
- Established learning interventions must continue to adapt. This survey suggests a strong emphasis on assessments which are grounded in the "real world" and those which support experiential learning will resonate most.

MOBILITY LEVELS HIGH

73% expect to move sector
70% want to move role within two years
67% expect next role to be a promotion
61% expect next career move to be external

TECHNOLOGY SEEN AS AN OPPORTUNITY NOT A THREAT

84% agree technology will enable finance to focus on higher value
Almost **3/5** believe technology will replace many entry level roles in the profession

EXPERIENTIAL LEARNING KEY

53% say on the job learning most effective

PROGRESSION KEY TO RETENTION

89% agree or strongly agree opportunity to learn and develop skills is key
88% agree or strongly agree career progression is key
38% agree current organisation offers sufficient opportunity to achieve career goals

GLOBAL ROLES PART OF CAREER STRATEGY

80% want a role in a different country at some point
44% see a move abroad later in their career
Over **1/3** see themselves going for a global role in the next move

SATISFACTION LEVELS HOLDING UP

50% agree they have good current work life balance
48% of respondents are satisfied in their current role
35% disagree or strongly disagree they are happy with current level of remuneration

FINANCE CAREERS NOT NECESSARILY THE END GAME

81% say they want to start their own business of which **11%** suggest this is in their next role

FINANCE CAREERS VALUED

85% agree finance experience valuable for future leaders



Introduction

Why should the finance and accounting profession focus on Generation Next? There has always been talk of a gap between every generation entering the workplace in their ways of working, values, career goals and learning. Yet understanding their aspirations is critical to understanding how the future of the profession may develop, and the potential implications for employers and the management of Generation Next' own careers.

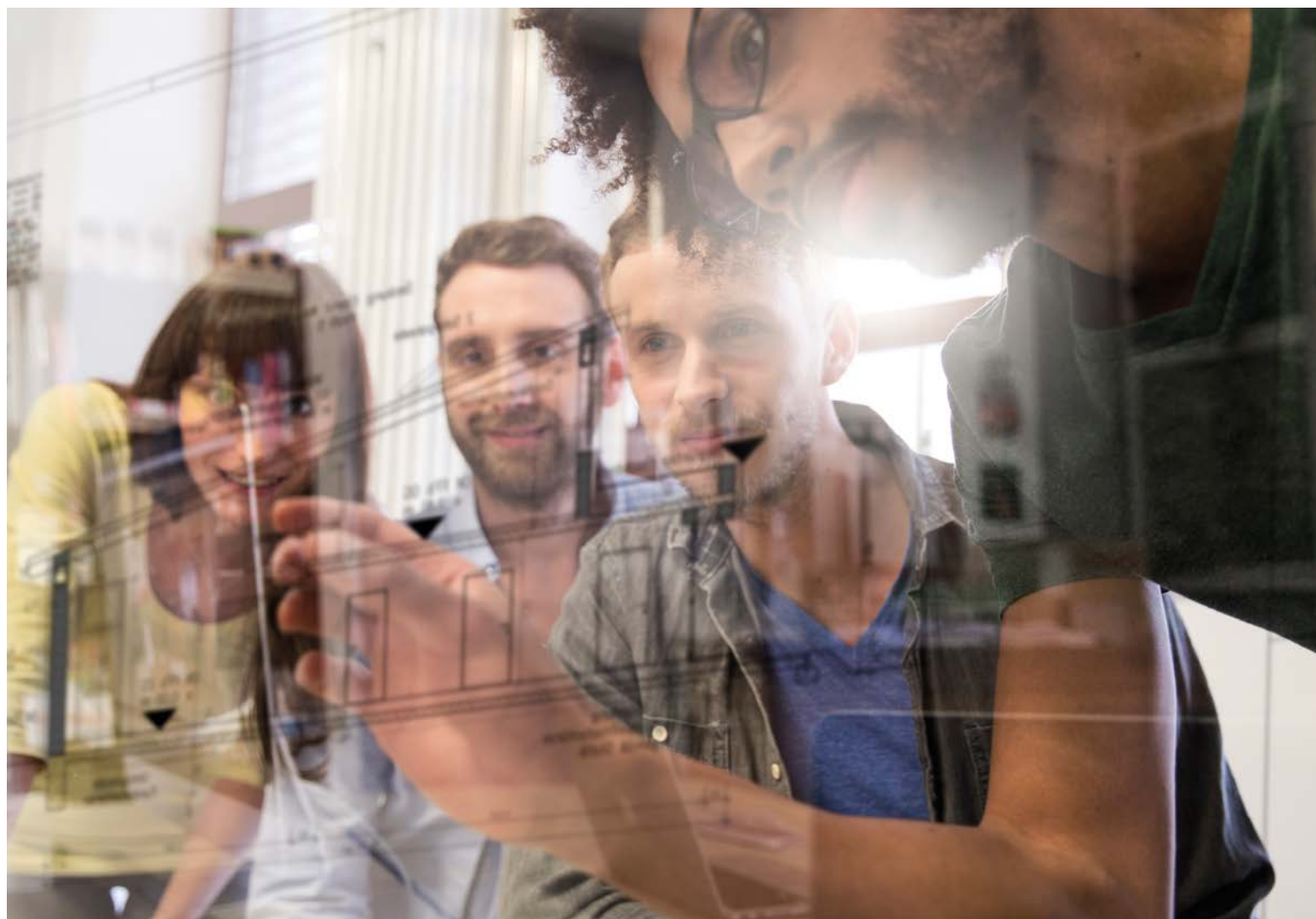
The finance profession is affected by forces converging as never before. New opportunities are being created for professional accountants; they have a crucial role to play in keeping economies stable and helping them prosper. While businesses are changing so quickly, the profession is also being rapidly transformed by technology such as social media and automation. The profession is now being asked not only to manage risk and to support ever-growing demands for regulatory compliance, but also to help businesses grow in an environment of unprecedented change. At the same time, the fundamental contract between employee and employer continues to change; there is no more 'employment for life'.

With the retirement of 'Baby Boomers' as well as some older members of 'Generation X', managing talent is no longer 'business as usual'. Generation Next, those aged 16–36 years, are entering the workplace in increasing numbers; indeed, in the US one in three workers is now classified as a millennial.¹ Their aspirations, career strategies, sector preferences, learning preferences – to name just a few – cannot be ignored in the finance profession, or indeed in any profession. Stakes for engagement and the employer value proposition are higher than ever.

Almost 19,000 Generation Next professionals from 150 countries responded to this survey.

Will finance remain a uniquely satisfying career for the youngest generation in the profession today or will it become an entry point into other career pursuits? Will it keep professionals challenged through several stages of development, or will the profession increasingly become a springboard early on for individuals to pursue wider career aspirations? Will there be free and fluid career paths irrespective of the sector?

Almost 19,000 Generation Next professionals from 150 countries responded to this survey, sharing their insights on what attracts them to a finance role, their career aspirations and challenges, satisfaction levels and views about the future of the profession. The scale of engagement represents a global picture of the aspirations of young professionals today.



Key findings



1. FINANCE EXPERIENCE IS A VALUED PLATFORM FOR THEIR FUTURE CAREER

Entry into the business world by attaining finance and accounting capabilities is a smart strategy, say respondents. Generation Next professionals understand that finance and accounting experience is a great platform for skills attainment and career growth.

For the youngest in the profession, starting their career in the profession remains a smart and relevant choice. Survey respondents take a mature view of the opportunities that a finance career presents. They are attracted to the profession not only for its long-term career prospects but also for the opportunity to develop and use a broad range of skills, both within and outside of finance (Figure 1 and Figure 2).

Generation Next want to attain a wide-ranging set of capabilities and they see these as valuable building blocks for organisation leaders in the future. 85% agree that finance and accounting career experience will be valuable for leaders in the future and this sentiment was consistent across respondents from key sectors who participated in this survey (Figure 3).

AGENTS OF CHANGE

As the global business landscape evolves, so will the practice of accountancy and what is expected and required of professional accountants. Over the next decade, some areas of the profession and some roles within it will necessarily continue along reactive trajectories. Others will be more proactive, with professional accountants becoming more involved in conversations on the future of their organisations and emerging as leaders whose skills, knowledge, experience and insights will shape strategy.

Professional Accountants – The Future, ACCA June 2015



FIGURE 1: What attracted you to a career in the profession? (Top 5 factors)

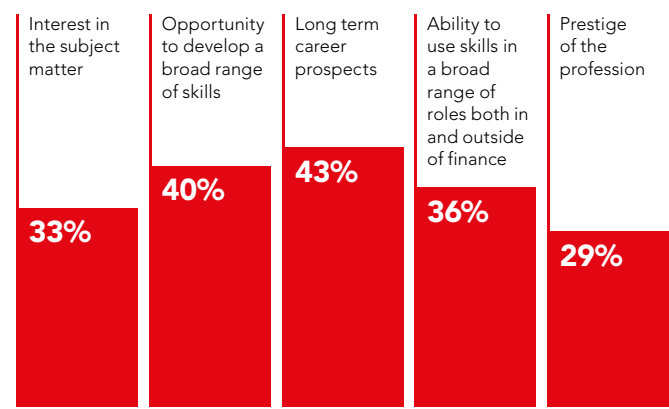


FIGURE 2: What attracted you to a career in the finance profession? (Top 5 – by age)

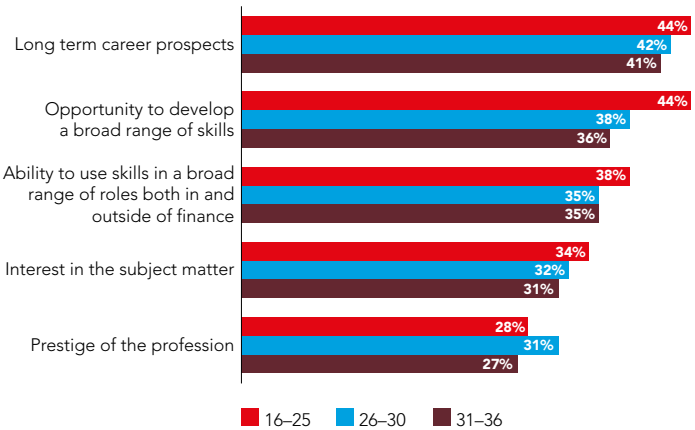
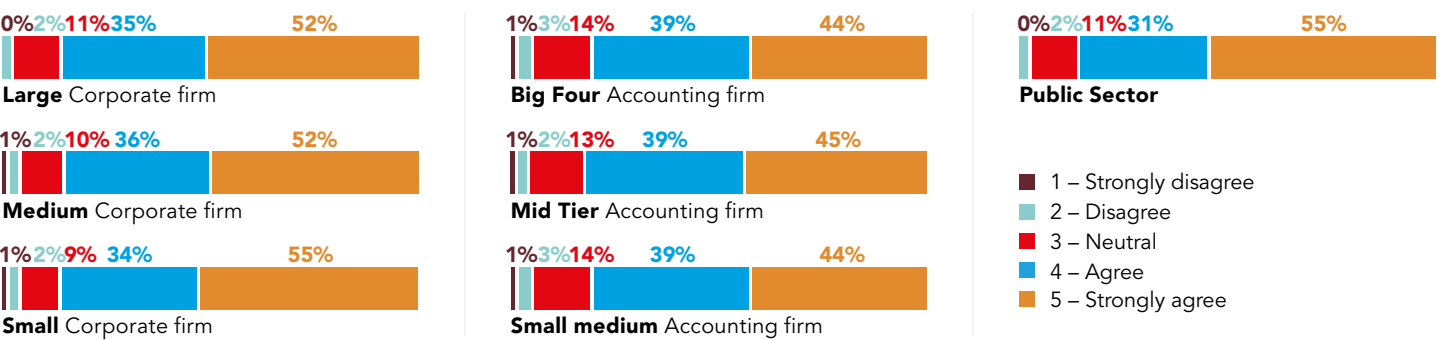
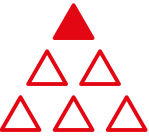
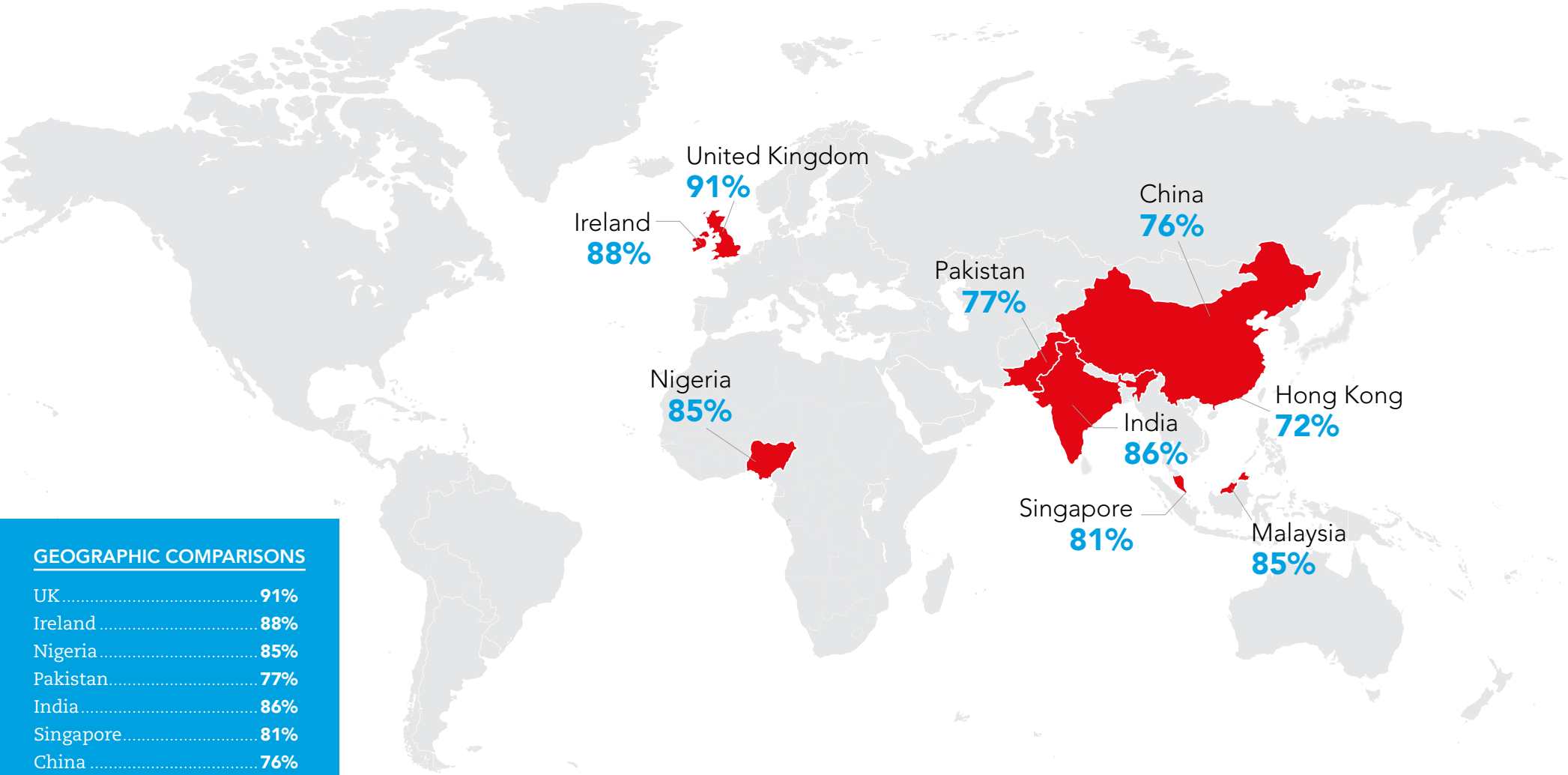


FIGURE 3: A finance career will be valuable for organisation leaders in the future (responses by key sectors)





GLOBALLY **85%** AGREE THAT FINANCE CAREER EXPERIENCE WILL BE VALUABLE FOR ORGANISATION LEADERS IN THE FUTURE



GEOGRAPHIC COMPARISONS

UK.....	91%
Ireland.....	88%
Nigeria.....	85%
Pakistan.....	77%
India.....	86%
Singapore.....	81%
China.....	76%
Hong Kong.....	72%
Malaysia.....	85%

2. GENERATION NEXT ARE VERY MOBILE



Young professionals understand the value of preparing for a career in finance but many do not see themselves staying in one job, or even sector or industry, for the majority of their careers. This is Generation ‘Now’ when it comes to mobility.

Almost 50% of respondents have been in their current role for less than two years; a minority (15%) have been in the same role for more than five years (Figure 5). More importantly the data suggests high aspirations for mobility. Over one-third of respondents say they would like to change jobs in less than a year, rising to 70% within two years.

Generation Next are also prepared to move externally to achieve their career goals with 61% expecting their next move to be outside their current organisation, and two-thirds expecting their next move to be a promotion. The implications for employer engagement and retention strategies could be significant, and suggests expectations need to be carefully managed. Tacit knowledge loss and high replacement costs are particular risks.

