ACCA Think Ahead

EUROPE TALENT TRENDS IN FINANCE 2023

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants.

We're a thriving global community of **247,000** members and **526,000** future members based in **181** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. In December 2020, we made commitments to the UN Sustainable Development Goals which we are measuring and will report on in our annual integrated report.

We believe that accountancy is a cornerstone profession of society and is vital helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities. And, through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation.

Find out more at **accaglobal.com**

October 2023

EUROPE TALENT TRENDS IN FINANCE 2023

ONE OF THE LARGEST EVER STUDIES ACROSS THE ACCOUNTANCY PROFESSION, OUR NEW ANNUAL GLOBAL TALENT TRENDS SURVEY 2023 PROVIDES A UNIQUE AND VITAL VIEW OF WHAT PEOPLE THINK ABOUT WORKING IN THE PROFESSION RIGHT NOW. THIS PUBLICATION HIGHLIGHTS THE VIEWS OF RESPONDENTS ACROSS EUROPE.

Over 8,000 professional accountants from 148 countries were asked about the concerns they held about the future of their work, as well as aspirations for their careers. Across Europe, over 1200 individuals responded, from a broad range of sectors, enabling us to understand key workplace issues, such as employee engagement, well-being, and attitudes to technology adoption.

FOREWORD

Global events have changed the world of work forever; employers and employees are learning to adapt to a constantly evolving environment. Some are resistant to change; others are more willing to embrace the new world. Our Global Talent Trends research explores the aspirations and challenges of accountancy professionals while providing a unique insight into the challenges and opportunities facing our profession today.

Employers across Europe have expressed significant concern about the inflation crisis, which has fuelled wage pressures; the impact of inflation ranks as the leading work-related concern for individuals. The challenge for employers is further compounded by high levels of mobility and increasing competition from other industries, making it more difficult for employers to attract and retain talent. Almost two-thirds of employees across Europe plan to move to a new role within two years, with a more significant proportion looking externally to their organisation for opportunity.

Hybrid and remote working have gained traction across Europe, with less than one in three indicating that they are fully office-based. This is notably different from the global picture, where over half of respondents reported being fully office-based. However, concerns about the pace of technological change underline the crucial importance of investment into training to help individuals achieve their growth aspirations and to improve retention.

As a profession with integrity and ethics at its core, it's reassuring to see positive indications in our data linked to inclusivity and integrity-related measures across Europe. However, there is more work to do, particularly related to Social Mobility, where many state that a low socio-economic background is still a barrier to progression within their organisation.

ACCA prides itself on being a pioneer for improving access to the profession, ensuring those with the talent and capability are able to join us. We take our commitment to being a force for public good, offering everyone everywhere the opportunity to experience a rewarding career in accountancy, finance, and management, one which contributes to delivering a sustainable future.

Vikas Aggarwal
Regional Head of Public Affairs Relationships – EEMA
(Europe, Eurasia, Middle East, Americas)

At a glance:

#1 The inflation crisis fuels wage pressures

Rising prices have presented employees and employers with significant challenges, leading to heightened wage demands and talent retention hurdles.

#2 Hybrid and remote working gain momentum

Across Europe, a larger proportion of professionals than the global average are adopting hybrid and remote working arrangements.

#3 Growing mobility trend raises talent crunch concerns

While the profession remains attractive, mobility is presenting employers with challenges in accessing and retaining talent.

#4 Addressing burnout needs to be a priority

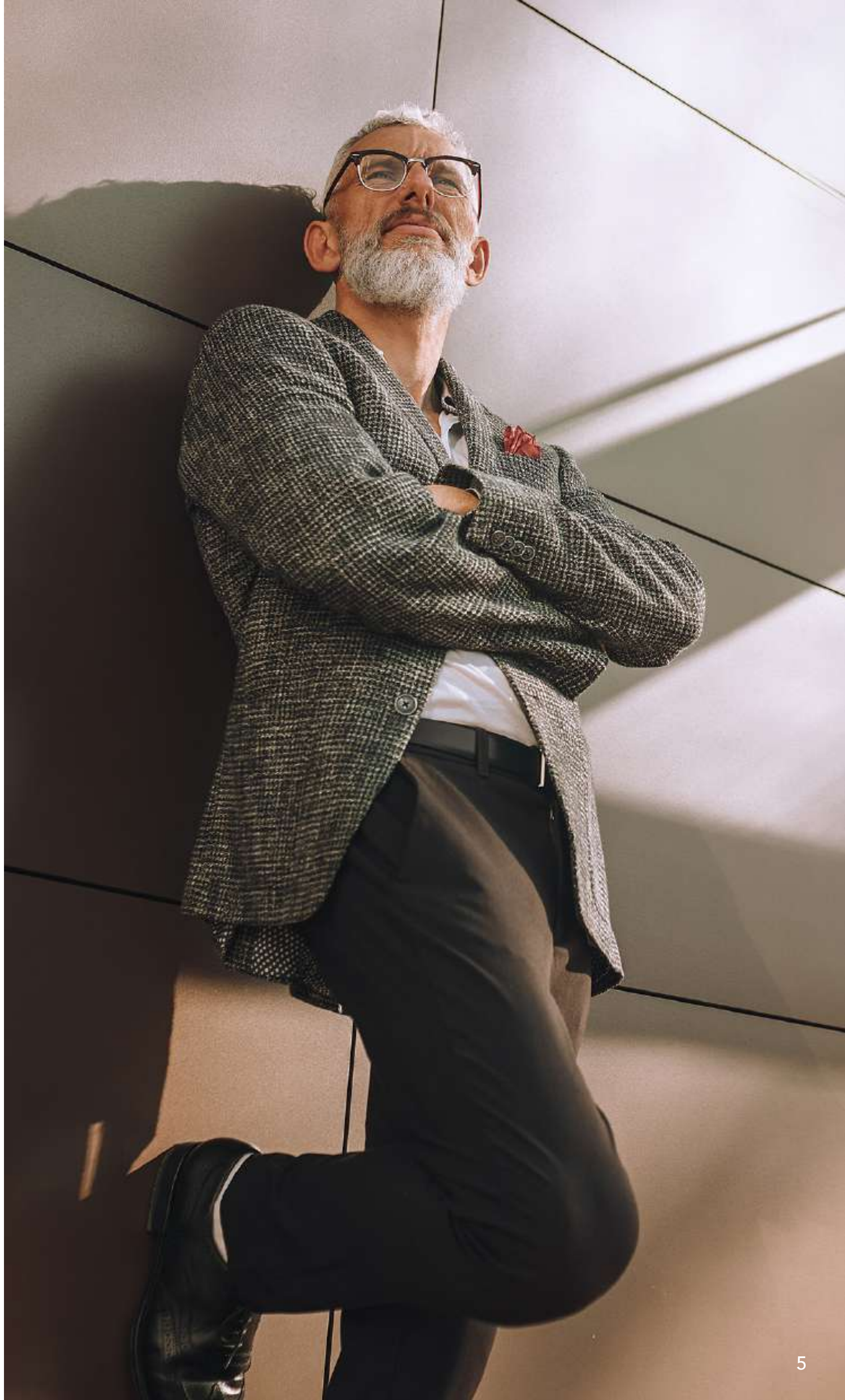
with stress and mental health concerns evident across all generations within the profession in Europe.

#5 Technology is empowering, but concerns prevail

Professionals across Europe recognise the ways in which technology can enhance value, but many are overwhelmed by the pace of change.

#6 Inclusivity measures score well, but social mobility lags

Leaders across Europe are accessible and respondents report strong inclusivity in workplace cultures, but social mobility remains a concern.



#1 The inflation crisis fuels wage pressures

Across Europe both employees and employers have expressed significant concerns about the impact of inflation: it ranks as the leading work-related concern and Is consistently frequently reported across all generations and sectors. There are indications that employees may be seeking to move onto new roles more quickly in search of greater remuneration, while employers have expressed concern about keeping up with these wage demands in an environment where remuneration is identified as one of the leading attraction factors for employees.

#2 Hybrid and remote working gain momentum

Fewer than one in three respondents (31%) across Europe indicate they are fully office based, with the remaining 69% adopting either a hybrid or fully remote approach to work. This is notably different from the global picture, where over half of respondents are fully office based. There are still challenges for organisations and members of the workforce to overcome, with many employees indicating collaboration and engagement with managers are more difficult when not office based. Despite these challenges, those working in a hybrid or remote environment appear to be significantly happier than those working full time in the office.

#3 Growing mobility trend raises talent crunch concern

While the profession remains attractive overall, mobility is presenting employers with challenges in accessing and retaining talent. Almost two-thirds of respondents in Europe plan to move to a new role within the next two years and a large proportion of those seeking to move are looking externally for opportunities, with a smaller proportion seeking internal promotion. This is creating concern for organisations about the potential for a significant 'talent crunch' further exacerbated by employee dissatisfaction across various employer propositions.