“Millennials, in general, express little loyalty to their current employers and many are planning near term exits.”

The 2016 Deloitte Millennial Survey “Winning over the next generation of leaders”

FIGURE 4: How quickly would you like to move to your next role? (All respondents)

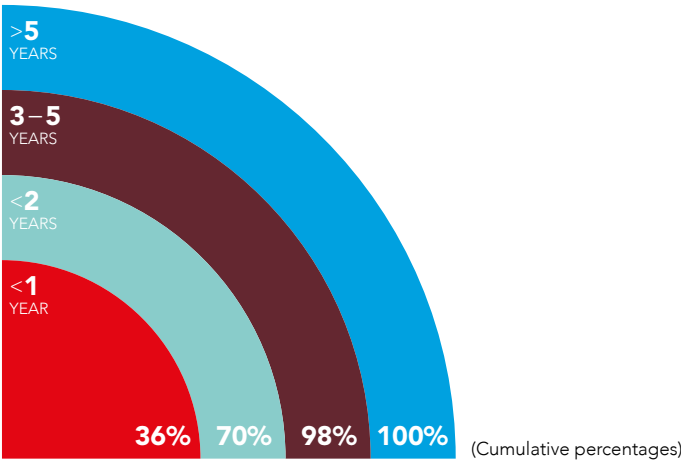


FIGURE 5: Length of time in current role (all respondents)



FIGURE 6: Do you expect your next career move to be internal or external?



FIGURE 7: Do you want your next role to be a promotion or are you happy for a sideways move?



Unsurprisingly, short tenure has a reasonably direct correlation with age; 70% of the youngest respondents have been in their current role less than two years, as compared with 37% of the oldest respondents. Tellingly, 49% of the 31–36 year age group have been in their role for over three years (Figure 8).

What is more interesting is that even with the expected pattern in tenure with older respondents being in their present role longer, there are few differences between the different age cohorts in terms of how quickly they wish to move to their next role, whether they wish to move internally or externally or indeed their expectations of promotion versus sideways moves (Figures 9, 10 and 11). It suggests older respondents remain equally ambitious, but perhaps reflects the increased practical difficulties of acquiring new roles as seniority increases. Considering the responses from respondents representing key sectors in the profession, individuals in large organisations are (unsurprisingly) more likely to see their next role as an internal move (Figure 12), presumably reflecting the increased opportunities they may have.

“Gallup data reveal that 21% of millennials report changing jobs within the last year which is more than three times the number of non-millennials who report the same.”

[How Millennials Want to Work and Live US Gallup Report 2016](#)

FIGURE 8: How long have you been in your current role? (By age)

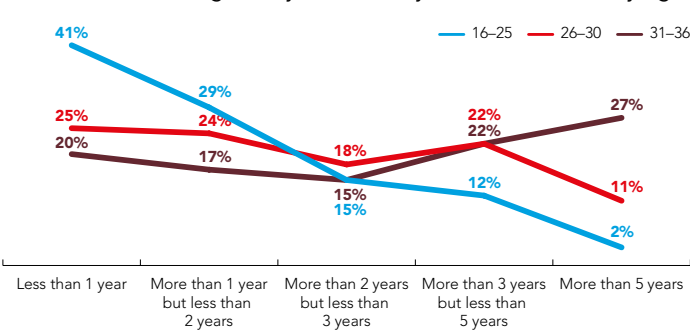


FIGURE 10: Do you want your next role to be internal or external? (By age)

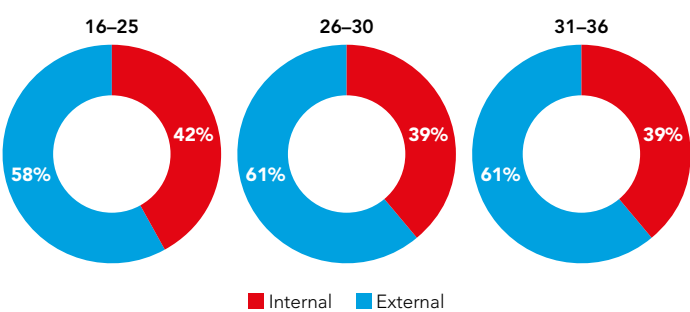


FIGURE 12: Do you want your next role to be internal or external (responses by key sectors)

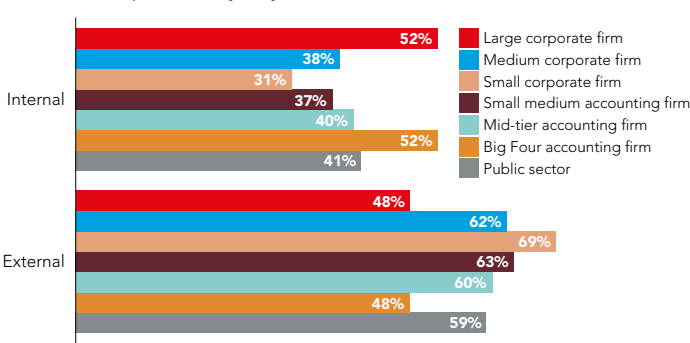


FIGURE 9: How quickly would you like to move to your next role? (By age)

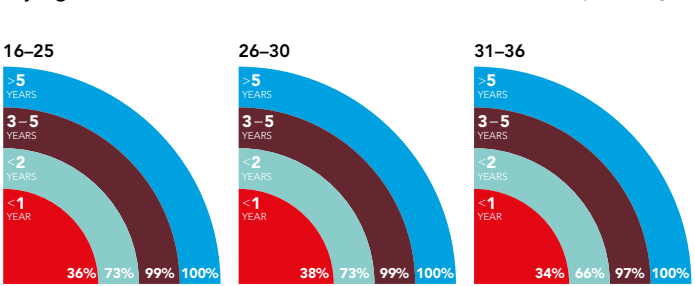


FIGURE 11: Would you like your next role to be a promotion or a sideways move? (By age)

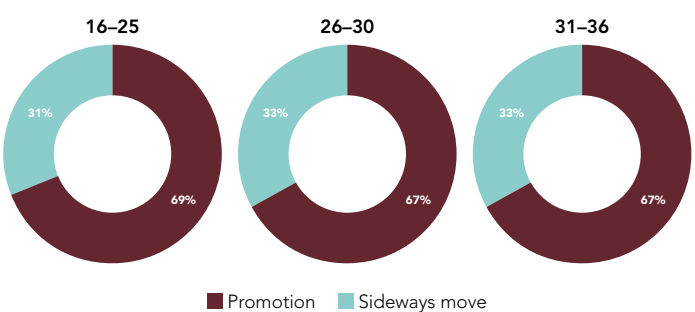
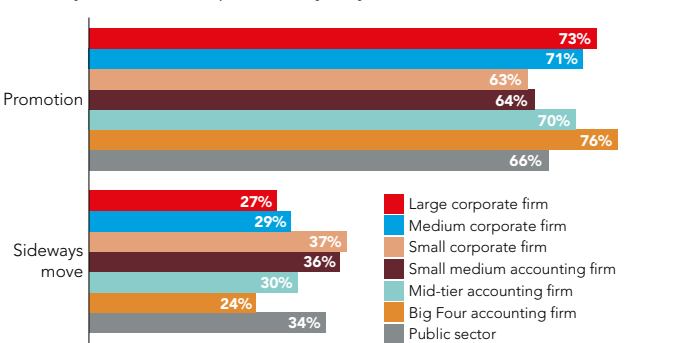


FIGURE 13: Do you want your next role to be a promotion or sideways move? (Responses by key sectors)



Respondents also see few barriers to moving sectors or type of organisation, with 73% of total respondents aiming to move sector at some point in the future (Figure 14 and Figure 15). Across key sectors in the profession, those in large corporate companies are least likely to want to move sector (38% happy to stay in the sector versus 27% overall).

Surprisingly, given the common perception of millennials’ supposed predilection for working in smaller, perhaps more agile organisations, ambitions of ‘moving up’ to larger organisations as a trend is also apparent (Figure 16). Are these ambitions a millennial ‘nod’ back to the traditional career perception that bigger is better? Is it a reflection of international mobility aspirations?

FIGURE 14: Would you like to change sector in the future? (All respondents)

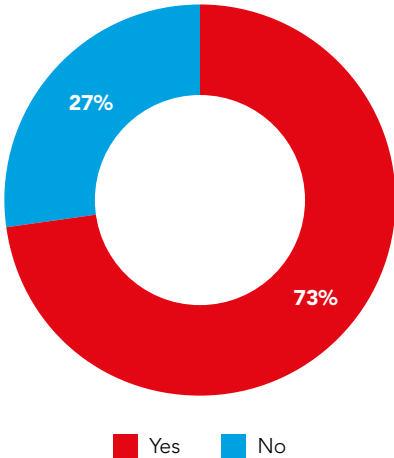


FIGURE 15: Would you like to change sector in the future? (Responses by key sectors)

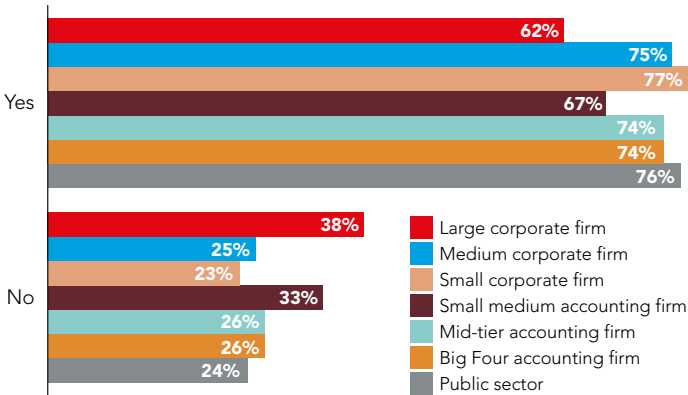
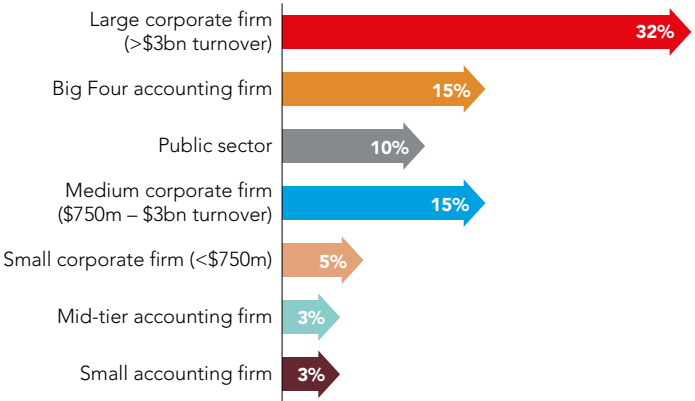


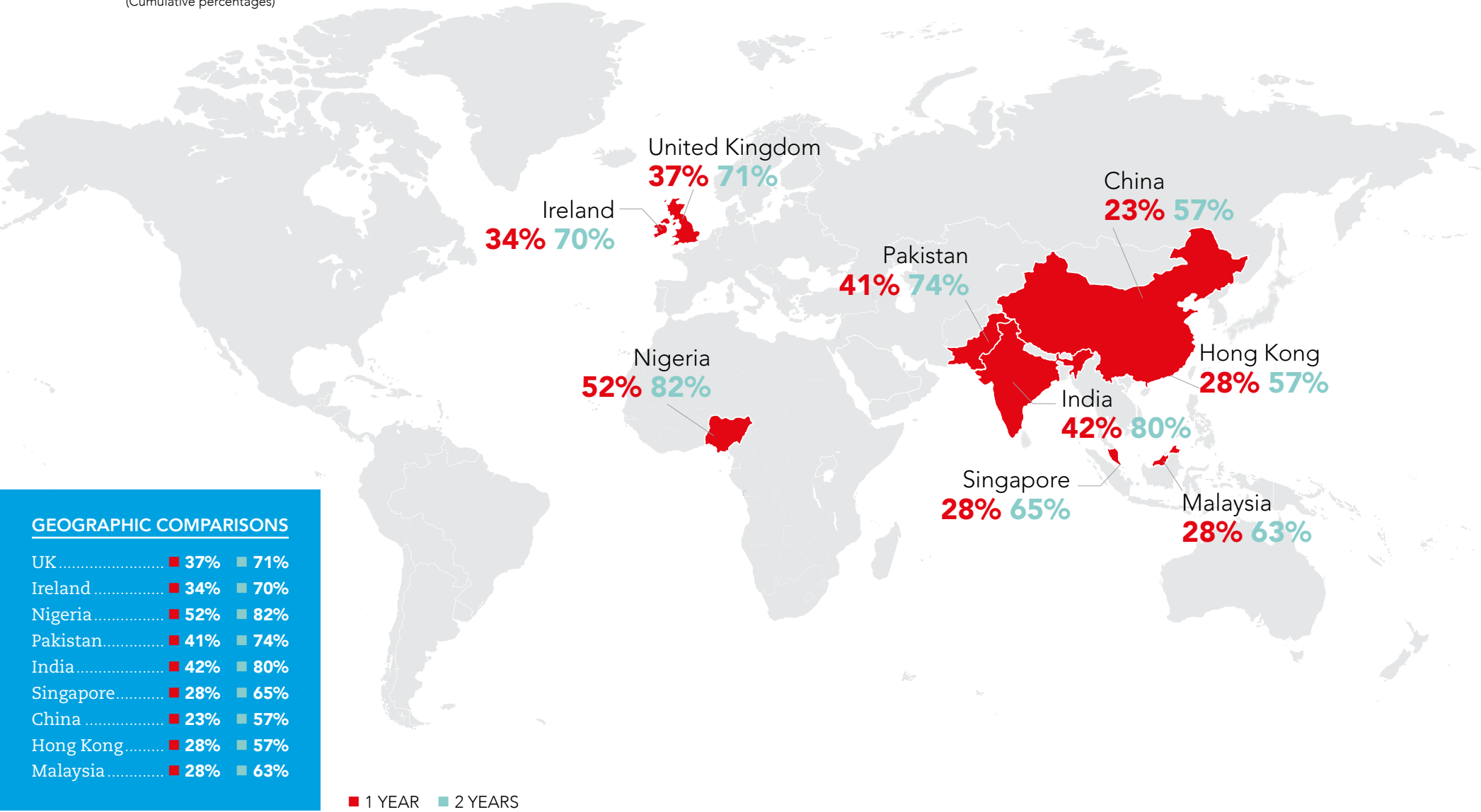
FIGURE 16: Which sector would you like to move to? (Percentage of respondents who identified the sector they would like to move to)





GLOBALLY 36% WOULD LIKE TO MOVE TO THEIR NEXT ROLE IN 1 YEAR AND 70% IN 2 YEARS

(Cumulative percentages)



3. PROGRESSION IS KEY FOR
ATTRACTION AND RETENTION

Generation Next are focused on developing their careers and attaining new capabilities. They have ambitions to move quickly, yet organisations who focus on providing opportunities to learn new skills, and clear progression opportunities may be better placed in winning the attraction and retention war. But other factors are important too.

The factors that keep Generation Next remaining with a particular employer are broadly similar to those that attracted them in the first place (Figure 17 and Figure 18). The opportunity to learn new skills and career progression opportunities top the list. Yet other factors are important too. Financial remuneration is ranked highly as both an attraction and retention factor which perhaps reflects the financial challenges this generation believe they face in the current economic climate. Interestingly the employer brand is ranked as the least important factor.



FIGURE 17: Most important factors attracting them to a particular employer

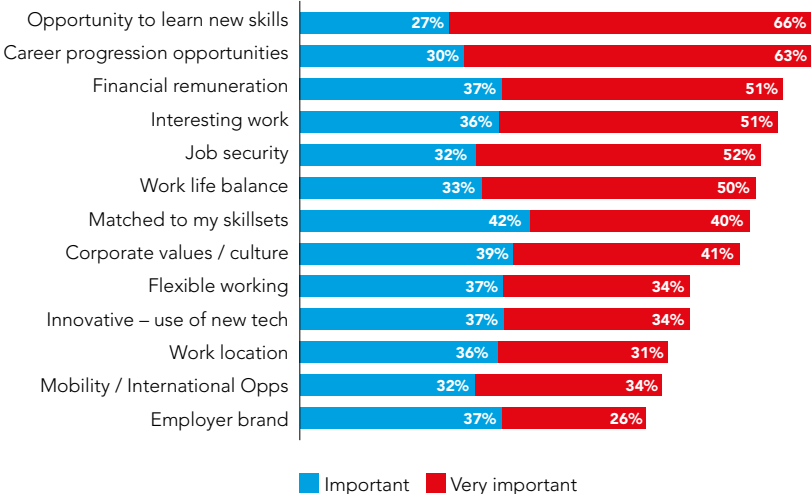
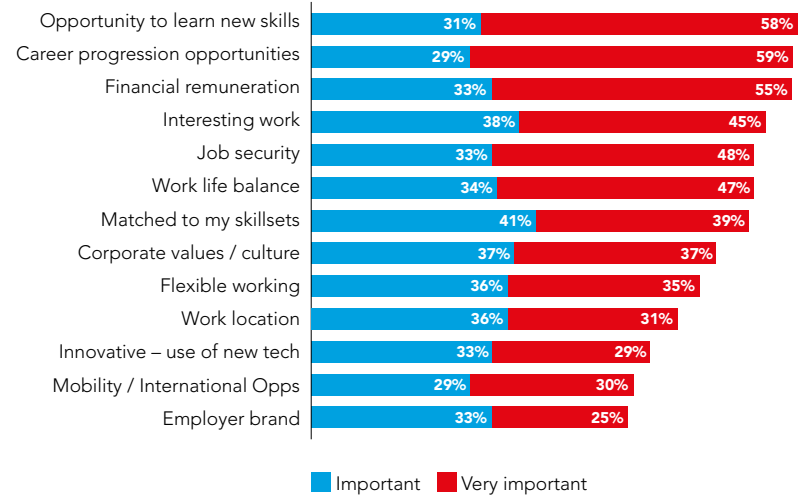


FIGURE 18: Most important factors keeping them with an employer



Some respondents however see significant barriers to career progression. Only a minority (38%) felt that their current organisation offered them sufficient opportunities to achieve their career goals, a data point that was remarkably consistent across age and gender parameters (Figure 19).