#4 Addressing burnout needs to be a priority

Stress and mental health concerns are evident across all generations within the profession globally and this is also the case across Europe. Over half have indicated that they would like more support from their organisation in managing their mental health, and 39% say that employee mental health is not a priority for their organisation. While younger members of the workforce are more likely to say that their mental health is suffering because of work pressure, there is concern across all generations.

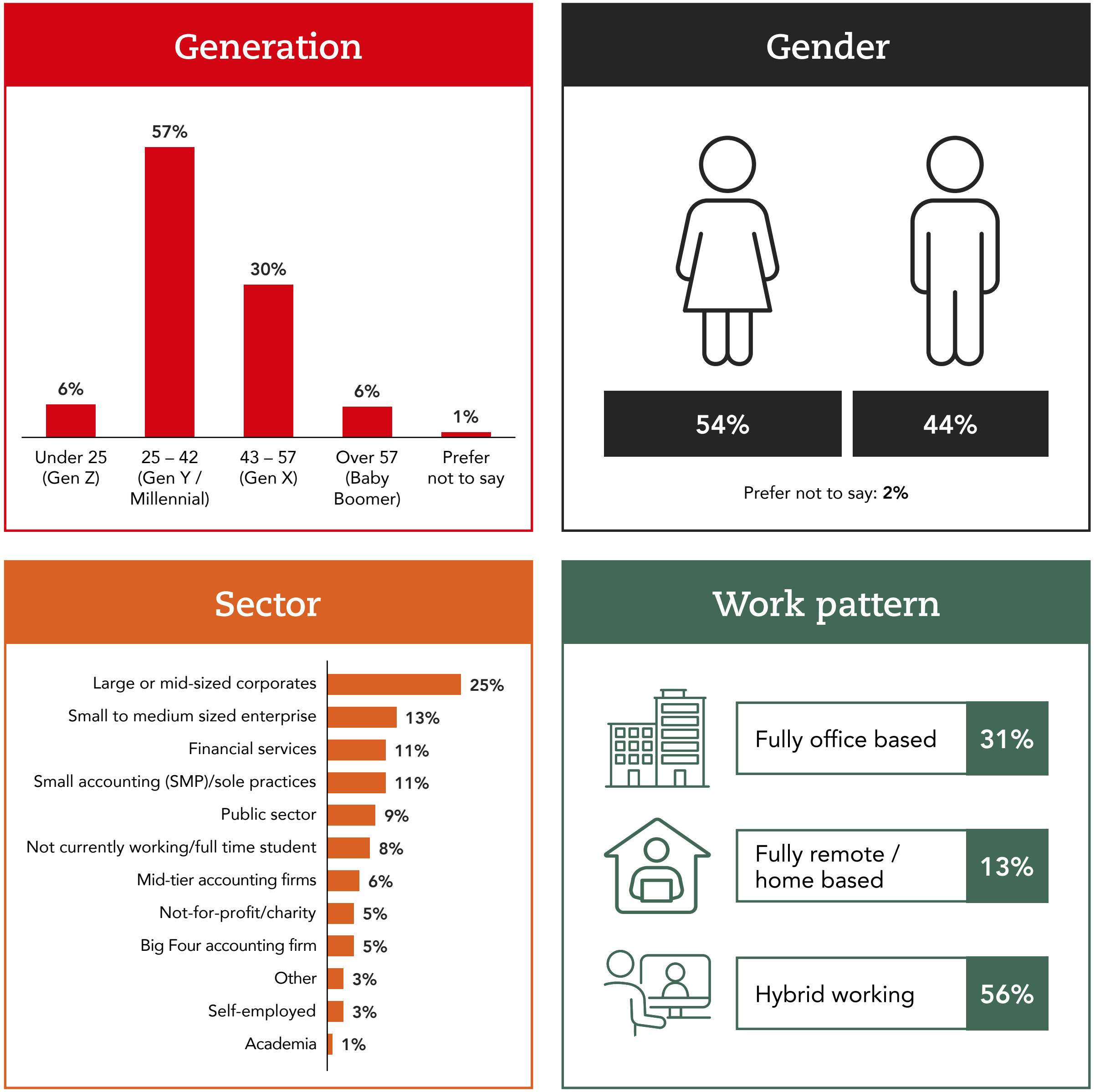
#5 Technology is empowering, but concerns prevail

While over 9 in 10 (91%) of professionals across Europe recognise the ways in which technology can enhance value, many report being overwhelmed by the pace of change. There are also some concerns that technology may replace part of or whole individual roles, with over one-third (36%) of respondents highlighting this concern. Nearly three-quarters (73%) state that they would like more training from their employer on technology, an investment that is likely to remain crucial for organisations to address, given the pace of change in technology.

#6 Inclusivity measures score well, but social mobility lags

Our data indicates that employees across Europe believe their organisations are making positive progress across a number of inclusion- and integrity-related metrics. Almost three-quarters (72%) of respondents believe leaders in their organisation are accessible, 69% believe their organisation is inclusive and the same proportion (69%) believe that leaders in their organisation have integrity. Despite this, views on social mobility are less positive, with 36% stating that a low socio-economic background is still a barrier to progression within their organisation, suggesting there is still significant work to do on improving social mobility.

Figure ES1: Demographics of our respondents across Europe



1. The inflation crisis fuels wage pressures

#1 The inflation crisis fuels wage pressures

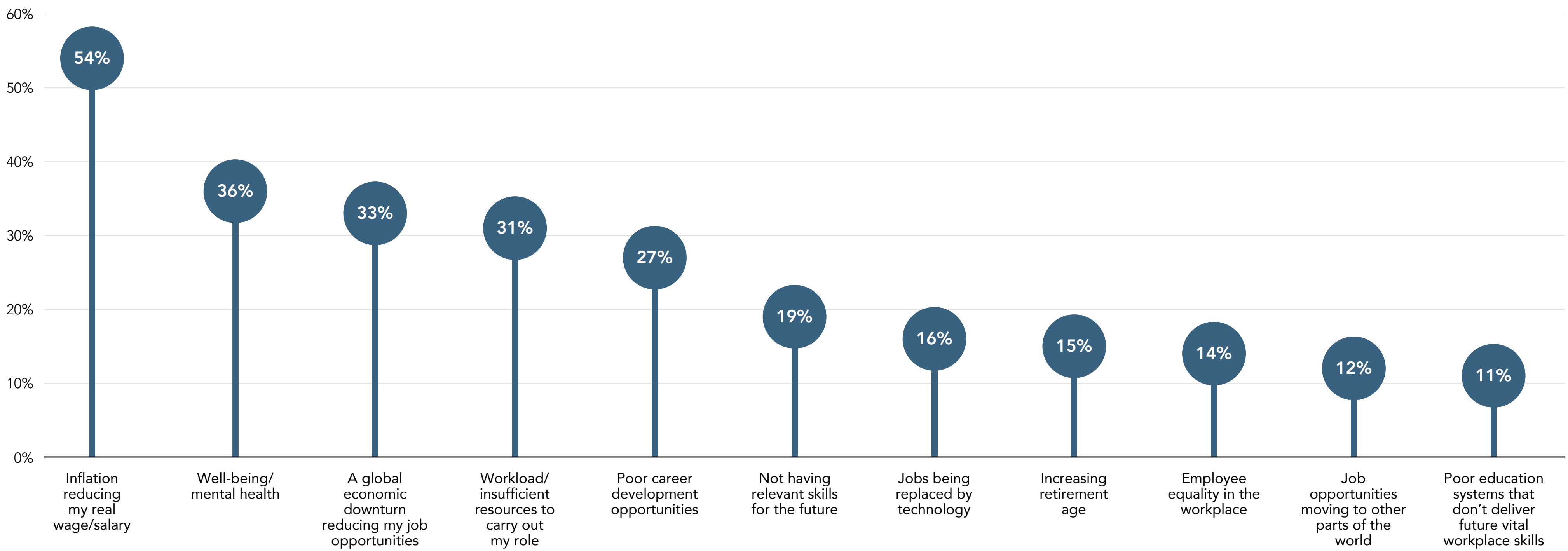
Inflation has dominated as a leading work concern in countries around the world; it is the leading work-related concern for Europe (Figure 1.1 and Table 1.1). It ranks consistently high by individuals from a broad range of sectors and by both men and women from all generations.

The highest levels of concern were among accountants in the not-for-profit sector (62%), although closely followed by those in small-mid sized enterprises (59%) and the public sector (57%) and remains consistently high across all sectors. Concern was lowest in academia, at 50%. With growing wage constraints and potential funding cuts looming for many sectors, these levels of concern may to some extent be unsurprising. Employers from across all sectors expressed strong concerns about retention of talent in light of current economic challenges and uncertainty about the forward trajectory. Organisations are seeking to evolve strategies that can support attraction and retention, with hybrid and remote working often being a core component of strategies explored.