However, viewed by responses from key sectors in the profession, the data suggests larger organisations (particularly the Big Four accounting firms) and larger corporate firms score better (Figure 21). 60% of respondents from the Big Four accounting firms agreed or strongly agreed that their organisation offered sufficient career opportunities to help them achieve their career goals. Broadly the accounting firms scored better than corporate organisations. It is the public sector that scored the lowest out of these key sectors.

FIGURE 19: My current organisation offers sufficient career opportunities to achieve my career goals

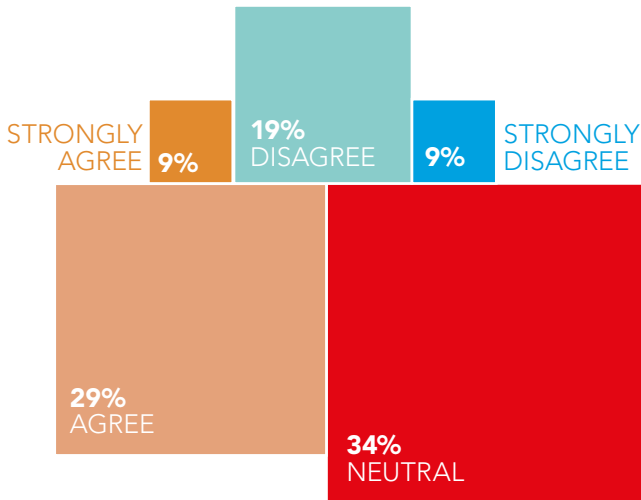


FIGURE 20: Career paths are transparent at my organisation

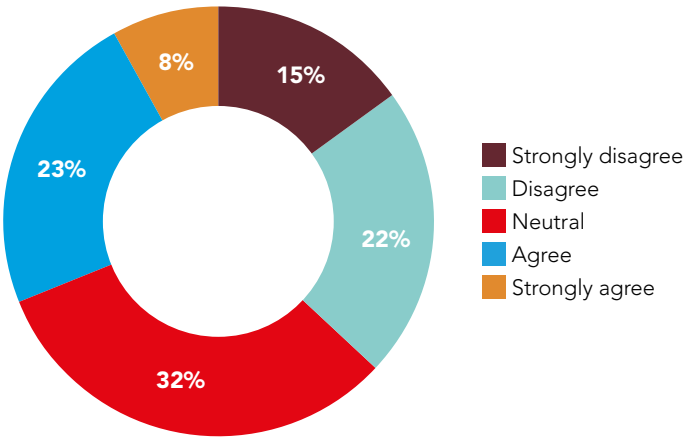
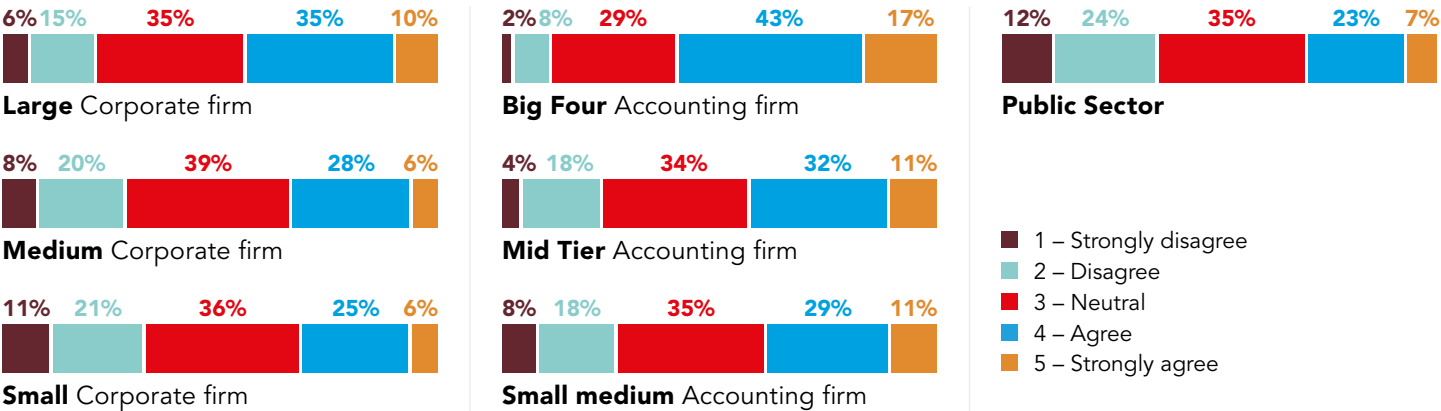


FIGURE 21: My current organisation offers sufficient career opportunities to achieve my career goals (responses by key sectors)



Generation Next professionals clearly see a range of challenges in terms of career progression (Figure 22) and again these responses were reasonably consistent when we considered responses from respondents in key sectors (Figure 23). Not enough capacity in the organisation, or roles they want available is cited as the primary impediment, which may be a reflection of changing career path ambitions. The problem is compounded given their desire for promotion rather than sideways moves. Adding to the issue are concerns over transparency of career paths, an issue previously noted in ACCA's work on talent management.²

Other important impediments were noted too, including insufficient reward as well as learning opportunities, yet these are also issues identified as important for both attraction and retention.

FIGURE 22: Career progression barriers

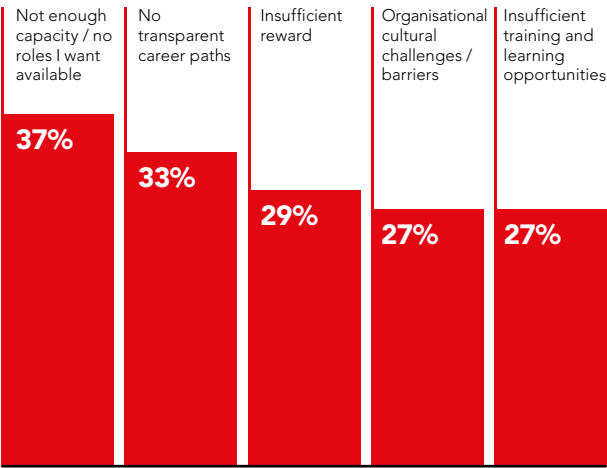
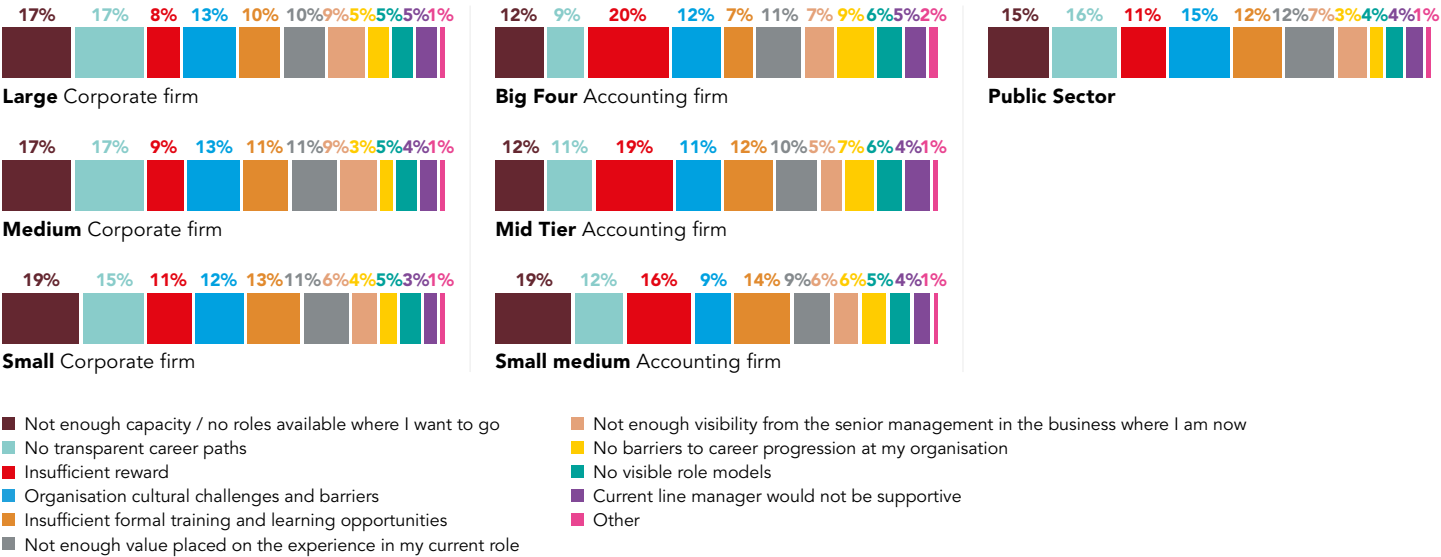
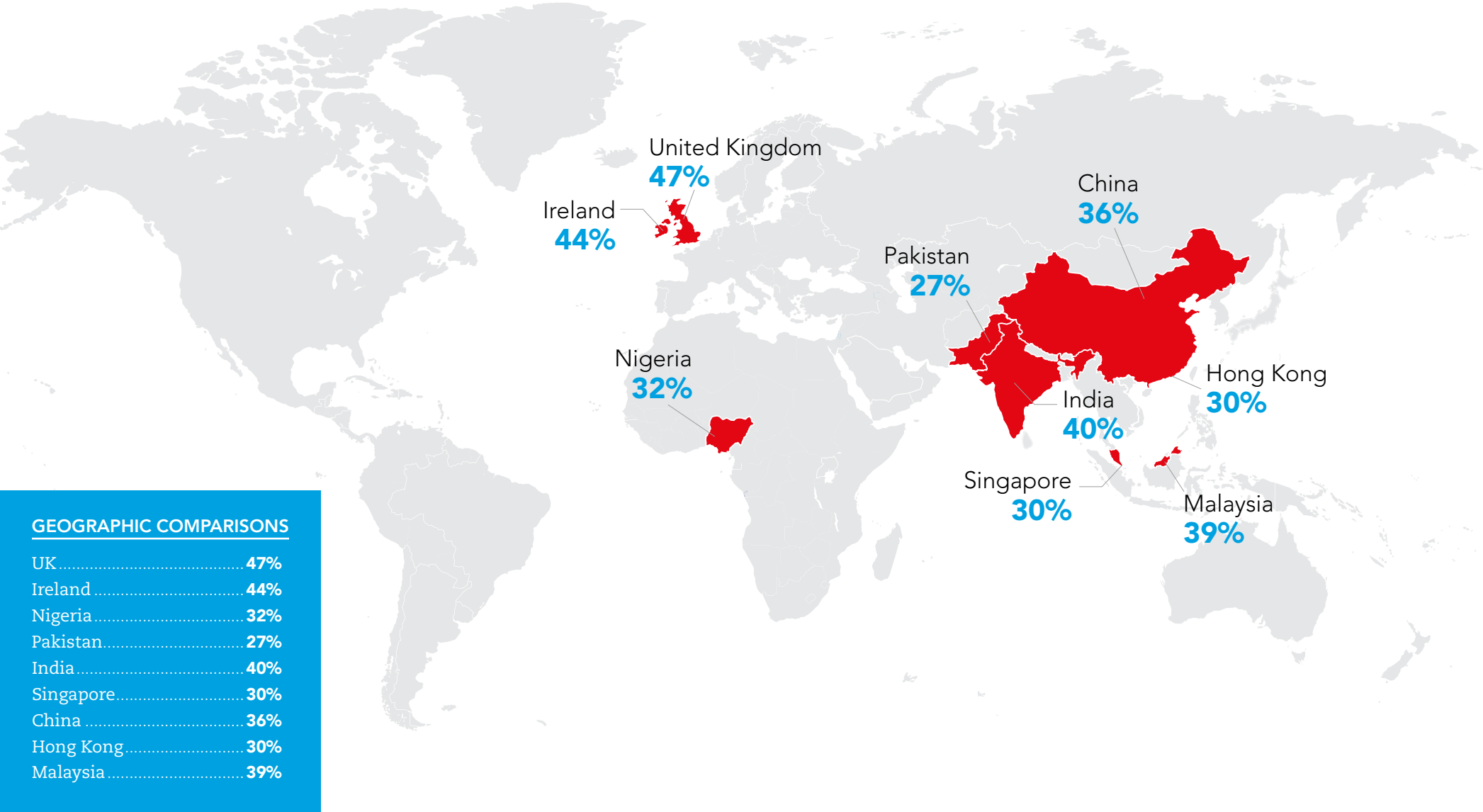


FIGURE 23: Career progression barriers (by sector)





GLOBALLY **38%** AGREE THEIR CURRENT ORGANISATION OFFERS SUFFICIENT OPPORTUNITIES TO ACHIEVE THEIR CAREER GOALS



**GENERATION NEXT:
SHE WANTS WHAT HE WANTS**

Gender is not an issue for understanding Generation Next finance professionals.

Females and males are generally in agreement when it comes to the attractiveness of the profession, the roles they hold, job satisfaction, and career aspirations. Both are attracted to the finance profession for the same reasons, with long-term career prospects being most important (Figure 24). Their career progression to date is the same, with both genders proportionately in the same roles in a similar number of organisations and with a similar degree of job satisfaction. Men are slightly more likely to pursue a role internationally compared to women, and the data suggests men are more likely to want to start their own business (Figure 25 and 26).

FIGURE 24: What attracted you to a career in finance?

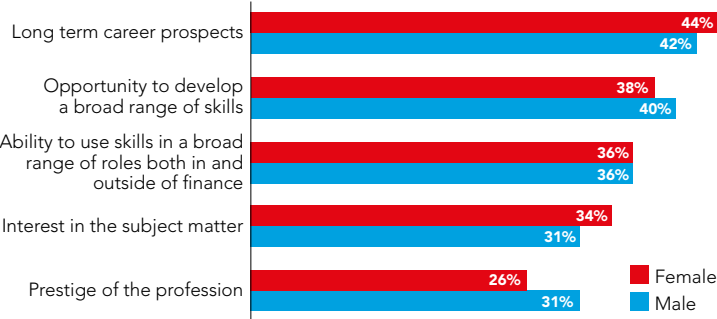


FIGURE 25: Would you like a role in a different country / region?

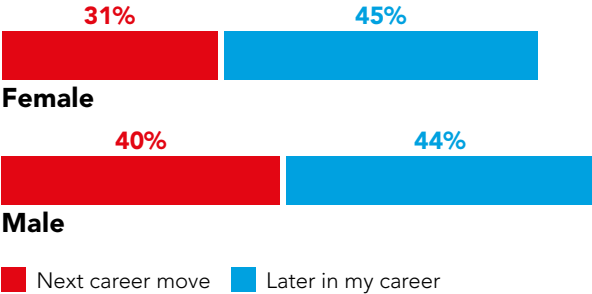
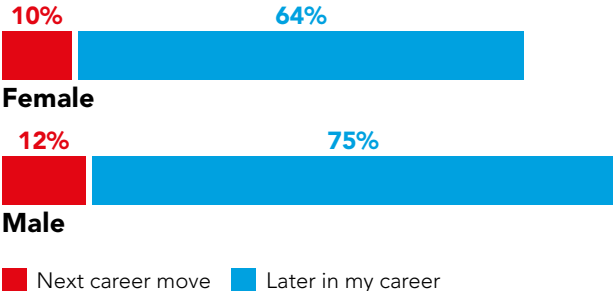


FIGURE 26: Would you like to start your own business at some point?



4. INTERNATIONAL ROLES ARE PART OF THEIR CAREER STRATEGY



In this study 80% of respondents expressed a desire to move to another country or regional role at some point. Over one third see themselves pursuing a role in a different country in their next move, while 44% plan to move to another country or region later on in their careers.