ACCA Europe Roundtable:
'I see inflation and the global economic downturn to be somehow quite similar, and insufficient resources are part of the concern'.

Figure 1.1: Work-related concerns in Europe

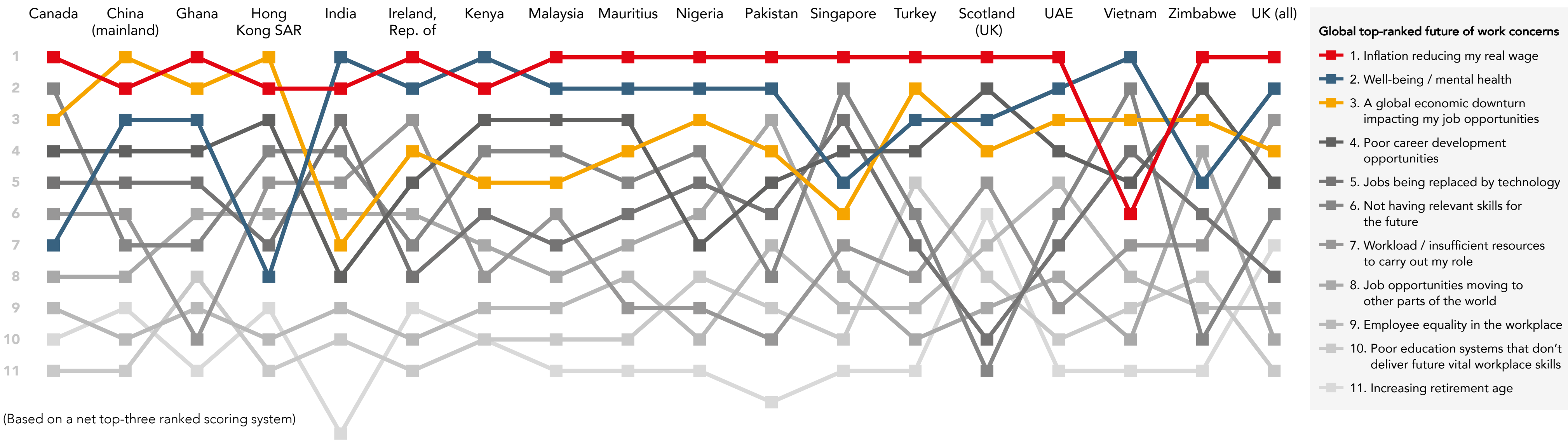
Work related concerns for the future - Top 3 ranked
All employed



Source: ACCA 2022

Rebased to exclude 'Don't know' mentions.

Figure 1.2: Inflation's reduction of real wages – a global comparison of concern across locations



(Based on a net top-three ranked scoring system)

Source: ACCA 2022

IMF warns the new year is going to be "tougher than the year we leave behind".

'Why? Because the three big economies – the US, EU and China – are all slowing down simultaneously. We expect one-third of the world economy to be in recession. Even countries that are not in recession, it would feel like recession for hundreds of millions of people'.
Kristalina Georgieva, Managing Director, International Monetary Fund

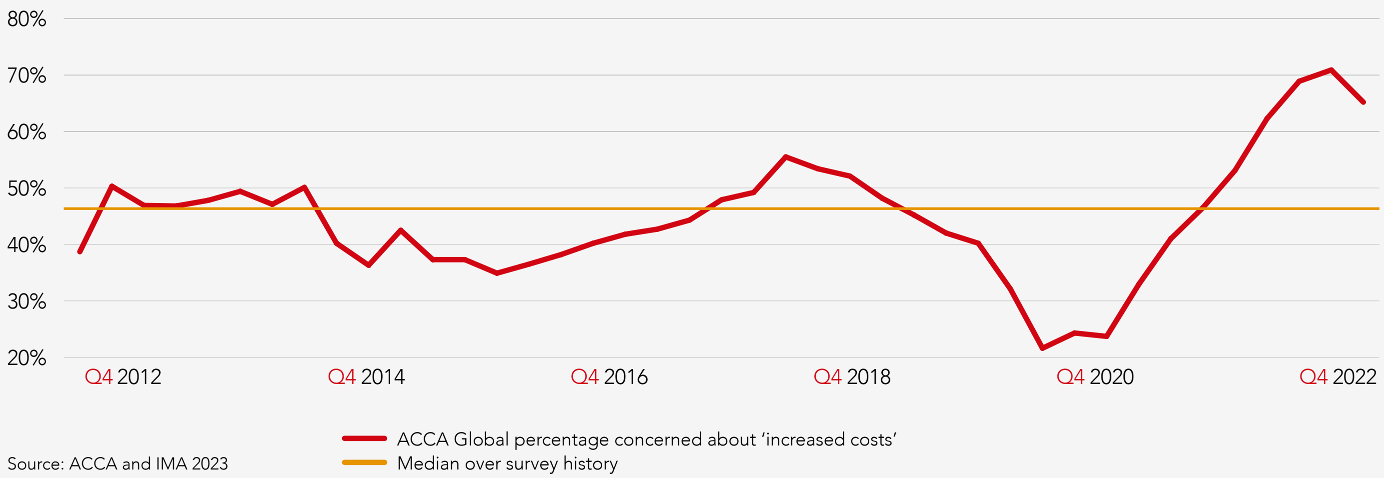
CBS News, 1 Jan 2023.

Figure 1.3: Global concerns about increased operating costs

ACCA Global Economic Conditions Survey[2] at the end of 2022 points to the biggest cost crisis for a decade

The number of respondents to the Q3 and Q4 global economic conditions survey reporting increased cost pressures was the highest ever recorded across a decade of quarterly results.

Concerns about increased operating costs



Source: ACCA and IMA 2023

THE DECLINE IN COMMODITY PRICES MAY HAVE LED TO A FALL IN THE LEVEL OF CONCERN ABOUT 'INCREASED COSTS' – DOWN FROM THE HIGHEST LEVEL OF CONCERN IN THE SURVEY'S HISTORY IN 2022 Q3.

Source: ACCA 2022

The cost-of-living crisis cuts across the sectors, placing greater pressure on retention

Reflecting the truly global nature of the cost-of-living crisis, inflation is dominating workplace concerns across all sectors (Table 1.1).

Table 1.1: Effects of the cost-of-living crisis – the inflation challenge

ALL EUROPE RESPONDENTS EXCEPT IF RETIRED	BIG FOUR ACCOUNTANCY	MID-TIER ACCOUNTANCY	SMALL ACCOUNTING (SMP) / SOLE PRACTITIONER	PUBLIC SECTOR	FINANCIAL SERVICES	NOT-FOR-PROFIT	LARGE OR MID-SIZED CORPORATES	SMALL-MID SIZED ENTERPRISE	ACADEMIA
Inflation reducing my real wage / salary	57%	54%	54%	57%	53%	62%	58%	59%	50%
Well-being / mental health	58%	43%	32%	35%	43%	25%	34%	36%	25%
A global economic downturn reducing my job opportunities	24%	31%	26%	18%	31%	29%	45%	34%	19%
Workload / insufficient resources to carry out my role	39%	37%	36%	40%	28%	43%	27%	29%	56%
Poor career development opportunities	24%	33%	24%	31%	31%	25%	29%	27%	6%
Not having relevant skills for the future	15%	11%	17%	18%	21%	18%	16%	23%	31%
Jobs being replaced by technology	12%	9%	17%	15%	15%	17%	15%	13%	25%
Increasing retirement age	12%	12%	12%	26%	19%	25%	14%	19%	13%
Employee equality in the workplace	13%	18%	6%	11%	13%	11%	14%	18%	6%
Job opportunities moving to other parts of the world	19%	8%	9%	6%	12%	8%	14%	10%	6%
Poor education systems that don't deliver future vital workplace skills	10%	13%	8%	10%	6%	11%	10%	10%	19%

(Based on a net top 3 ranking system)

Source: ACCA 2022

2. Hybrid and remote working gain momentum

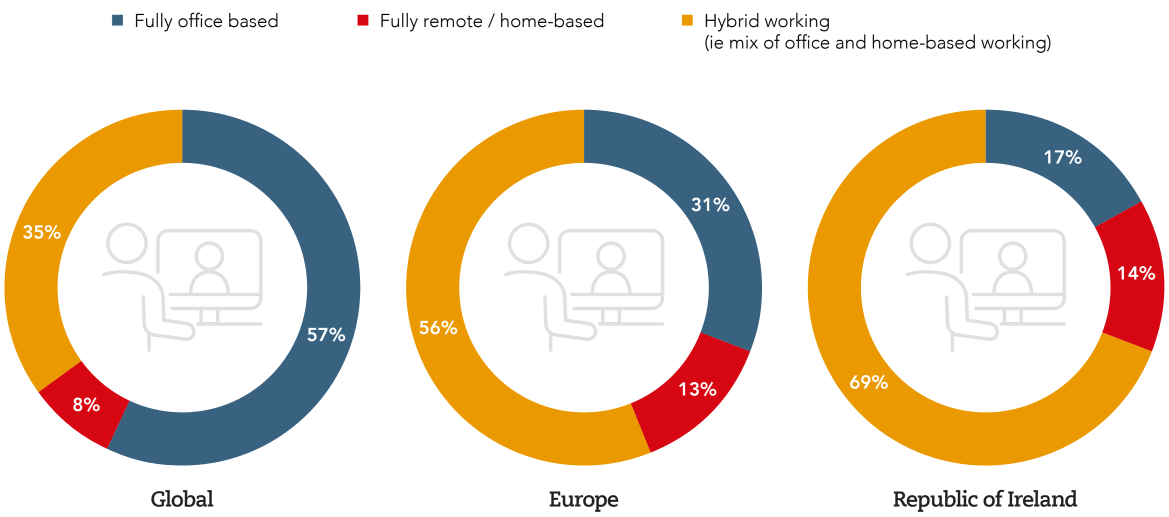
#2 Hybrid and remote working gain momentum

Across Europe we see significant levels of remote and hybrid working, with fewer than one respondent in three (31%) reporting fully office-based working, with the remaining 69% adopting either fully remote or hybrid working arrangements.