The results suggest the next generation in finance understand the global context in which their careers are taking place. They see the value of international experience and recognise the career benefits that exposure to globalisation brings. The youngest cohort (16 – 25) were more likely to desire a role in a different country compared to their older counterparts in the 31 – 36 age bracket (85% versus 72%) (Figure 28). Men were slightly more likely to seek a role in a different country (84% versus 76%) (Figure 27). Some slight differences were noted with respondents representing key sectors (Figure 29). However even in light of these aspirations, international mobility is not seen as a priority attraction or retention influencer. Naturally the desire for international roles may present particular challenges to smaller organisations that do not have international operations.

“A survey of 750 chief financial officers (CFOs) and other finance leaders identified exposure to global operating environments and cross-cultural, cross-market business and finance experience as key career markers for aspirational ‘would-be’ CFOs to acquire.”

ACCA and IMA research, 2013 report
Future Pathways to Finance Leadership

80% DESIRE A ROLE IN A DIFFERENT COUNTRY OR REGION

36% in next move
44% later on in their careers

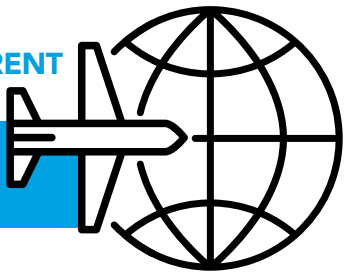


FIGURE 27: Would you like a role in a different country / region?

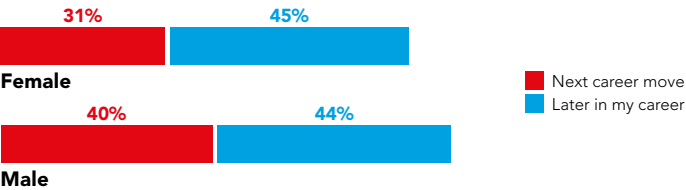


FIGURE 28: Global mobility (by age)

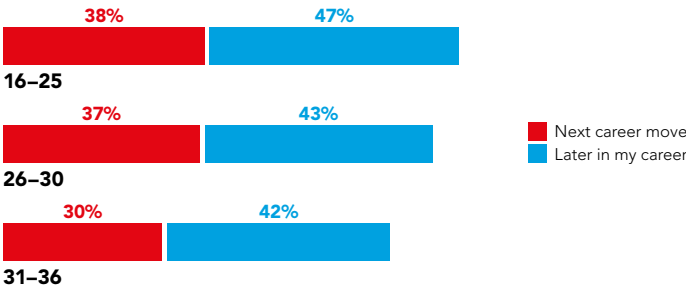
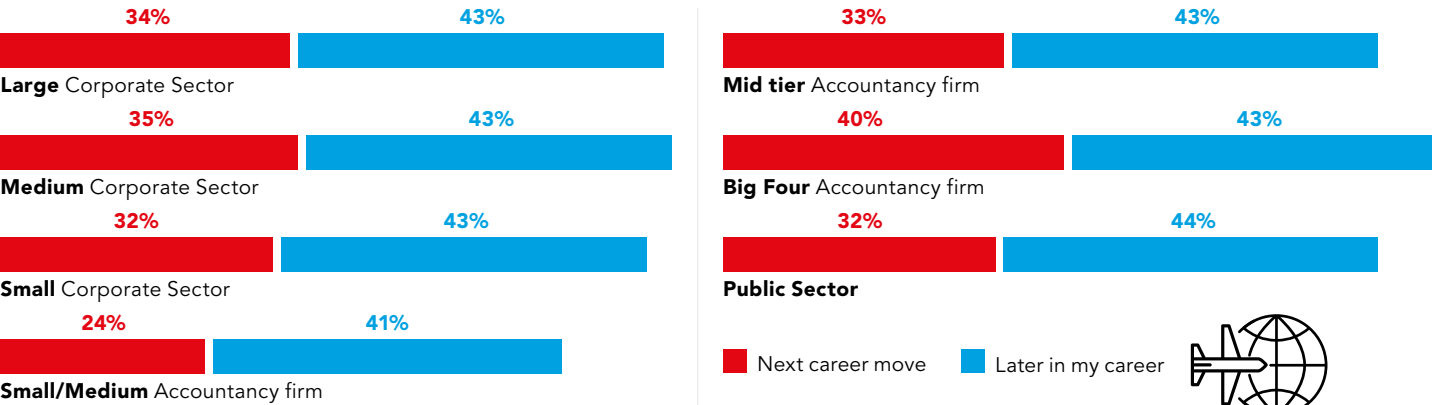
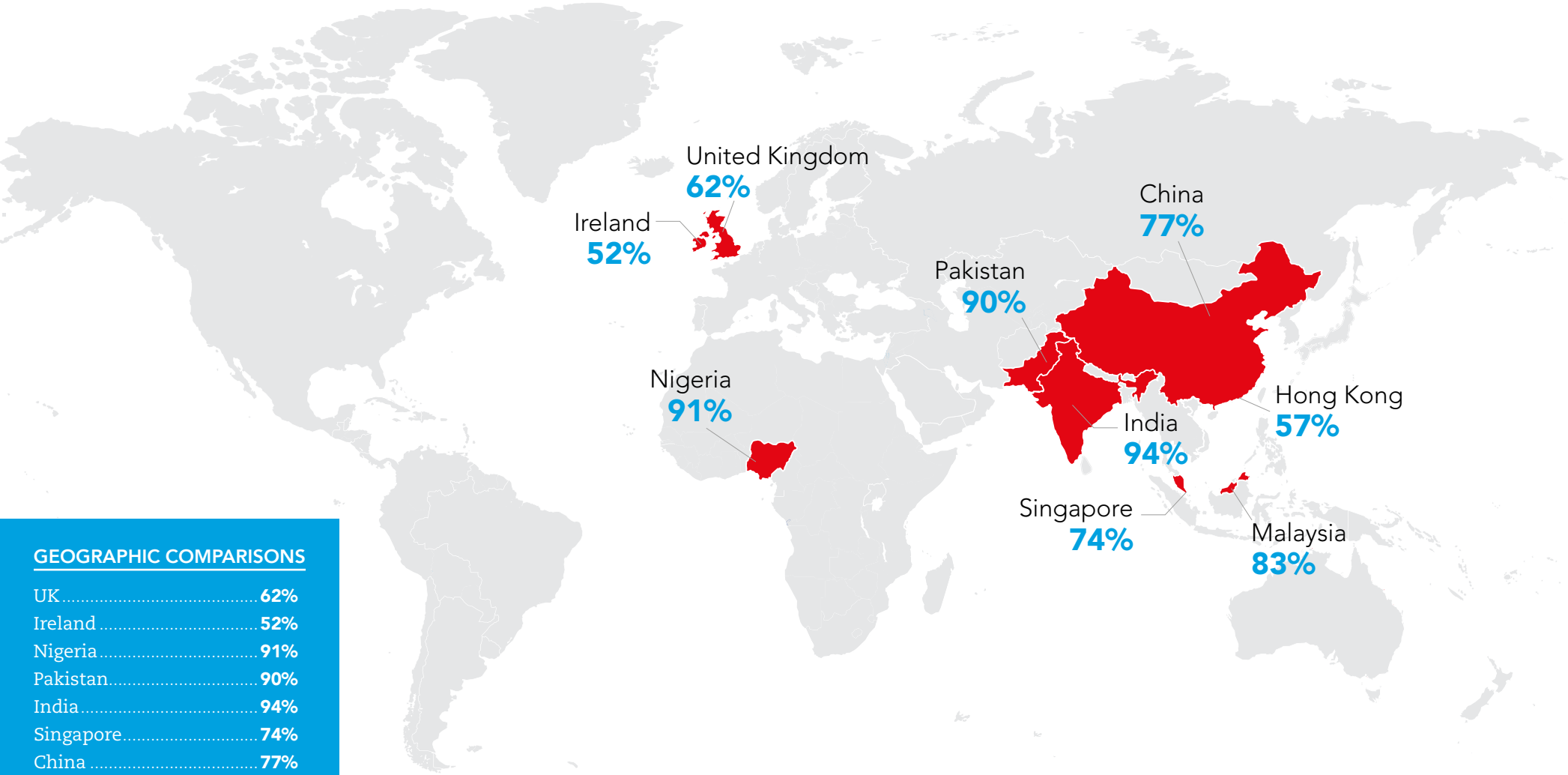


FIGURE 29: Global mobility aspirations (responses by key sectors)





GLOBALLY **80%** DESIRE A ROLE IN A DIFFERENT COUNTRY OR REGION



GEOGRAPHIC COMPARISONS

UK	62%
Ireland	52%
Nigeria	91%
Pakistan	90%
India	94%
Singapore	74%
China	77%
Hong Kong	57%
Malaysia	83%

Significant differences are apparent between different countries in relation to global mobility aspirations. In emerging markets such as India, Pakistan and Nigeria respondents were more likely to seek roles internationally.

5. A FINANCE CAREER IS NOT NECESSARILY THE “END GAME”



Experience in the finance profession is seen as valuable training and as a passport for a range of career possibilities in the profession, but beyond as well.

Across all respondents, 90% are looking for a more senior role in their next job or later in their careers within their current area, 87% have aspirations to lead a finance and accounting team (48% in their next career move) and 79% agreed or strongly agreed that they saw a long term future in the profession. This is a generation who appreciate the opportunities afforded by a finance and accounting career to attain a broad range of valuable skills in the profession.

Even so, this does not preclude the fact that they may ultimately want to move out of the profession at some point; a lifelong career in finance and accounting may not always be the “end game” – 60% suggest they may leave the profession for a more general business role at some point, and a remarkable 81% suggest they may wish to eventually start their own business. In addition 37% suggested they may want a role entirely outside of business and 62% agreed or strongly agreed that more finance professionals in the future would want to become entrepreneurs rather than pursue a traditional finance career. Men are more likely to want to start their own business than women, but the differences by age and responses from key sectors were marginal. The data suggests Generation Next are thinking about many different career options in and beyond the profession.

81% WOULD LIKE TO EVENTUALLY START THEIR OWN BUSINESS



FIGURE 30: Would you like to pursue a role outside of finance / the accountancy profession into business?

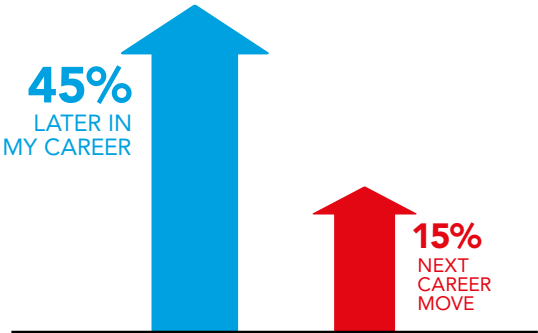


FIGURE 31: Would you like to start your own business at some point? (By gender)

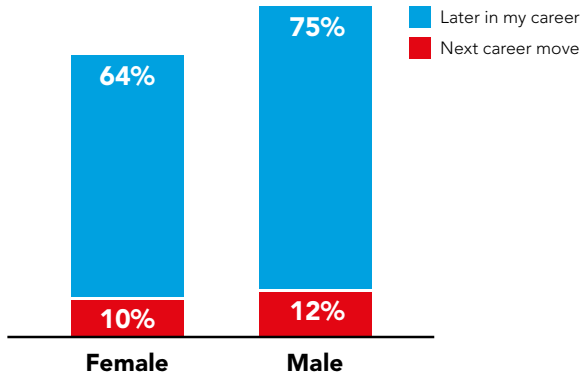
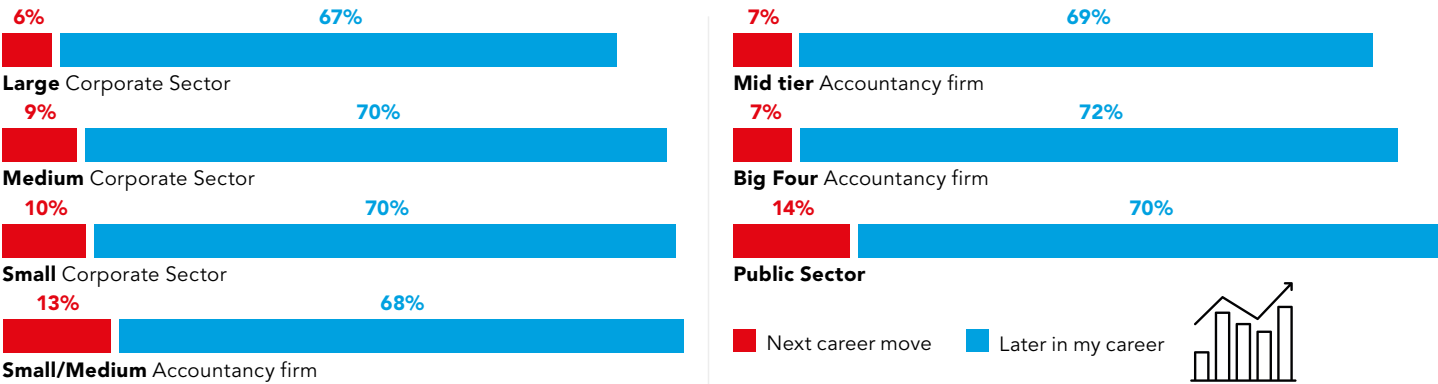


FIGURE 32: Would you like to start your own business at some point? (Responses by key sectors)





GLOBALLY **81%** WOULD LIKE TO EVENTUALLY START THEIR OWN BUSINESS

A QUESTION OF TIMING?

Contrary to the popular myth of millennials as the most entrepreneurial generation in recent history, according to *The Atlantic*, the share of people in the US under 30 who own a business has fallen by 65% since the 1980s and is at a quarter century low, according to a Wall Street Journal analysis of Federal Reserve Data. The only age group with rising entrepreneurial activity in the last two decades is people between 55 and 65. The article suggests student debt and less risk taking as potential primary causes.

The Atlantic, July 6 2016

GEOGRAPHIC COMPARISONS

UK	68%
Ireland	61%
Nigeria	96%
Pakistan	89%
India	78%
Singapore	76%
China	56%
Hong Kong	55%
Malaysia	82%

Respondents from emerging markets were generally more likely to indicate entrepreneurial ambitions than those in mature markets.

6. CURRENT ROLES PROVIDE SOME SATISFACTION

It is jumping to conclusions to assume that Generation Next professionals are unhappy in their current roles: the data suggests a more positive view.

Even though they aspire to change jobs often, the good news is that 48% of respondents define themselves as satisfied or very satisfied. Perhaps part of their satisfaction can be explained by the strengths of the relationships they have with their managers and colleagues (Figure 35 and 36). There seems to be no distinct difference by age, although those at the upper end of Generation Next are slightly more satisfied with their current roles.

The survey data suggests that Generation Next generally have a good work life balance in their current roles with half either agreeing or strongly agreeing with the sentiment (Figure 33). This is particularly important given the relative importance Generation Next place on work life balance both as an attraction and retention factor.

RELATIONSHIPS BETWEEN MANAGERS AND MILLENNIAL EMPLOYEES

When we asked (managers) how they would describe the relationships they have with their employees, 55% said mostly positive and 35% extremely positive. Of the millennial employees surveyed, 90% said they generally respected their supervisor.

Cause, Influence & the Next Generation Workforce
The 2015 Millennial Impact Report



FIGURE 33: My current role provides a good work-life balance

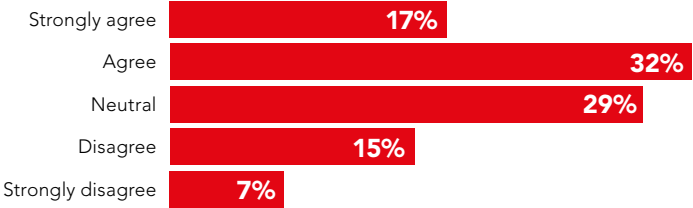


FIGURE 34: My current role provides a good work life balance (responses by key sectors)

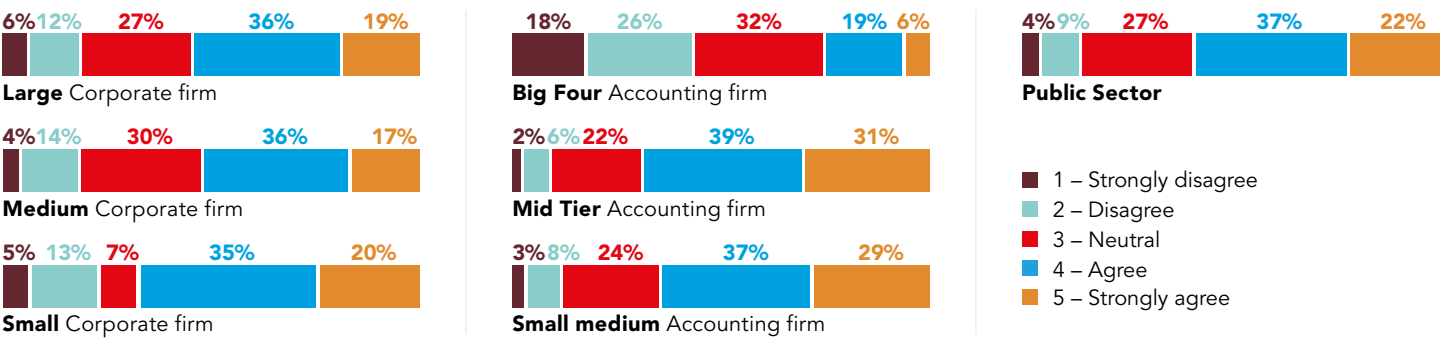


FIGURE 35: I have a strong relationship with my line manager

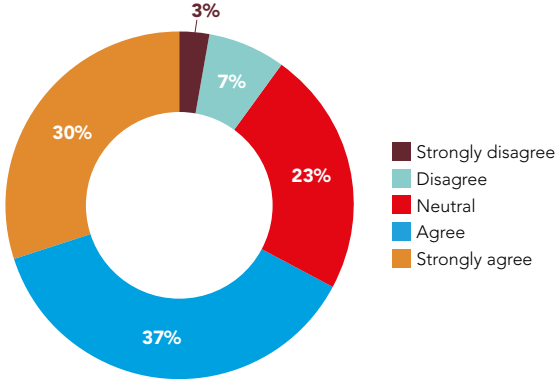
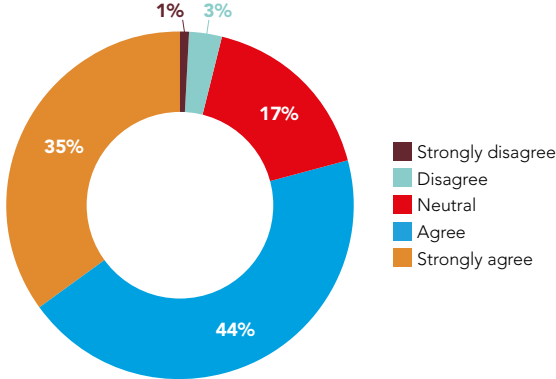


FIGURE 36: I have a strong relationship with my team colleagues



Remuneration however presents a slightly different story: 32% of respondents agree or strongly agree they are satisfied with their current compensation yet 35% disagree or strongly disagree (Figure 37). Additionally 50% of respondents disagreed or strongly disagreed they would sacrifice some pay for working fewer hours. Looking at the responses from key sectors in the profession, satisfaction with remuneration varies considerably. Those in small and medium, and mid-tier accountancy firms are more satisfied, while those in the Big Four are least satisfied. Respondents in small and medium-sized companies also express a higher level of dissatisfaction, and approximately only one-third of public sector professionals are happy with their pay (Figure 38). This view on remuneration by sector is significant given its importance in attracting and retaining Generation Next.



FIGURE 37: The role provides a remuneration level I am happy with

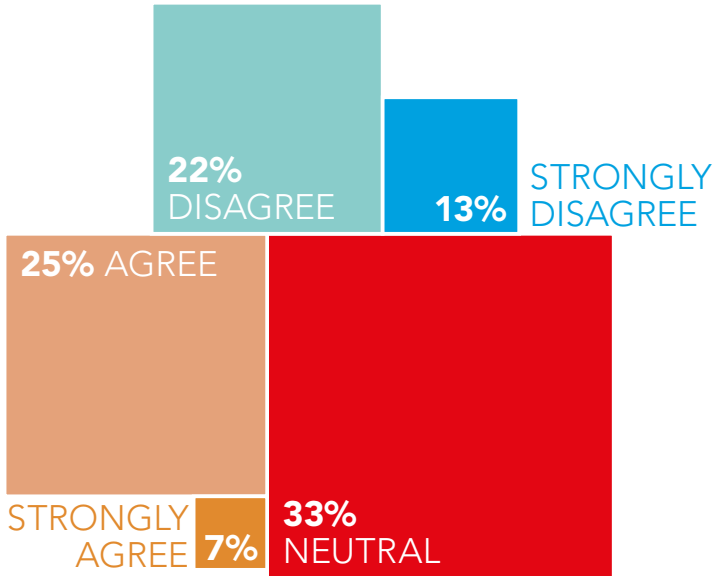
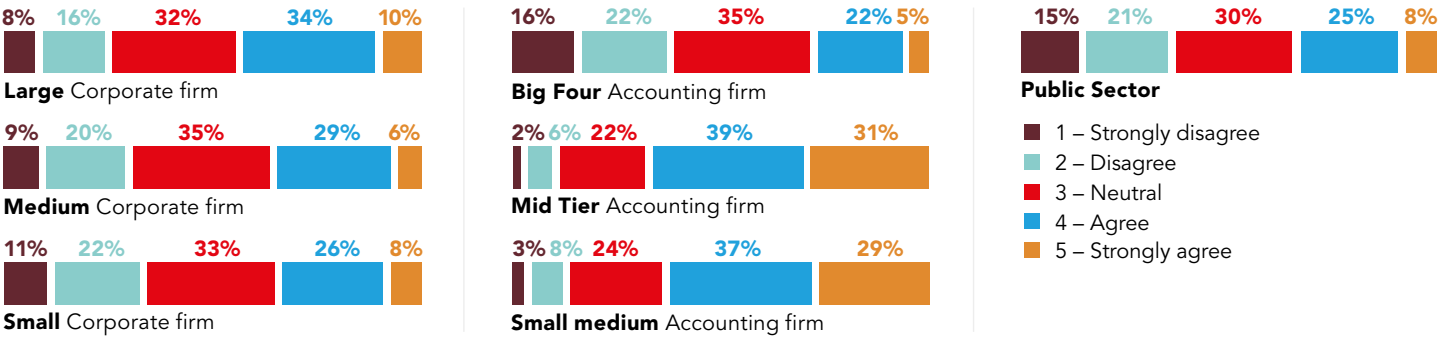
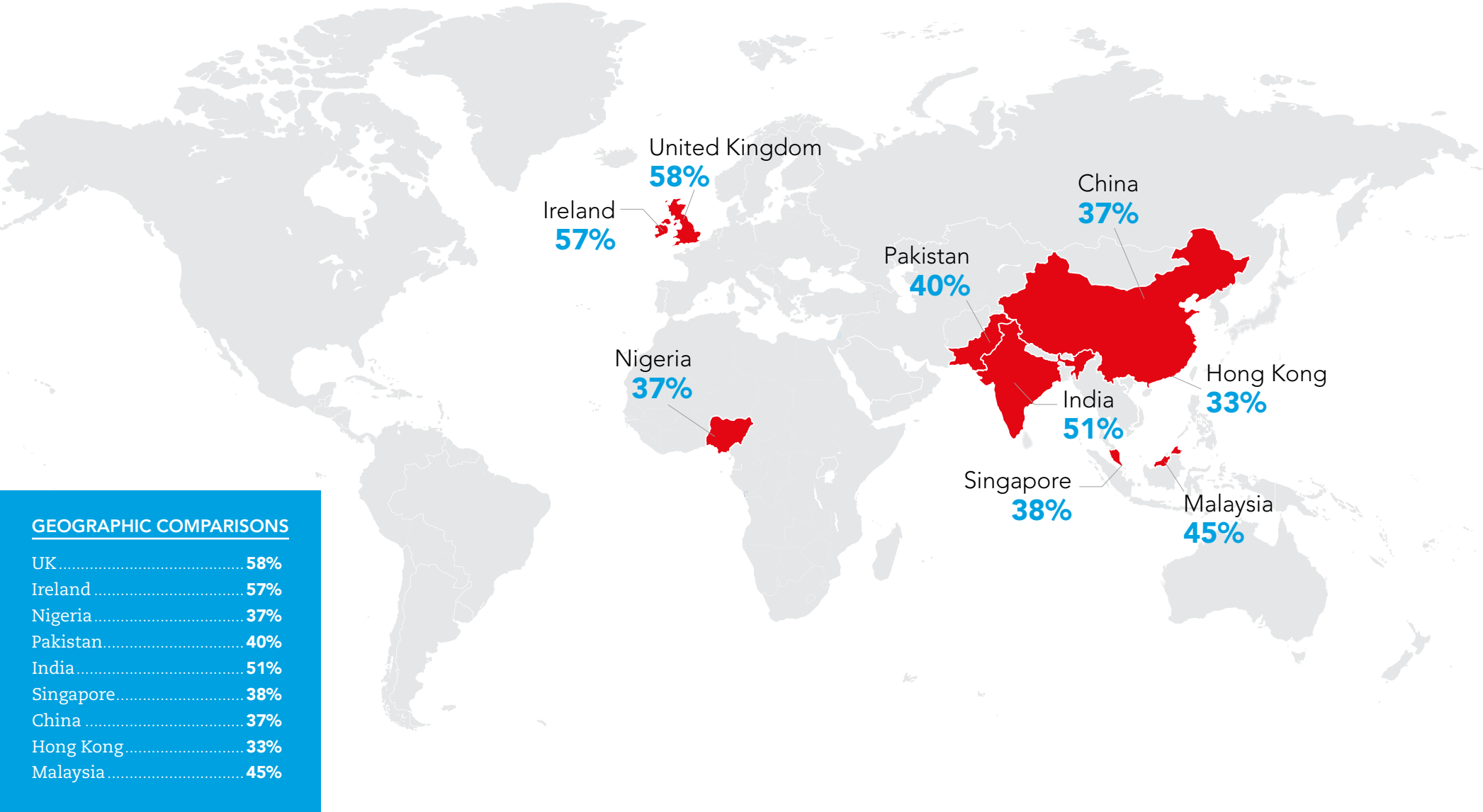


FIGURE 38: The role provides a remuneration level I am happy with (responses by key sectors)



✓

GLOBALLY 48% ARE SATISFIED WITH THEIR CURRENT ROLE



7. EXPERIENTIAL LEARNING IS MOST VALUABLE



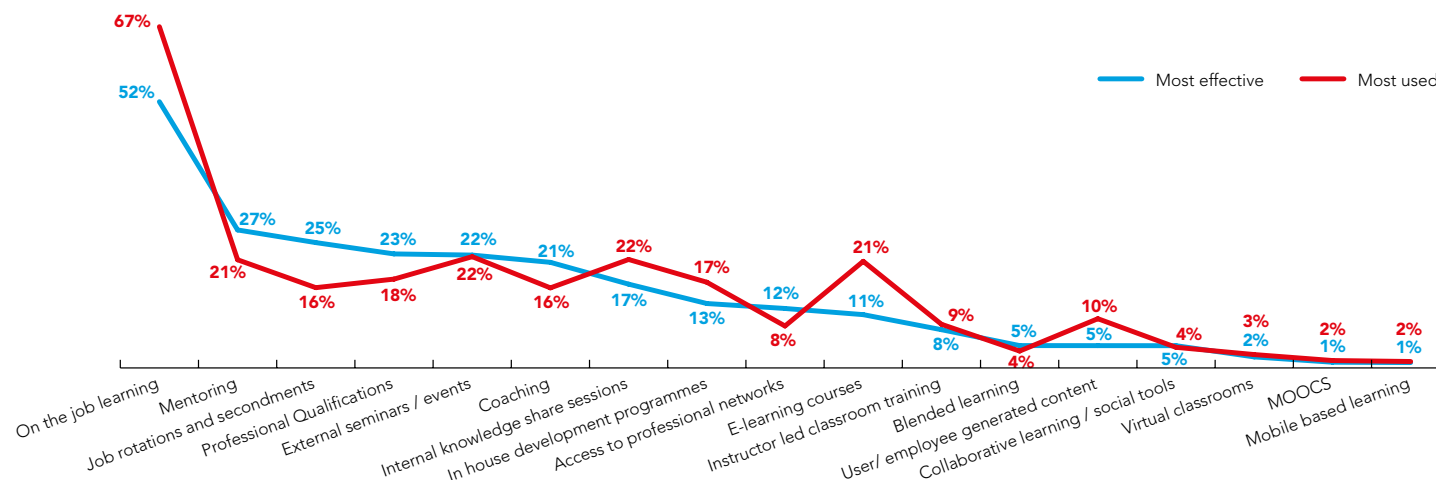
Generation Next want to learn, and it's on the job learning that is seen as most beneficial in supporting their career development. This is a generation who place a high premium on the skills that can be attained in the workplace.

The data confirms the criticality of real-life experience for Generation Next's career success. On-the-job learning ranks as the most effective intervention, but respondents identify mentoring, job rotations and professional qualifications as relatively important too. These results were remarkably similar irrespective of age, gender, or sector.

Personalised training interventions such as mentoring (ranked 2nd in effectiveness) and coaching (ranked 6th in effectiveness) are identified as slightly more effective interventions for career development. Personalised interventions such as mentoring can bring a more focused individual approach to helping career development and supporting lifelong learning.

Professional qualifications are ranked 4th out of 17 learning interventions. Given the focus on experiential learning, professional qualifications that incorporate practical scenarios are likely to be beneficial learning interventions. Qualifications must also adapt and evolve to keep pace. When asked specifically about technology based learning tools, e-learning was still identified as the most beneficial.

FIGURE 39: The most effective learning activities for career development versus those most used by employers



DOES THE 70 : 20: 10 RULE STILL APPLY?

For decades the **70 : 20: 10 rule** has been a commonly accepted model for learning and development. It holds that individuals gain **70%** of their knowledge from job related experiences, **20%** from social learning with colleagues, and just **10%** through formal learning such as classroom training or on-line. Generation Next preferences in this data seem broadly aligned.

ENCOURAGE MENTORSHIP

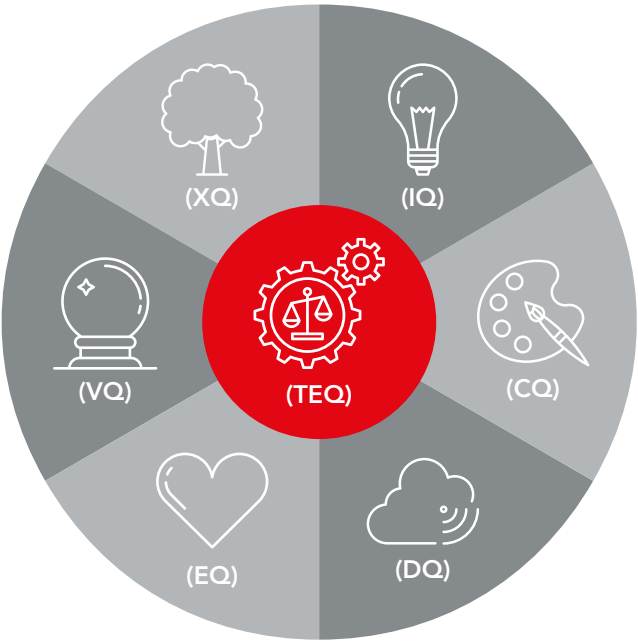
In a recent LinkedIn article, Deloitte Global CEO Punit Renjen said:

“There is really no secret (to success) and there surely are no shortcuts. In my case it was a pretty simple equation: hard work + some lucky breaks + great mentors.”

Excerpt from The 2016 Deloitte Millennial Survey

ACCA's recent research, *Professional Accountants – The Future*, suggested future professional accountants need a continually developing combination of professional competencies (quotients) at their disposal – technical knowledge, skills and ability combined with interpersonal behaviour and qualities. Many of these capabilities can be harnessed through effective on the job learning interventions, complimented by personalised training and relevant professional qualifications.