Over half (56%) indicate that they have adopted a blend of office and home-based working, with 13% indicating that they are working fully remotely. This presents a stark contrast to the global picture, where 57% indicate they are fully office based while 35% take a hybrid approach and 8% are fully remote. In the Republic of Ireland, we see even greater numbers of employees adopting hybrid or fully remote approaches to work, with only 17% indicating that they are fully office based. Across Europe younger respondents are more likely to report fully office-based working arrangements, with almost two-thirds (64%) of Gen Z respondents taking this approach, while older age groups are significantly more likely to report hybrid or remote approaches.

These high levels of flexible working may reflect the challenging skills landscape for employers, with significant competition for talent. It may also support the attractiveness of many locations across Europe, such as the Republic of Ireland, where we see very high levels of hybrid working.

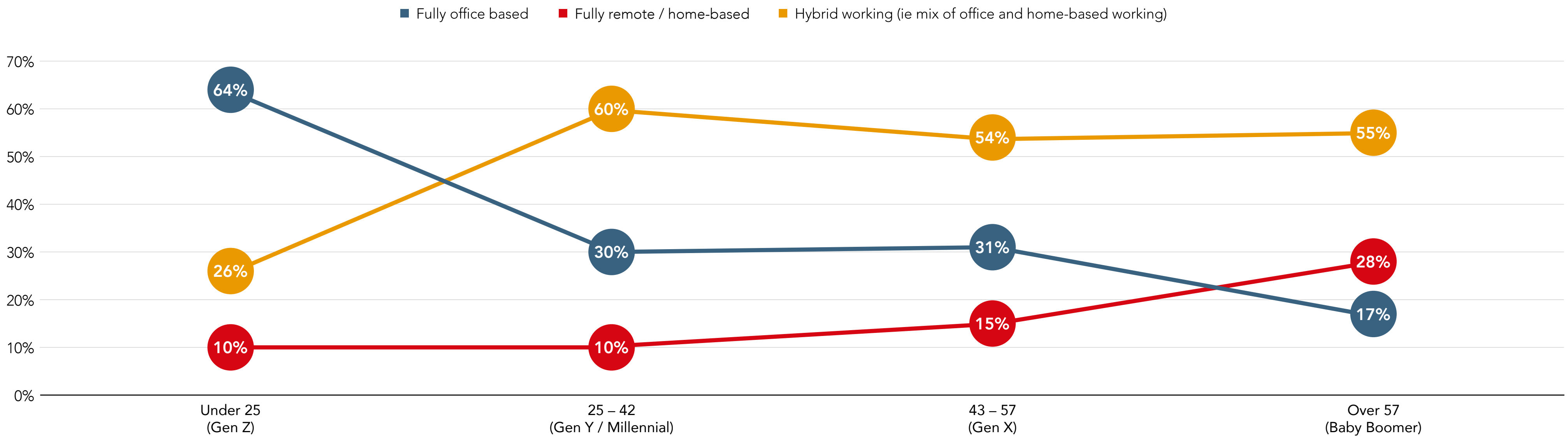
Figure 2.1: Current working patterns globally, in Europe and in the Republic of Ireland



Source: ACCA 2022

Source of global statistics: ACCA 2023

Figure 2.2: Attitudes in Europe to remote working by age group



Source: ACCA 2022

Although hybrid and remote working have gained significant traction in Europe when compared with global benchmarks, our data indicates there are areas of hybrid and remote working where significant evolution is needed to respond to engagement and productivity challenges. These challenges are present across all sectors and age groups, while there are significant differences between genders (Figures 2.3 and 2.4)

Almost 9 in 10 (87%) respondents across Europe indicate that they would like to work remotely at least one day a week in the future, and 75% report better productivity when working remotely. Nonetheless, 43% state that they find team collaboration more challenging when working remotely than when working in the office and 28% indicate that they are more disengaged from their manager when working remotely.

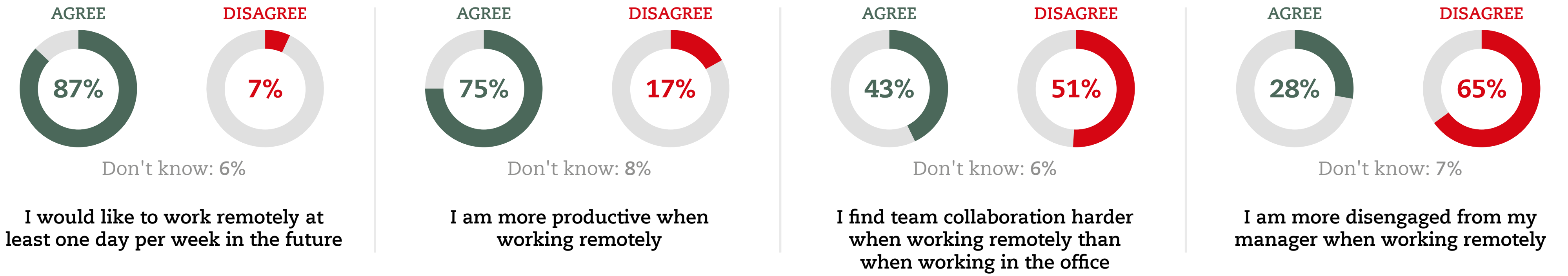
These concerns have also been highlighted during our engagement with employers. Many employers have emphasised that they believe remote and hybrid approaches to work may present the most significant challenge for younger members of the workforce, as those individuals often have the most to gain from informal learning in an office environment and may not have a suitable work environment at home.

Interestingly, female respondents reported less disengagement from managers when working remotely, with only 25% reporting this compared with 32% of male respondents. Female respondents in Europe also reported much higher levels of productivity when working remotely with 82% reporting this, compared with 65% of male respondents. Our global data paints a similar picture for male and female respondents, with women more likely than men to see the productivity upsides of working remotely.

ACCA Europe Roundtable:
'I would say that if the first question we get in the recruitment process about well-being, the second question is about homeworking or what the package that we offer is in terms of flexibility'.

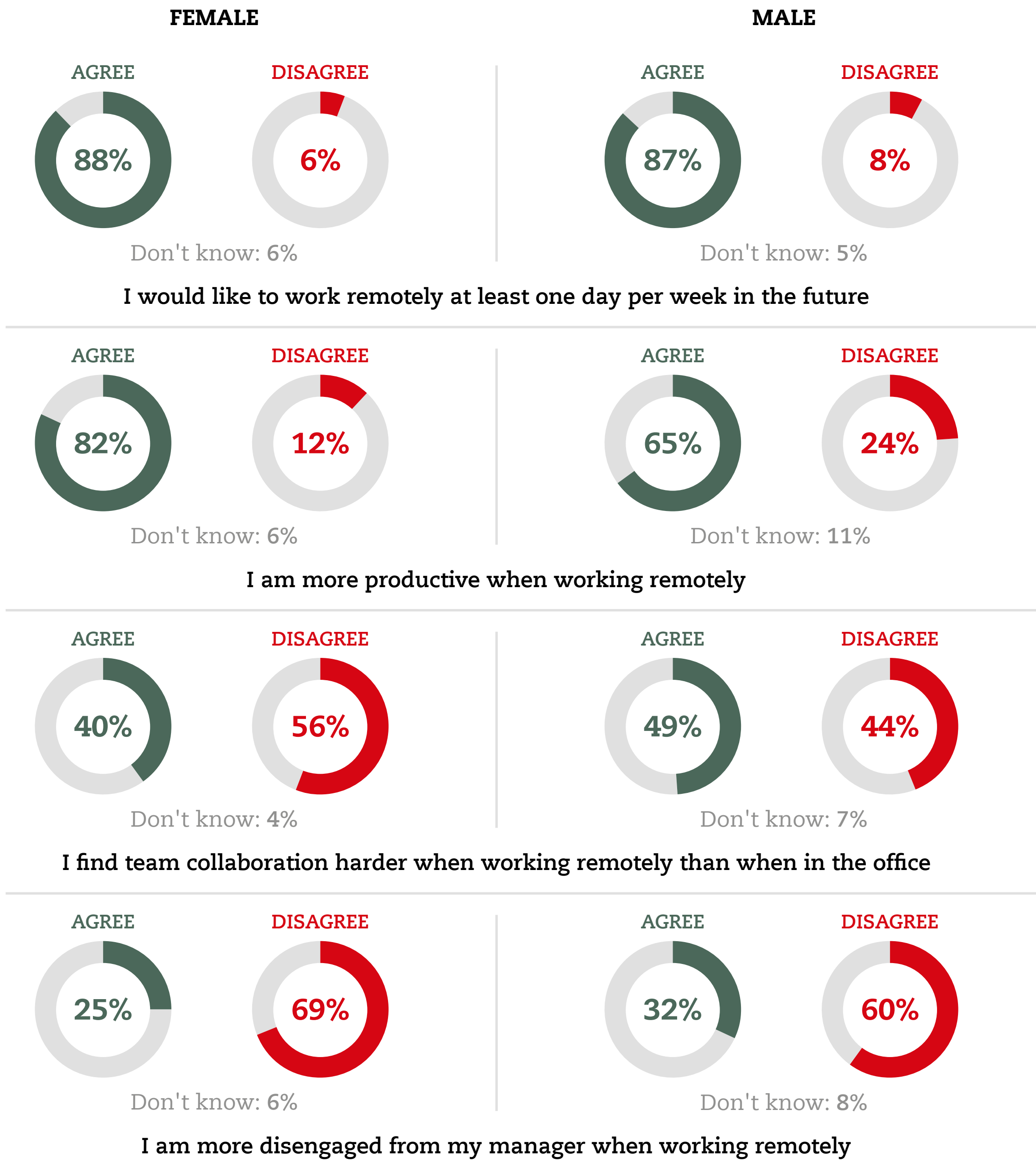
ACCA Europe Roundtable:
'Careers in finance, and especially accounting, should enable employees to be flexible and that should be one of the strong selling points we have in this sector but unfortunately this is not always the case'.

Figure 2.3: Attitudes in Europe to remote working



Source: ACCA 2022

Figure 2.4: Attitudes in Europe to home working, by gender



Source: ACCA 2022

3. Growing mobility trend raises talent crunch concerns

#3 Growing mobility trend raises talent crunch concerns

While the profession remains attractive, mobility is presenting employers with challenges in accessing and retaining talent.

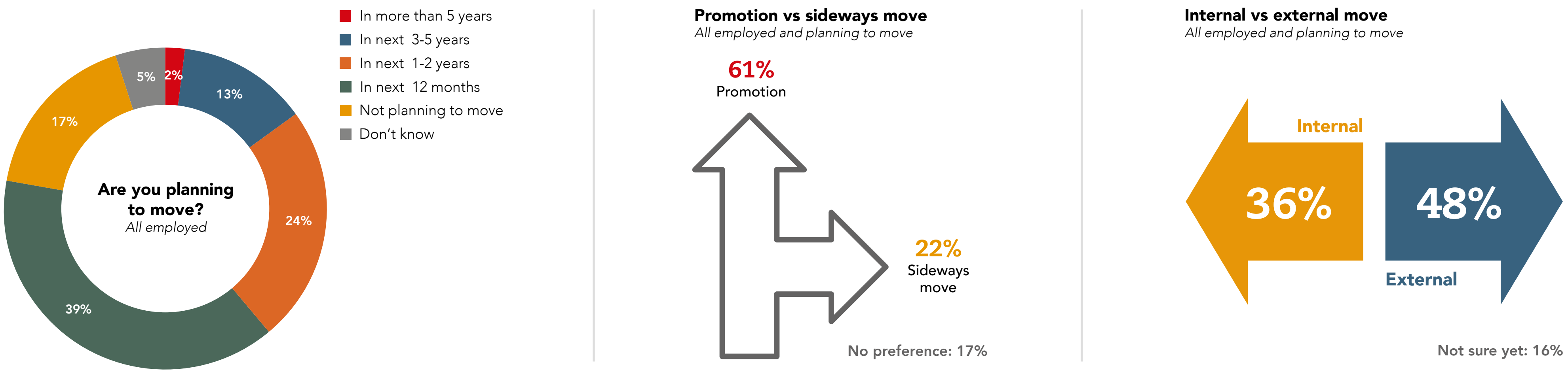
We have recorded significant challenges for employers around the world seeking to attract or retain the talent they need. This challenge is prevalent across Europe, where over one-third (39%) of respondents plan to move to their next role within 12 months, rising significantly to almost two-thirds (63%) planning to move within the next two years. Almost half of those planning to move are seeking an external move, and 61% are seeking a promotion as part of a move.

This evidence of workforce willingness to change roles and seek new opportunities highlights the crucial importance of employer action. Levels of employee satisfaction as well as career progression and development opportunities are key attraction and retention tools for employers of all sizes. Career development opportunities are often cited as a leading attraction factor by individuals across Gen Z, Gen X and Baby Boomers (Table 3.1). Remuneration, work–life balance and job security also rank highly as key attraction factors for individuals across Europe.

ACCA Ireland Roundtable:

'I see inflation and the global economic downturn to be somehow quite similar, and insufficient resources are part of the concern'.

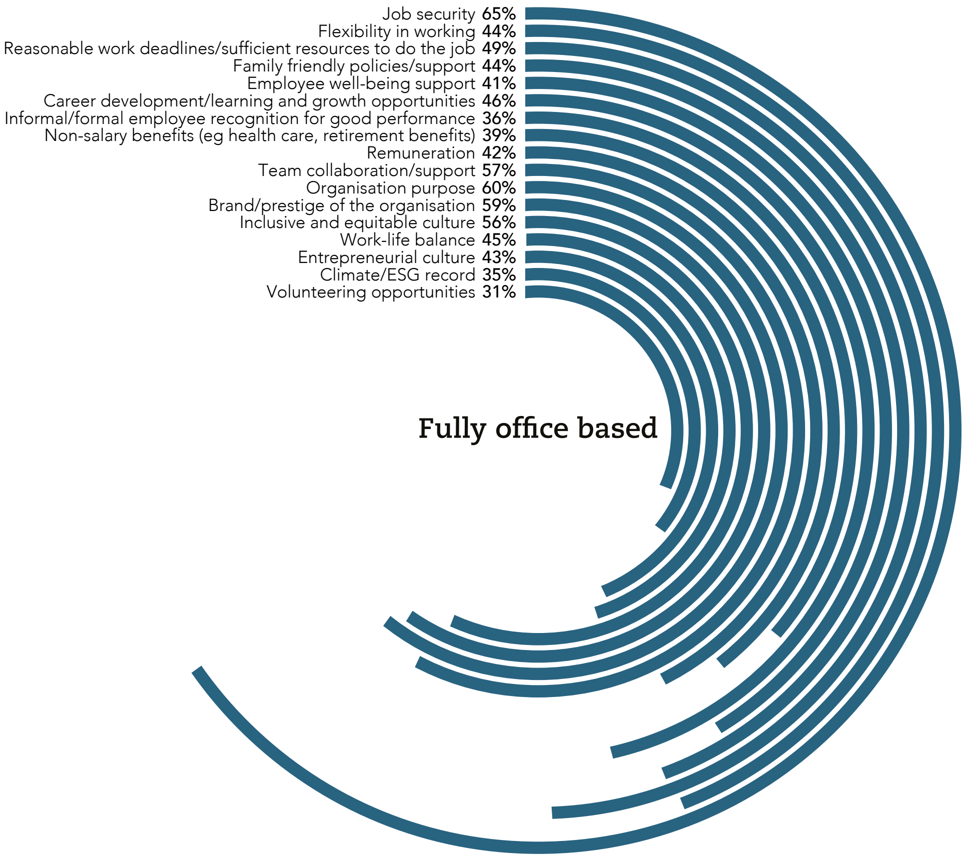
Figure 3.1: Europe respondents' intentions for future job moves