FIGURE 40: Professional quotients for success (PQ)

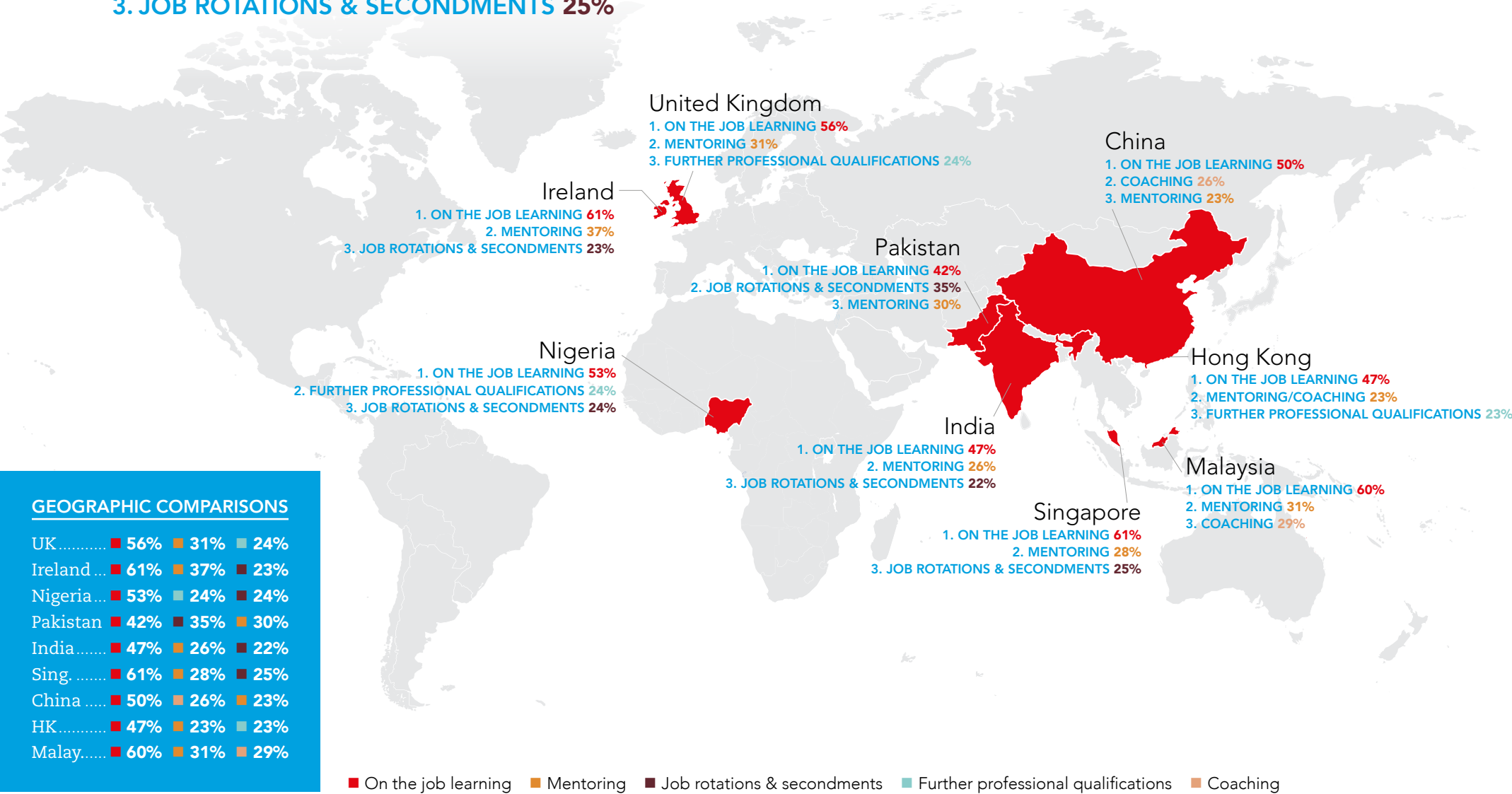


- Technical skills and ethics (TEQ):**
The skills and abilities to perform activities consistently to a defined standard while maintaining the highest standards of integrity, independence and scepticism.
- Intelligence (IQ):**
The ability to acquire and use knowledge: thinking, reasoning and solving problems.
- Creative (CQ):**
The ability to use existing knowledge in a new situation, to make connections, explore potential outcomes, and generate new ideas.
- Digital (DQ):**
The awareness and application of existing and emerging digital technologies, capabilities, practices and strategies.
- Emotional intelligence (EQ):**
The ability to identify your own emotions and those of others, harness and apply them to tasks, and regulate and manage them.
- Vision (VQ):**
The ability to anticipate future trends accurately by extrapolating existing trends and facts, and filling the gaps by thinking innovatively.
- Experience (XQ):**
The ability and skills to understand customer expectations, meet desired outcomes and create value.



GLOBALLY THE LEARNING ACTIVITIES CONSIDERED MOST EFFECTIVE:

- 1. ON THE JOB LEARNING 52%
- 2. MENTORING 27%
- 3. JOB ROTATIONS & SECONDMENTS 25%



8. TECHNOLOGY IS SEEN AS AN OPPORTUNITY



For a generation who have grown up with significant advances in technology, it is perhaps not surprising they see benefits from the increasing adoption of new technologies in the workplace.

ACCA research³ has previously identified 10 technology trends with the potential to reshape the business and accountancy landscape in the future. As interest in emerging technologies in the workplace grows, this Generation are well placed to drive innovation in the business.

FIGURE 41: Technology will replace many entry roles in the profession

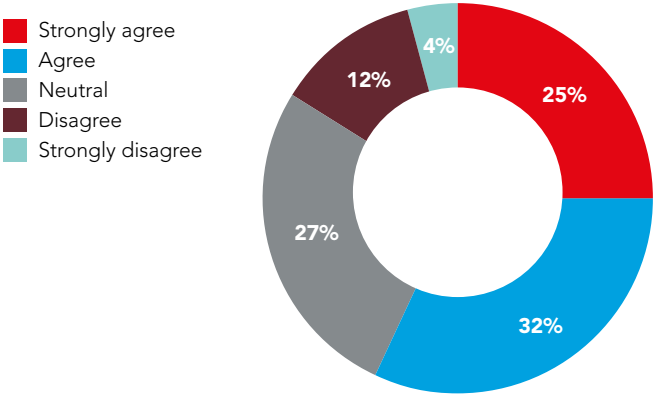


FIGURE 42: Technology will enable finance professionals to focus on much higher value added activity

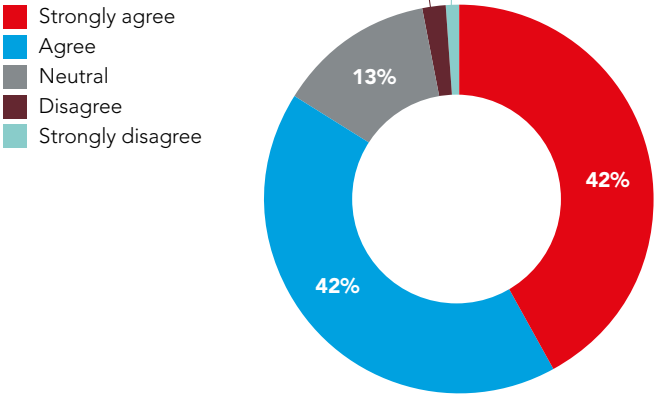
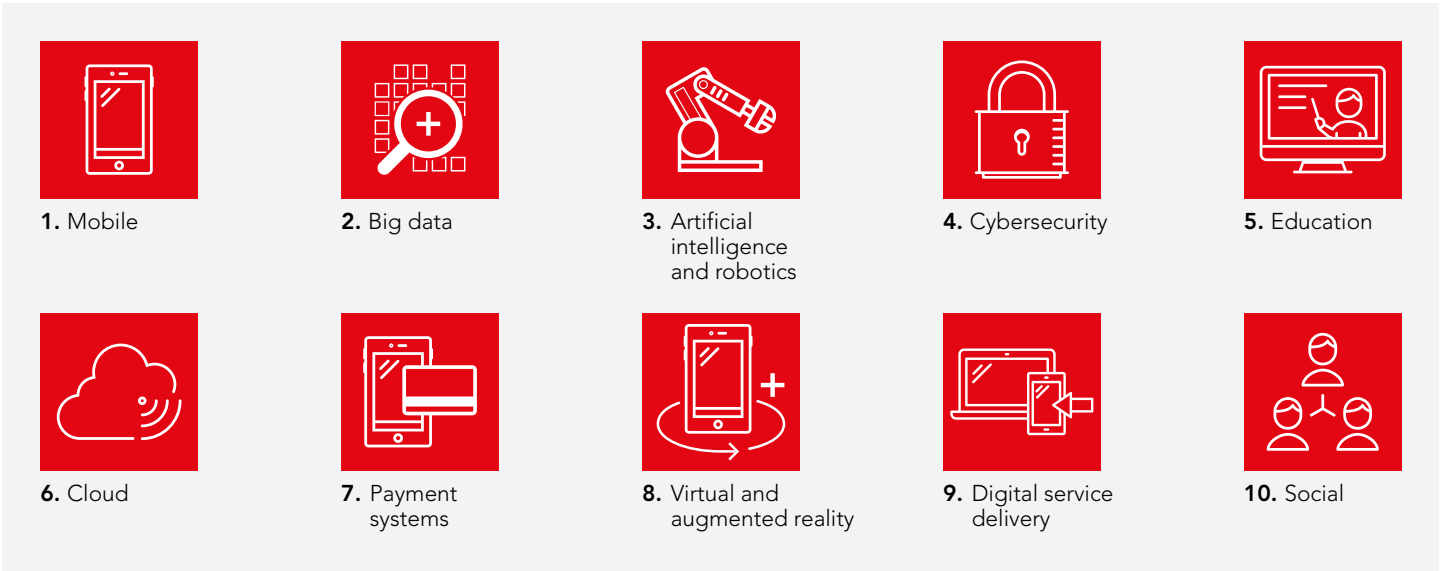


FIGURE 43: Top 10 technologies reshaping the business and accountancy landscape



³ Digital Darwinism: thriving in the face of technology change, ACCA 2013

With increasing attention on the application of “robotic” software across the profession, this is a generation who broadly expect to see more automation taking place. They expect some displacement of more junior level roles across the profession, but also recognise that technology will enable finance professionals to focus on much higher value added activity. These results were broadly consistent irrespective of age, gender and key sectors (Figure 44 and 45).

TRANSFORMED BY TECHNOLOGY

The practice of accounting and the competencies professional accountants require are also being reshaped by trends in digital technologies and their impact on business. Over the next decade, information technology (IT) will be transformational. For example, smart software and systems will replace manual bookkeeping and accounting work (such as expenses processing) and automate complex and multifaceted processes (such as the financial close). IT will also support both greater outsourcing of services and their return to in-house control.

Professional Accountants – The Future, ACCA June 2015

FIGURE 44: Technology will replace many entry level roles in the profession (responses by key sectors)

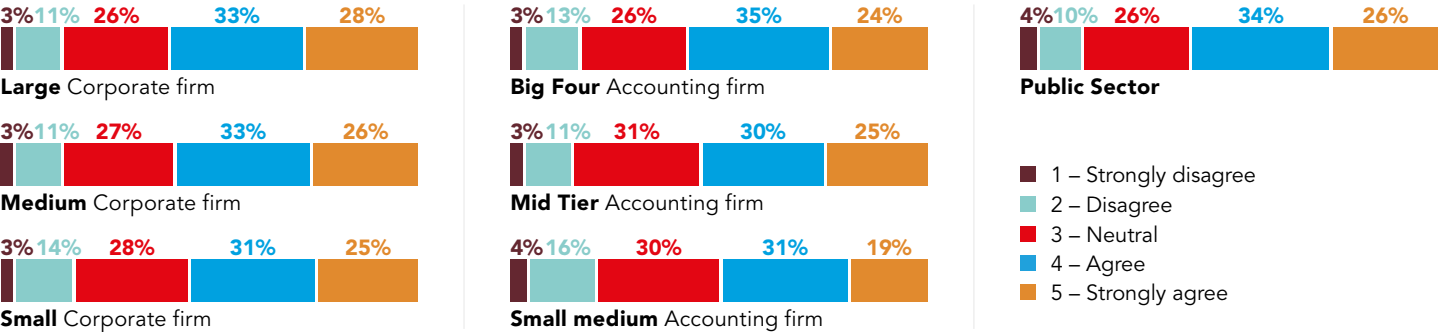
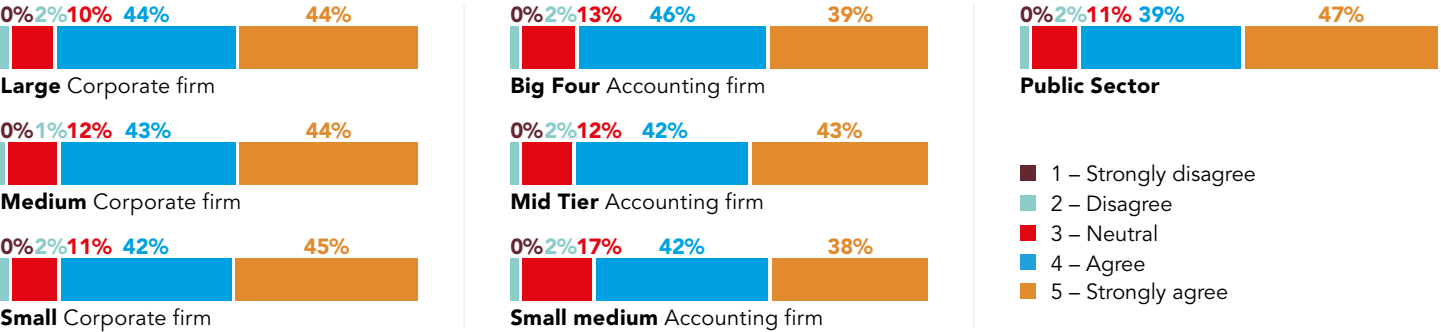


FIGURE 45: Technology will enable finance professionals to focus on much higher value activity (responses by key sectors)





GLOBALLY 84% AGREE THAT TECHNOLOGY WILL ENABLE FINANCE PROFESSIONALS TO FOCUS ON MUCH HIGHER VALUE ADDED ACTIVITY

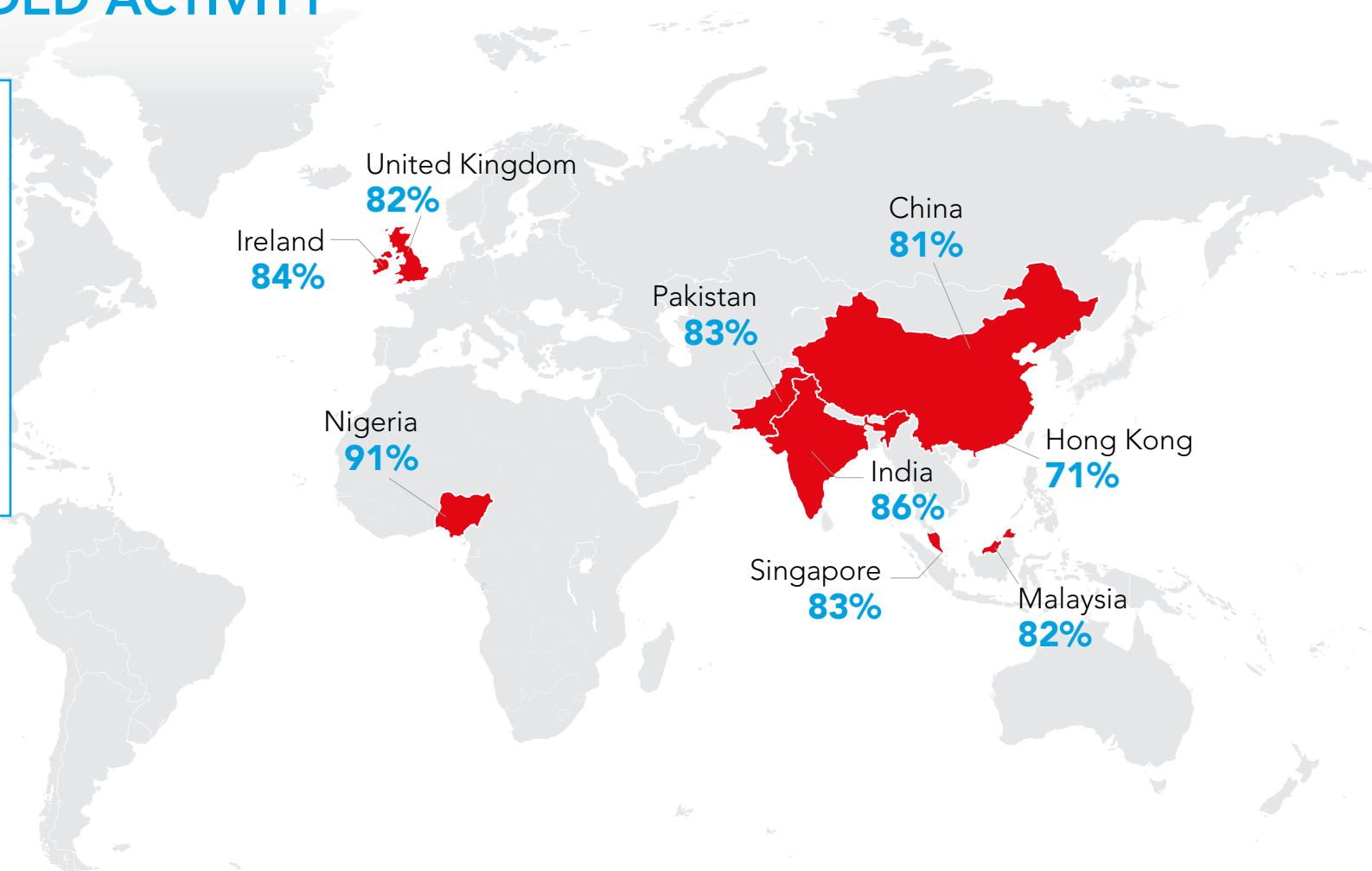
SMART TOOLS, SMART PEOPLE

Software robotics can have an impact on the finance function. Rules-based, repetitive activities are increasingly automated using robots. Removal of manual processing allows finance to take a more strategic role within business. Further, Artificial Intelligence exists which can learn from human decision making. This could lead to a new age in efficiency and free up finance teams to focus on even more value added activities.

Market change is faster than ever – is your finance function in the race? ACCA and PwC report September 2016

GEOGRAPHIC COMPARISONS

UK	82%
Ireland	84%
Nigeria	91%
Pakistan	83%
India	86%
Singapore	83%
China	81%
Hong Kong	71%
Malaysia	82%



ACCOUNTANCY FIRM CAREERS ARE NOT CREATED EQUAL FOR GENERATION NEXT

Of all the survey respondents, 25% are currently working in the accountancy sector: Big Four, mid-tier or small and medium-sized firms. The survey suggests those in the accountancy firms do not necessarily all have the same aspiration, levels of satisfaction or mobility tendencies. Delving down a little deeper into the data, some key themes emerge.