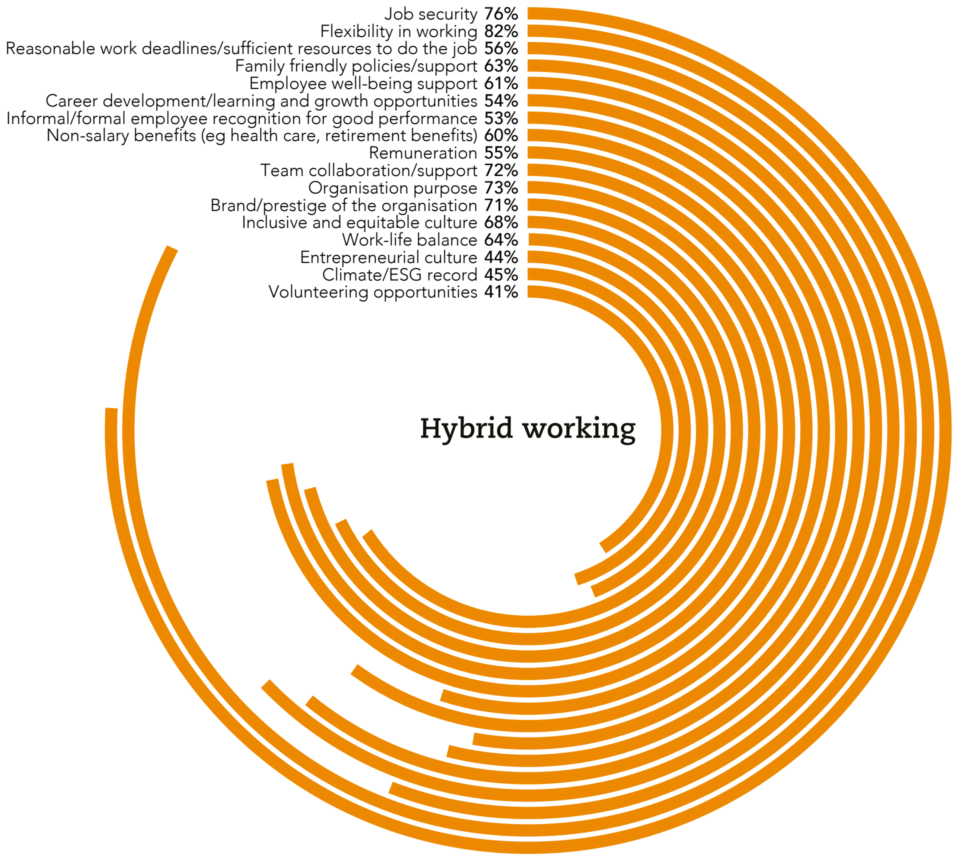


Source: ACCA 2022

We also examined a broad range of employee satisfaction factors for individuals who work full time in an office environment, and compared these levels of satisfaction with the levels reported by individuals adopting a hybrid approach to work (Figure 3.2). Across every satisfaction factor measured, hybrid-working individuals indicated greater levels of satisfaction, and the difference across many of these factors is very significant. While 76% of hybrid workers indicated satisfaction with job security, this fell to 65% for fully office-based workers. On employee well-being support, 61% of hybrid workers indicated satisfaction, compared with 41% of fully office-based workers. The difference remains consistent across remuneration and organisational purpose, each of which recorded 13% higher levels of satisfaction for hybrid workers than for fully office-based workers. These satisfaction level differences indicate that more flexible approaches to work may be one of the most powerful factors for employers seeking to attract and retain talent.

Figure 3.2: Job satisfaction for various criteria among office-based and hybrid-working staff





Source: ACCA 2022

Attractiveness factors are key to retention and vary significantly by generation – across Europe, Gen Z professionals rank career development opportunities, job security and team collaboration as the leading priorities – while Gen Y, Gen X and Baby Boomers most favour factors such as remuneration, recognition, and reasonable work deadlines.

Table 3.1: Attraction factors – how do the top employer attractions compare across the generations?
(Ranked by the percentage of those who considered the factor to be important or very important)

ATTRACTION FACTORS – HOW DO THE TOP EMPLOYER ATTRACTIONS COMPARE ACROSS THE GENERATIONS?	GEN Z UNDER 25	GEN Y AGE 25–42	GEN X AGE 43–57	BABY BOOMER OVER 57
Career development / learning and growth opportunities	1	1	6	5
Remuneration	4	2	1	1
Reasonable work deadlines / sufficient resources to do the job	5	3	3	3
Employee recognition for good performance	8	5	4	4
Job security	2	6	7	7
Employee well-being support	6	9	9	11
Non-salary benefits (eg health care, retirement benefits)	12	10	12	12
Ability to work flexibly	10	8	8	9
Family-friendly policies / support	13	12	13	13
Work–life balance	7	4	2	2
Team collaboration / support	3	7	5	6
Inclusive and equitable culture	11	11	11	10
Organisation's purpose	9	13	10	8
Brand / prestige of the organisation	15	14	14	15
Entrepreneurial culture	14	15	15	14
Climate / ESG record	17	16	16	16
Volunteering opportunities	16	17	17	17

Source: ACCA 2022

Figure 3.3 : Top five benefits of a career in accountancy among Europe respondents

1st	Long-term career prospects
2nd	Opportunity to gain a professionally recognised qualification
3rd	Financial rewards
4th	Opportunity to continually acquire new capabilities / learning
5th	Opportunity to move career / job across industries

(Net top 5 ranked)

Source: ACCA 2022

4. Addressing burnout has to be a priority

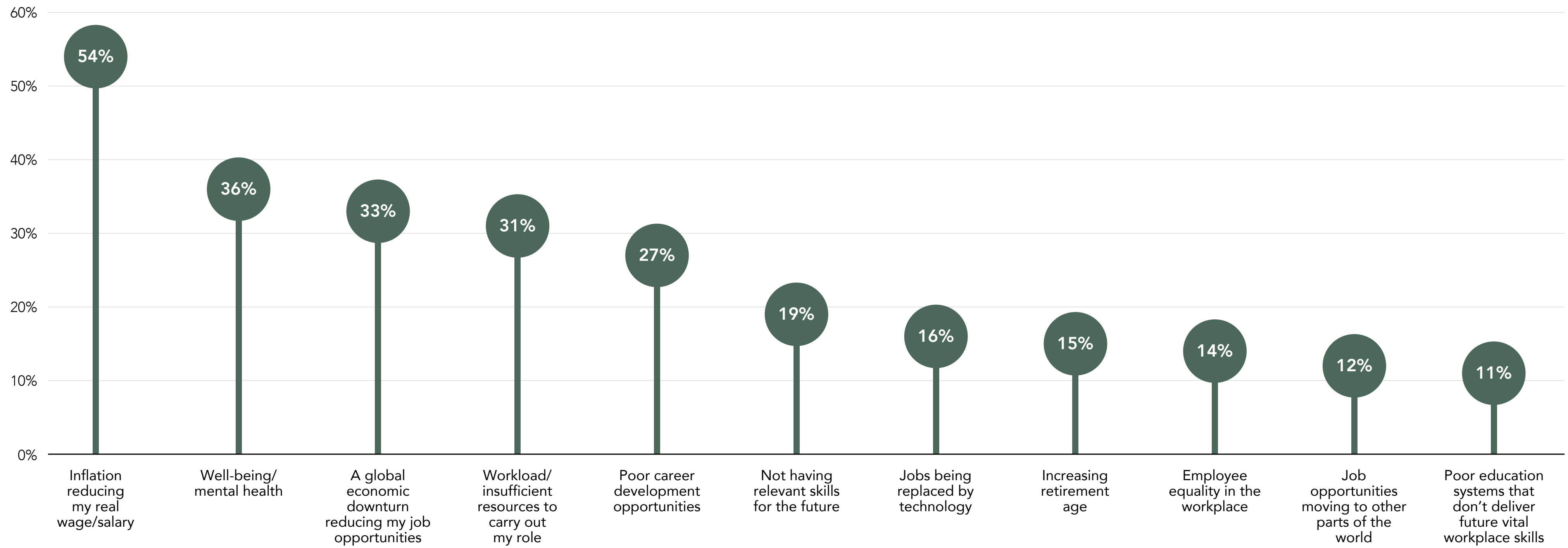
#4 Addressing burnout has to be a priority

Well-being and mental health are the second-highest-rated work concern for the future (Figure 4.1). Over half (57%) state that their mental health suffers because of work pressures, while over three-quarters (77%) state that they would like a better work–life balance (Figure 4.2). One in two have indicated that they would like more support from their organisation in managing mental health, while 39% claim that their organisation does not consider employee mental health to be a priority.

These concerns are consistent with the picture on mental health and burnout from various other parts of the world (Figure 4.3). Our data also suggest that younger people are more likely to say their mental health is suffering because of work pressures, and more likely to want more support from their employers. Employers have indicated that mental health concerns remain a leading issue and one that they are seeking to address through exploring new ways of supporting employees.

Figure 4.1: Work-related concerns for the future among Europe respondents

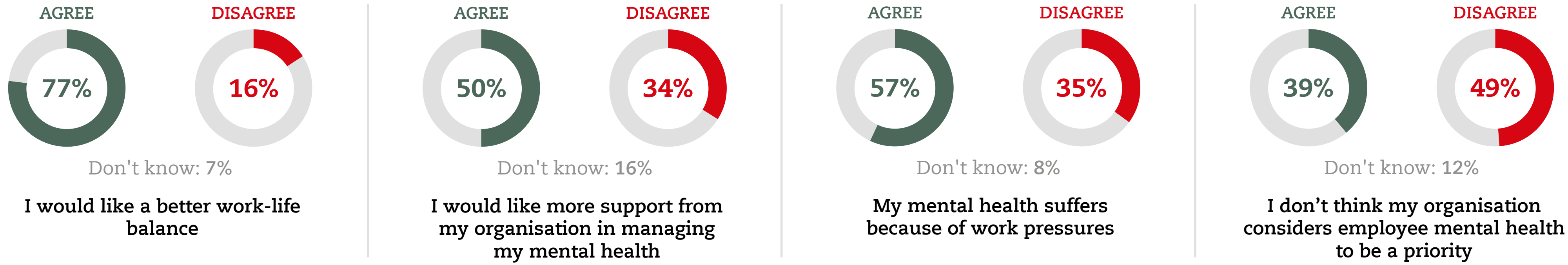
Work related concerns for the future - Top 3 ranked
All employed



Source: ACCA 2022

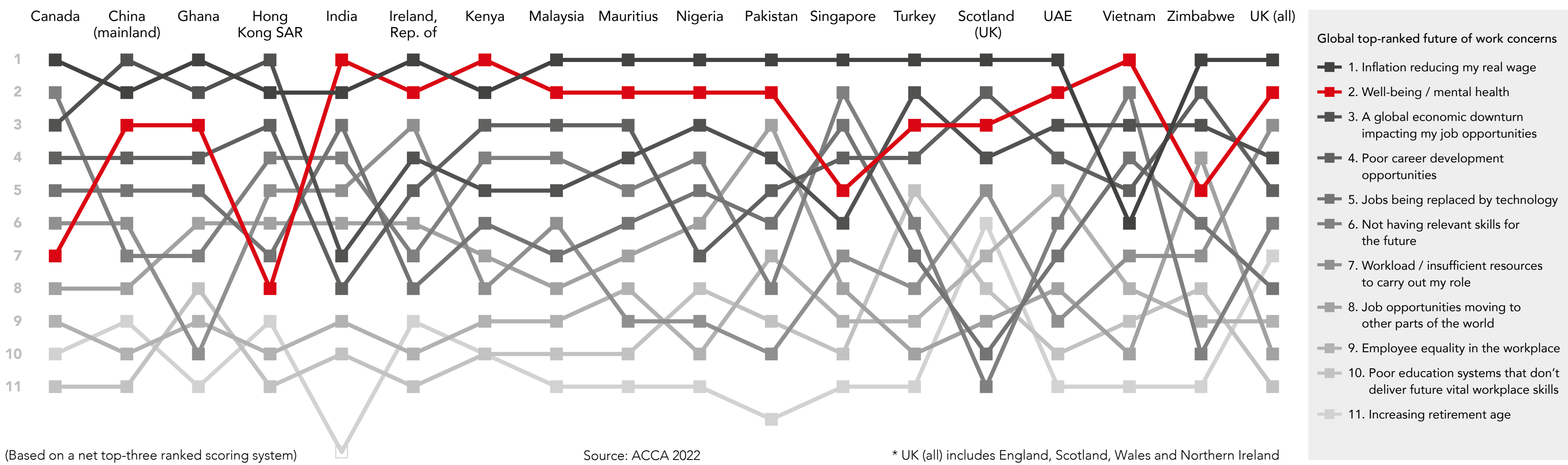
Rebased to exclude 'Don't know' mentions.

Figure 4.2: Employee well-being challenges facing employers



Source: ACCA 2022

Figure 4.3: Well-being/mental health issues – ranking of concern across selected global locations



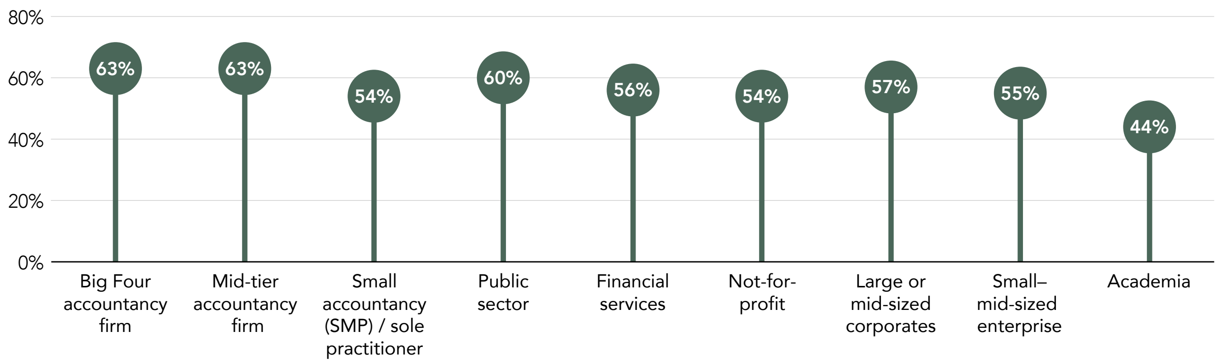
(Based on a net top-three ranked scoring system)

Source: ACCA 2022

* UK (all) includes England, Scotland, Wales and Northern Ireland

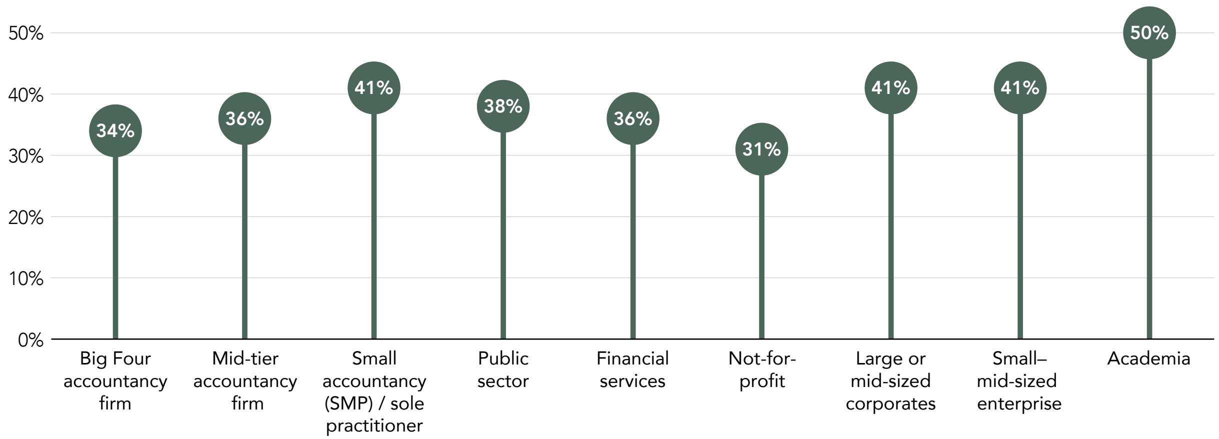
The impact of work pressure on mental health ranks consistently high in all sectors across Europe, but is highest across Big Four and mid-tier accountancy firms (Figure 4.4). Those in academia reported the lowest impact on mental health from work pressure, although it is still very significant at 44%. Consistent proportions of respondents from across all sectors stated that they did not think their organisation considered mental health to be a priority (Figure 4.5). The largest proportion was among those in academia at 50%, while the smallest was among those in the not-for-profit sector, at 31%.

Figure 4.4: 'My mental health suffers because of work pressures' (Percentage that agree, by sector)