- Regarding career goals, 60% of the Big Four respondents agree or strongly agree that they have the opportunities to achieve theirs, as opposed to 40% for small and medium and 43% of mid-tier accountancy firm respondents.
- Whilst Big Four respondents appear to express slightly higher satisfaction overall than their counterparts working in smaller organisations, they express much lower satisfaction with both work-life balance and remuneration than those respondents employed in small and medium or mid-tier accounting firms.
- Big Four respondents are more likely to wish to seek out global roles at some point in their career (83%) versus 76% in mid-tier accounting firms and 65% in smaller accounting firms.
- Those in mid-tier firms are also most likely to have the strongest relationships with their immediate line managers (70%) versus Small Accounting Firms (66%) and Big Four respondents (62%). Yet those in the Big Four are more likely to say they have a strong relationship with team colleagues (81%) versus Mid-Tier (70%) and Small Accounting Firms (66%).
- Generation Next's Big Four professionals are not very interested in sacrificing pay for work-life balance (29%), but both small and medium and mid-tier employees say that they are interested or very interested in a trade-off: 66% and 70%, respectively.
- The size of firm has almost no implication for respondents' interest in becoming entrepreneurs.
- Moving outside of a finance role into a general business role is less desirable for small and medium firm respondents.



Generation Next: Navigating a successful career

While enterprises across all sectors must understand what makes Generation Next engaged, it is also incumbent upon the youngest professionals to evolve with the system by learning to work effectively within it. Our survey results suggest that while understanding the aspirations of the youngest generation in the profession is important to its very future, the onus to adapt, understand and make the right change is a shared responsibility. Here are some ideas on how Generation Next can start to navigate a successful career.

1. OWN YOUR CAREER

Successful professionals manage their careers with a blueprint, carefully plotting out the capabilities they need to master and the experiences they need to attain in the organisations that will help them the most to develop and thrive. Since the organisational compact with employees is changing along with the traditional employment construct, Generation Next professionals must now take full responsibility for forging the type of career they want, seeking experiential development at every opportunity to build a strong platform for their future career.

2. FUTURE PROOF YOUR SKILLS

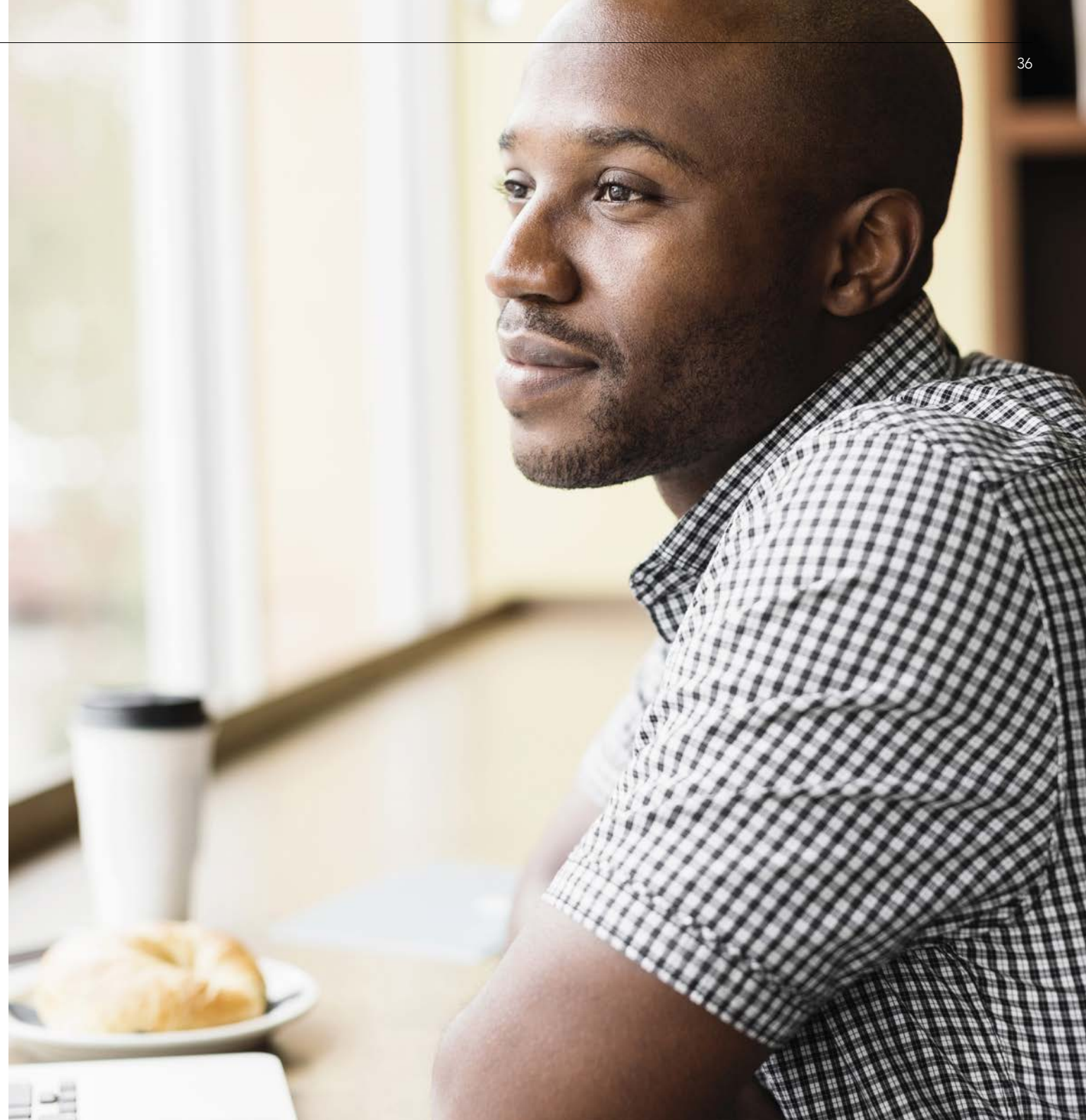
Generation Next must acquire a portfolio of skills and behaviours as identified in ACCA's 2016 report *Professional Accountants – The Future*. Global connectivity, and an age of collaboration between smart people and smart tools will continue to reshape job roles and responsibilities. As ACCA's report demonstrates, it is a combination of technical, ethical and interpersonal skills and competencies that will be most prized in the future.

3. CREATE A PERSONAL BRAND

In a jobs market where an increasingly fluid range of skills is required to meet business needs, employers start to evaluate capabilities in new and different ways. The old strategy of matching position requirements simplistically to a number of years “served” in particular roles is likely to be increasingly rebalanced with a demand from employers for seeking out professionals who can evidence how they have added value and not merely just filled a job specification. Generation Next professionals, particularly through social media, have an unprecedented opportunity to create personal brands – comprising a new array of both technical finance and soft capabilities and a reputation that says ‘I get things done’. In particular this means online profiles must be managed professionally too.

4. MAKE CHANGE FROM WITHIN THE SYSTEM

In most organisations accommodation to generational preferences may not always be a priority and may not happen quickly. The finance and accounting profession has always required young professionals to master the nuances of rules, risks, concepts and regulations, and steady evolution has been a hallmark. Generation Next professionals, in forging their own careers, must still work within the system to see things from the employer’s perspective in order to understand how the organisation defines success, what it values, and what is non-negotiable, and then reflect on this so as to chart out their own career journey.



5. NEVER DISMISS LATERAL MOVES

ACCA's on-going work on the future of professional accountants clearly indicates successful finance (and business) careers require mastery of a range of capabilities. Often the best way to gain these capabilities is to move sideways within an organisation.

Successful professionals have two options today: try to climb the career ladder, or pick up vital skills by moving laterally. Increasingly we should expect the 'career lattice' to define Generation Next careers. Lateral moves can not only build competencies and help them explore more divergent career paths, but can also help the young professional attain other, softer skills and behaviours such as leadership, communications, influencing skills and change management.

6. BECOME 'INTRAPRENEURIAL'

Generation Next professionals do not necessarily have to satisfy their entrepreneurial ambitions by leaving to start a business or join a start-up.

Organisations often encourage professionals to undertake employee-led initiatives: doing something new, innovative and creative, transforming ideas into more effective processes or actionable business insight, within the confines of the business. This is entirely consistent with the often repeated call for much greater collaboration across the organisation. Being assigned to a special project while benefiting from the resources, capabilities and security of the current organisation provides the best of both worlds – learning from possible failures while eliminating the risks of entrepreneurship. The organisation also benefits as it taps into an increasingly diverse pool of ideas and skills which is great for innovation.

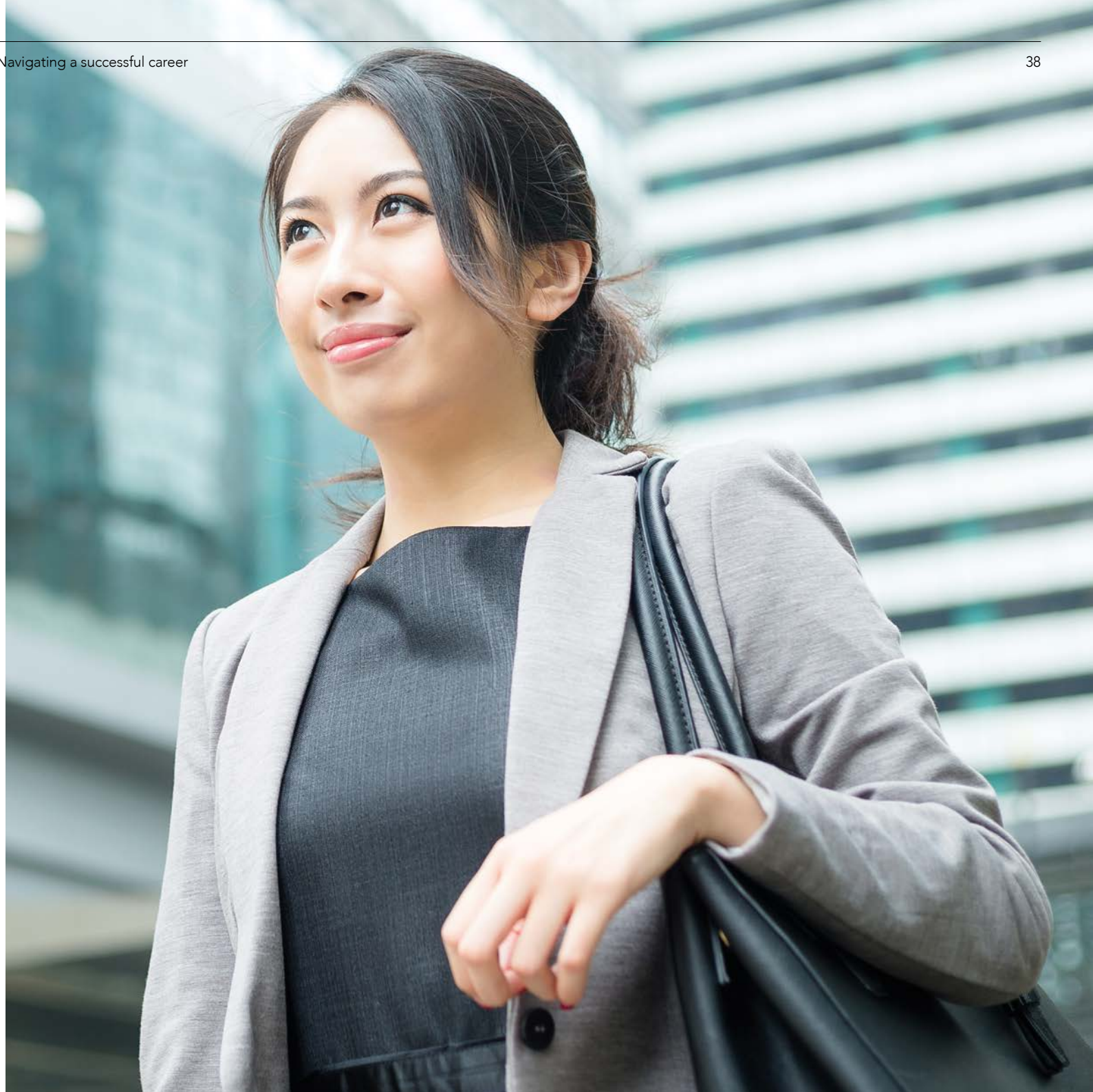


7. GAIN GLOBAL EXPERIENCE

An understanding of the way the world works is becoming more and more important, and bringing a more diverse view to the workplace is increasingly relevant. Not only are most businesses affected by global trends, with technology it is now possible to deliver many finance and accounting activities on a global scale from more locations. This requires finance professionals to have a broad understanding of, and respect for cultural differences and the benefits that diversity of experience can bring. A great way to obtain this is to work in global teams, and seek international experience.

8. LOOK FOR MENTORS AND SPONSORS FROM BOTH WITHIN AND OUTSIDE THE ORGANISATION

On-the-job learning and attainment of professional qualifications, as this survey demonstrates, are valuable learning interventions, but longer term career success can also be helped particularly through one-to-one mentoring and coaching from business professionals who have successfully navigated their own careers. Generation Next professionals should actively seek out mentee opportunities so that they gain personal and professional development through experience and knowledge sharing by the mentor.

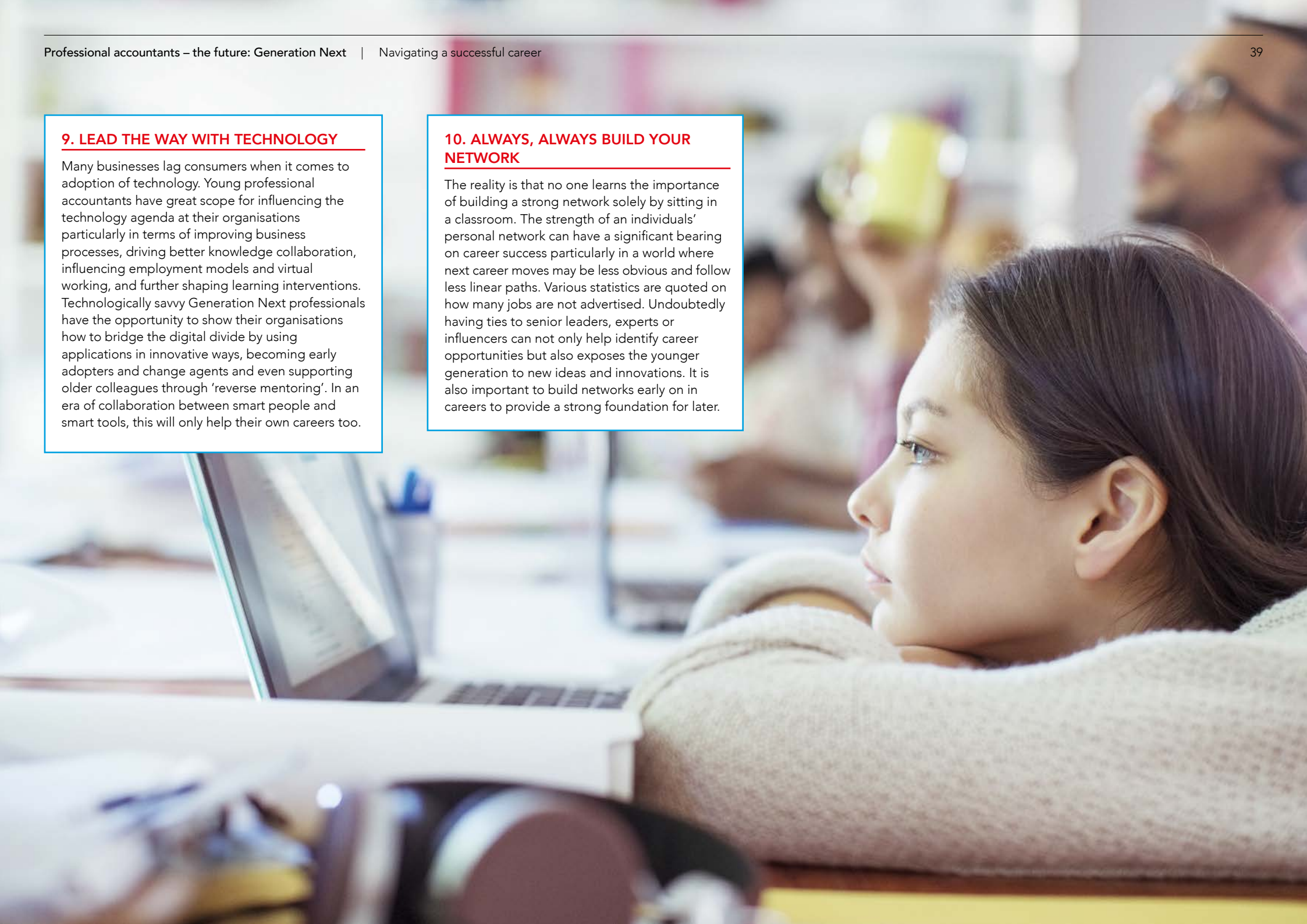


9. LEAD THE WAY WITH TECHNOLOGY

Many businesses lag consumers when it comes to adoption of technology. Young professional accountants have great scope for influencing the technology agenda at their organisations particularly in terms of improving business processes, driving better knowledge collaboration, influencing employment models and virtual working, and further shaping learning interventions. Technologically savvy Generation Next professionals have the opportunity to show their organisations how to bridge the digital divide by using applications in innovative ways, becoming early adopters and change agents and even supporting older colleagues through 'reverse mentoring'. In an era of collaboration between smart people and smart tools, this will only help their own careers too.

10. ALWAYS, ALWAYS BUILD YOUR NETWORK

The reality is that no one learns the importance of building a strong network solely by sitting in a classroom. The strength of an individuals' personal network can have a significant bearing on career success particularly in a world where next career moves may be less obvious and follow less linear paths. Various statistics are quoted on how many jobs are not advertised. Undoubtedly having ties to senior leaders, experts or influencers can not only help identify career opportunities but also exposes the younger generation to new ideas and innovations. It is also important to build networks early on in careers to provide a strong foundation for later.



Generation Next: What employers need to think about

Increasing globalisation, digitisation, regulation, and competition is continuing to present employers with significant challenges. Yet it is access to sustainable talent that is perhaps the greatest obstacle they now face. Enter Generation Next who, according to the data in this survey, are ambitious for progression, and willing to move quickly if the right opportunity presents. But perhaps this is an understandable reaction in the face of a changing workplace, and evolving employer – employee constructs. What are some of the implications for employers, and what are the things they may need to reflect on to attract, nurture, and retain the youngest finance professionals.

The message is loud and clear from Generation Next – career development opportunities are key to attracting and retaining them.

1. REVISIT CAREER PATHS

With only 31% agreeing or strongly agreeing that career paths are transparent (and 37% declaring they disagree or strongly disagree with this), it suggests (currently) career support may not be communicated well. More critically, is organisation career planning sufficiently creative to take into account the growing diversity of skills required or ambitious enough to meet employee aspirations? A rethink of career paths helps our ambitious Generation Next understand that picking up skills by moving laterally, not just being continually promoted, can also help them attain their goals. Employers too benefit from this cross fertilisation of knowledge and skill. Traditional career hierarchies may also become more obsolete as the profession adopts more technology and emphasises the delivery of higher value. Better career path planning should be part of wider workforce planning initiatives that bring a clearer understanding of the future talent needs of the organisation.

2. REDESIGN LEARNING AND CAREER SUPPORT PARADIGMS

With opportunity to learn new skills ranked as the top attraction and retention factor, followed closely by career development opportunities, yet with only 38% agreeing or strongly agreeing that their current organisation offers sufficient opportunities to achieve their current career goals, the data suggests at best many respondents are ambivalent about the career support their current employers offer. This is compounded by (and may be a contributory factor to) the fact that 61% expect their next move to be external. “Spend time training young employees, then they’ll leave” is an understandable concern, but if employers are serious about attracting and retaining the youngest generation, they need to continue to revisit learning and career support. Respondents are (relatively) adamant that they find more personalised training valuable – on the job learning, job rotation and secondments, and mentoring. Interventions aligned to an individual’s interests and career objectives and that also support the development of wider leadership and interpersonal skills is key.



“Millennials are first generation digital natives who feel at home on the internet – particularly gadgets like smartphones, but also tablets and laptops – have revolutionised the way they connect and interact with one another and the rest of the world.”

[How Millennials Want to Work and Live US Gallup Report 2016](#)

3. ENGAGE THE OLDER GENERATION IN KNOWLEDGE SHARE

Generation Next must recognise the power of interventions which leverage the skills and wisdom of more experienced colleagues in the workplace. In mature markets the workforce population is decreasing for the first time since 1950, making the problem of knowledge transfer from older to younger generation particularly acute. Employers underestimate this potential loss of “tacit knowledge” at their peril. Programmes established to share knowledge should reap dividends across the employee generation divide now and for the future and help inter-generational collaboration.

4. ALLOW NEW WAYS OF WORKING USING TECHNOLOGY TO FLOURISH

Generation Next brings real meaning to the adage “the power is in the team.” The youngest generation of finance professionals is growing up with virtual collaboration technology, and, as the survey results indicate, they also have good relationships with their managers and peers. Generation Next has the potential to make profound changes in the way teams work together. A collaborative workplace using good technology can help drive better teamwork and engagement.



Gallup estimates that millennial turnover due to lack of engagement costs the US economy \$30.5 billion annually.”

[How Millennials Want to Work and Live US Gallup Report 2016](#)

5. RETHINK SUCCESSION PLANNING AND TALENT PIPELINES

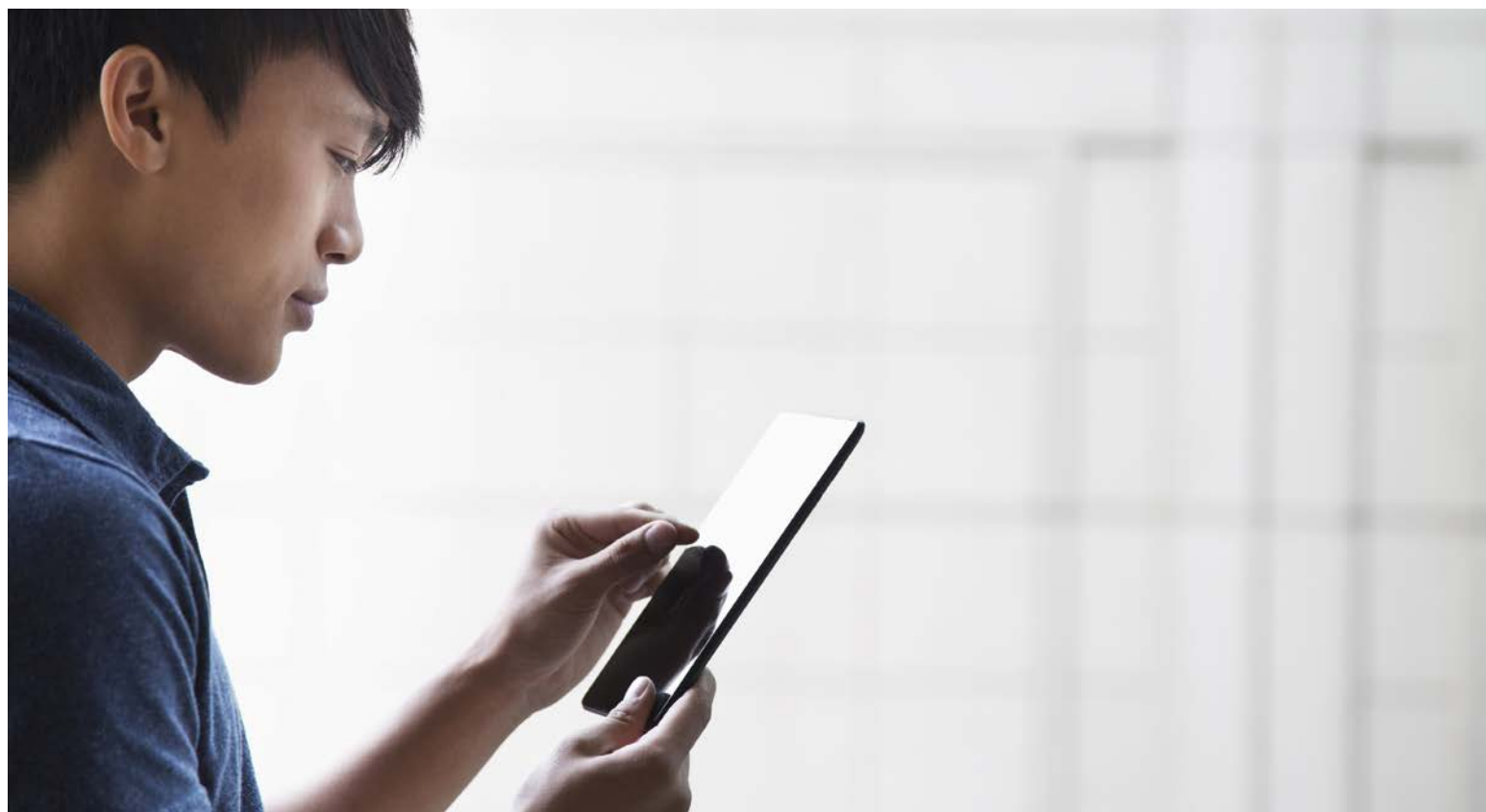
The data is clear – Generation Next do not craft their careers under the paradigm of a job for life...or even for more than a few years. Business leaders must accept that with less job security, the compact with younger employees is different, and talent pipelines can be impacted.

Organisations have historically expected professionals to stay longer, gearing their talent intake, promotion structure and training programmes accordingly, and planning for succession in a more orderly fashion.

Developing a robust pipeline of talent, particularly in the profession where careers will become less linear and where prized leadership skills will continue to evolve, needs considered thought. How do you build the requisite capabilities needed for future leadership in finance roles, and most critically, where will this talent come from?

6. HARNESS GENERATION NEXT'S DIGITAL SAVVY

Are other enterprise functions such as marketing and customer services much more technology fluent than finance and accounting departments? Generation Next's entry into employment is a good news story for the profession. As potential change agents, they have the savvy and understanding to accelerate the adoption of technologies in the business that will have a big impact on its future. Deploying these young professionals to show how technology really works must be a beneficial move.



By tapping into Generation Next's ambition for growth and international work experience, employers can acquire more diversified talent, and at the same time provide much needed development opportunities for their younger employees.

7. THINK DIVERSE GLOBAL TALENT POOLS

The benefits of a diverse workforce are increasingly well versed. In a global business environment international experience on the CV is generally prized. By tapping into Generation Next's ambition for growth and international work experience, employers can acquire more diversified talent, and at the same time provide much needed development opportunities for their younger employees. Existing employees too should benefit from exposure to international secondments, and it is here in particular that career paths need to be clearly signposted.

8. MANAGE EXPECTATIONS, HAVE CAREER CONVERSATIONS

Whilst the ambitions on mobility are understandable, Generation Next must also recognise that even today, building successful careers takes time. Every organisation has limitations on its capacity to promote. Specific employer interventions such as honest career conversations may be helpful in managing expectations.

9. RETHINK ENGAGEMENT

In a world of lateral career moves and seemingly low loyalty, employers need to rethink engagement and reward strategies to ensure appropriate recognition and retention. If employers want to build truly sustainable businesses, there is a shared responsibility to rethink engagement to drive retention for the longer term. Perhaps both employers and employees need to reconsider the real value commitment and long tenure at organisations may bring. Otherwise there is a risk employers continually lose tacit knowledge, suffer high replacement costs, and don't deliver on engagement.





Conclusion

The implications derived from the survey are unsurprising and clear; finance's Generation Next see few boundaries with entry into the profession as a pathway to a broad range of business opportunities. They are ambitious for quick progression, happy to switch sector, have aspirations to work globally and appear to demonstrate little loyalty to their current employers.

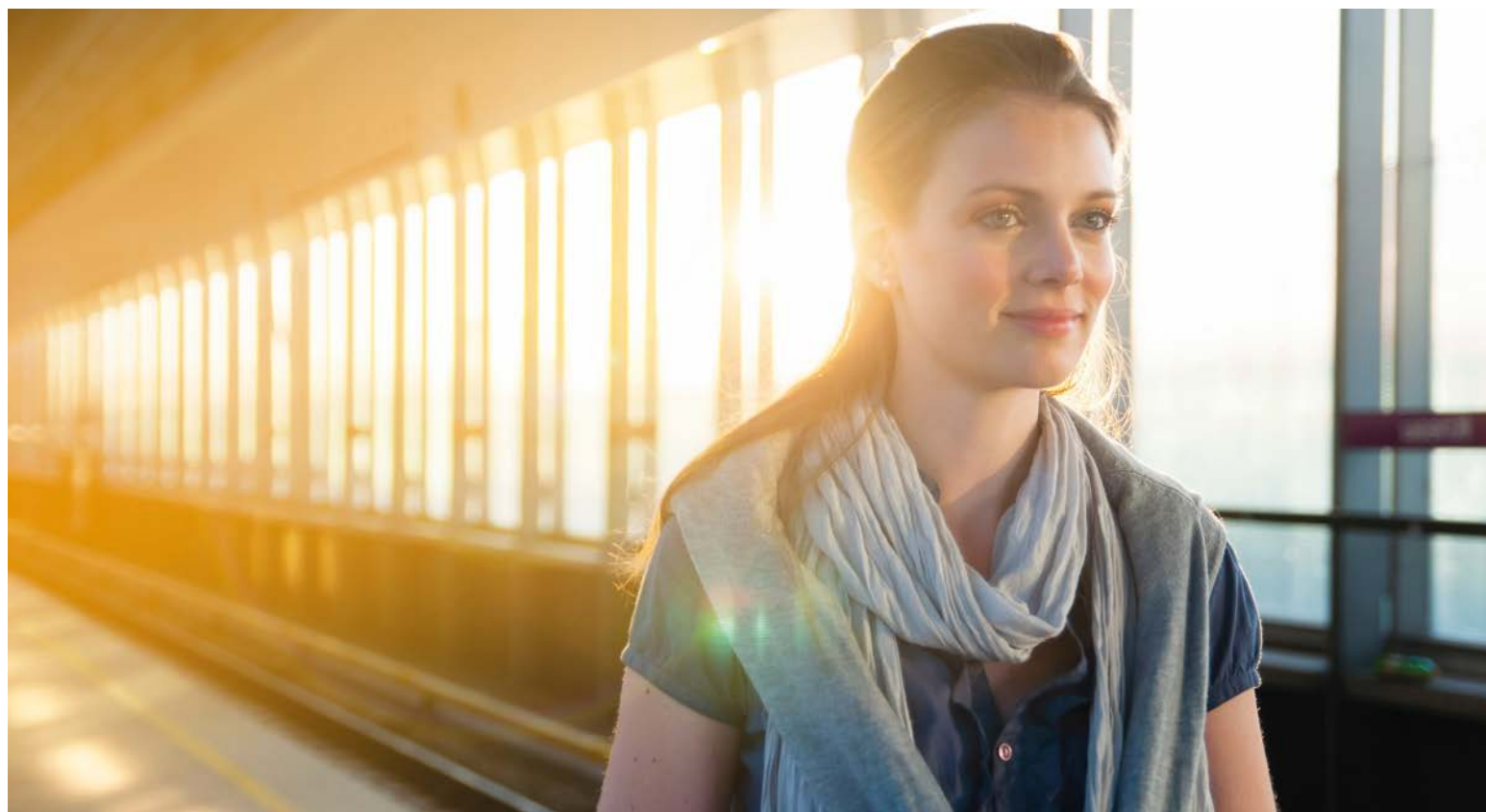
Should we be surprised by what they are telling us? In a world where the only certainty is that nothing is certain, Generation Next can't manage their careers like those of previous finance professionals. Adaptability takes on paramount importance as a career management mechanism. With the end of employment for life, the historic employer – employee construct is gone, destroying loyalty. With examples of their peers selling off unicorn companies for big money, entrepreneurial ambition is sparked. With rapid business model obsolescence, prized capabilities (as shown in ACCA's *Professional Accountants – The Future* report) go way beyond traditional finance skills. With almost daily advances in technology, the nature of work is constantly evolving. With the world getting smaller through globalisation, working half way around the world is an ambition within reach.

How can finance provide more sustainable, fulfilling career development opportunities in the face of a rapidly changing business landscape? How can organisations equip the next generation with the skills and capabilities to thrive, and not just survive, in a challenging world?

So are the professions' Generation Next's needs and aspirations inherently different from previous generations, or have they developed a Darwinian response to a rapidly changing business context, arguably evolving faster than the organisations – and managers – for whom they work. In short, is millennial behaviour a catalyst for changing the finance talent construct, or are there broader forces at play?

This study doesn't seek to solve the nature or nurture debate, but by starting to examine the preferences of Generation Next, it does highlight the need for the profession to continue to evolve by quantifying the challenges from the perspective of the younger generation so that they can be best supported in their future careers. Whatever the catalyst for change, from an employer perspective access to and development of talent is still critical for enterprise growth. So both parties have a vested interest in making the relationship work in a much more sustainable way.

This survey raises new questions – and presents a few possible answers – as to how best to engage and nurture young professionals to “future proof” the talent pipeline. How can finance provide more sustainable, fulfilling career development opportunities in the face of a rapidly changing business landscape? How can organisations equip the next generation with the skills and capabilities to thrive, and not just survive, in a challenging world? In their careers? How can the profession adapt and innovate to ensure it remains attractive globally? Over the coming months we will be exploring some of these issues further, drawing on the experiences of organisations in different sectors on how they are addressing these critical talent issues.



PI-PATF-GENERATION-NEXT

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