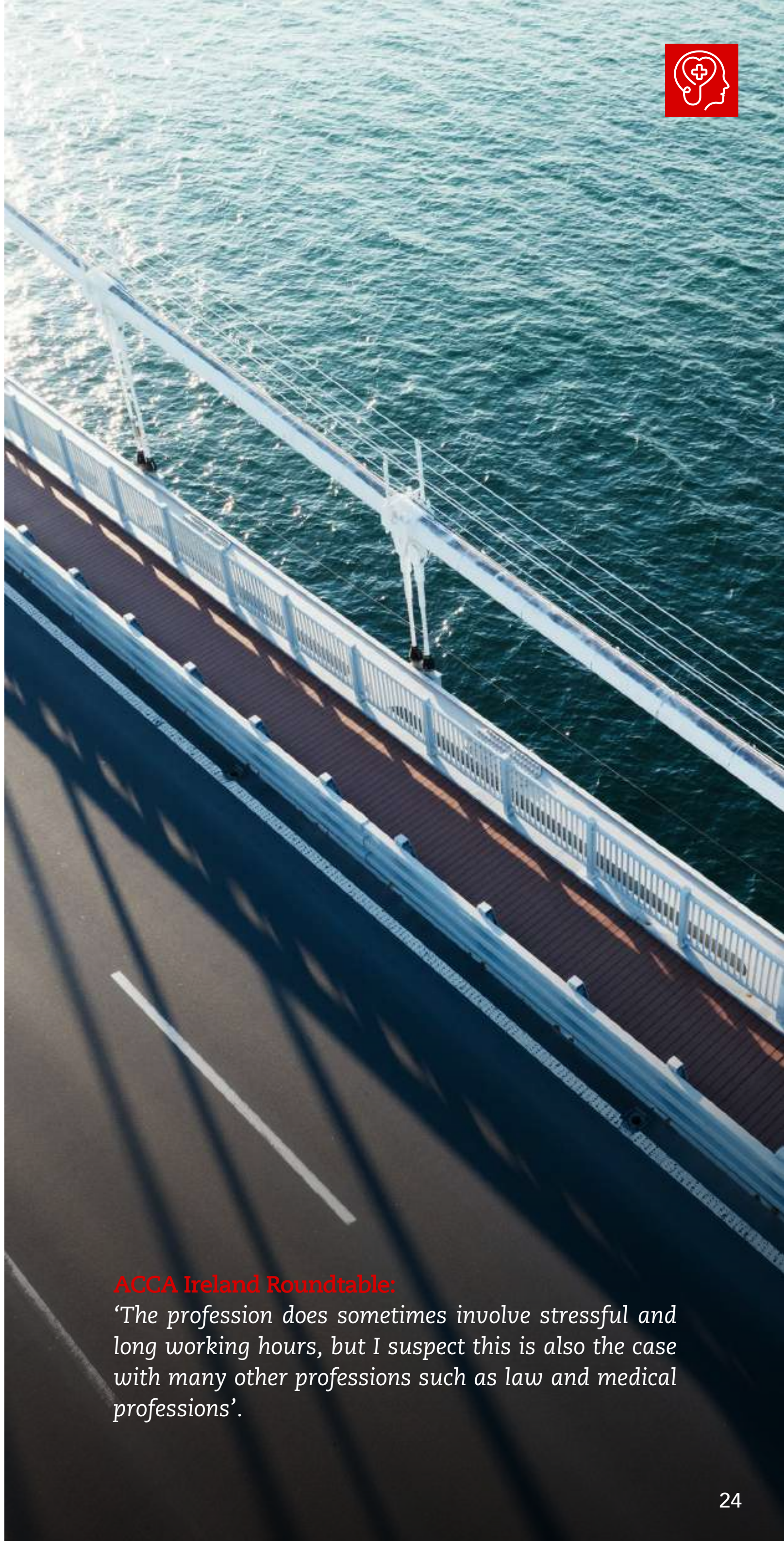


Source: ACCA 2022

Figure 4.5: 'I don't think my organisation considers employee mental health to be a priority' (Percentage that agree by sector)



Source: ACCA 2022



ACCA Ireland Roundtable:
'The profession does sometimes involve stressful and long working hours, but I suspect this is also the case with many other professions such as law and medical professions'.

5. Technology is empowering, but concerns prevail

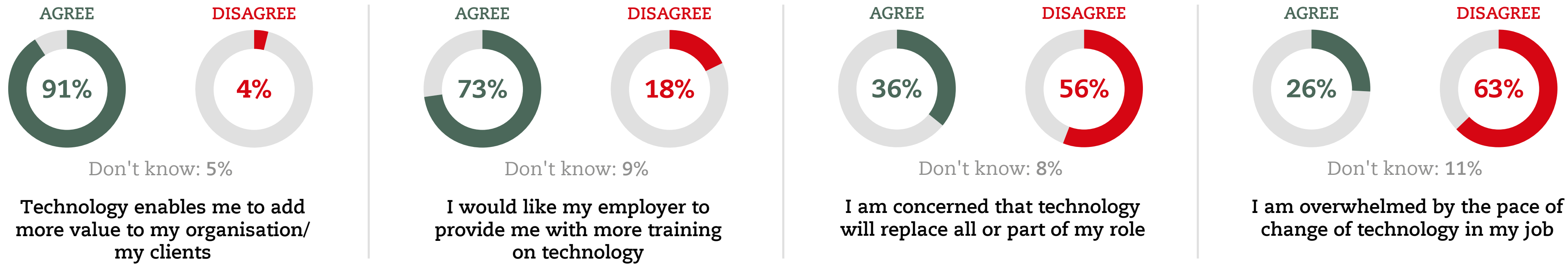
#5 Technology is empowering, but concerns prevail

Professionals across Europe recognise the ways in which technology can enhance value, but many say they are overwhelmed by the pace of change.

An overwhelming 91% of those employed across Europe recognise the benefits of technology and the value it can add for their organisation and clients. Nonetheless, many are concerned about the future of technology and the way in which it may change the world of work. One in three (36%) are concerned that technology will replace all or part of their role, while 26% indicate being overwhelmed by the pace of change of technology (Figure 5.1).

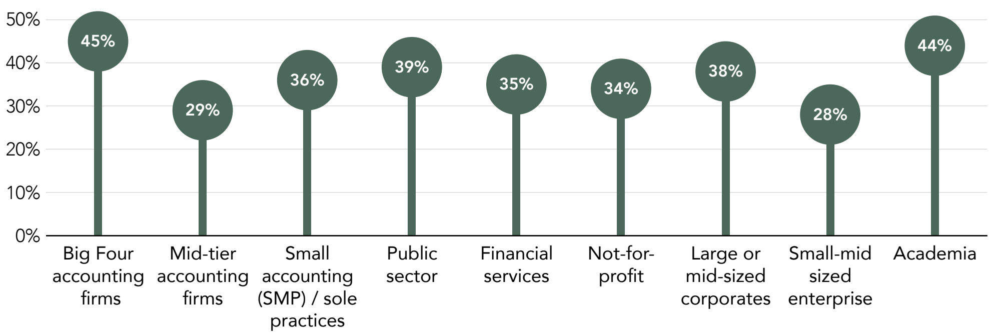
Although the majority of those employed understand the value that technology can add, a significant skills gap remains, with 73% stating that they would like their employer to provide them with more training on technology. This is consistent with the global picture and with the concerns that employers are highlighting, as they continue to face skills gaps for technology. Training and development will remain critical to organisations seeking to adopt the latest technology to enhance value.

Figure 5.1: Technology concerns expressed by Europe respondents



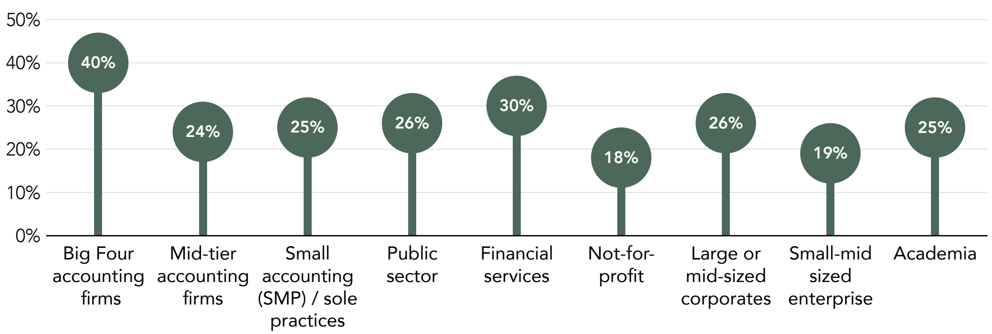
Source: ACCA 2022

Figure 5.2: 'I am concerned that technology will replace all or part of my role' (Percentage that agree, by sector)



Source: ACCA 2022

Figure 5.3: 'I am overwhelmed by the impact of the pace of change of technology on my job' (Percentage that agree, among UK respondents, by sector)



Source: ACCA 2022

6. Inclusivity measures score well, but social mobility lags

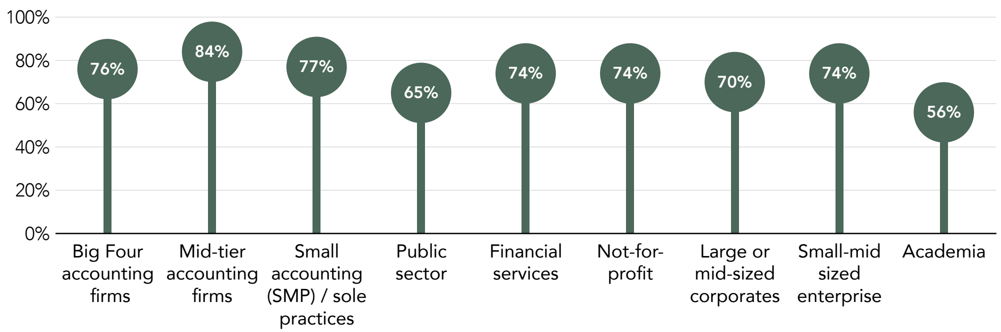
#6 Inclusivity measures score well, but social mobility lags

Over two-thirds (69%) of respondents across Europe believe that leaders in their organisation have integrity, and 69% state that their organisation is inclusive (Figure 6.3). There is more positive news, with almost three-quarters (72%) stating that they believe leaders in their organisation are accessible (Figure 6.5).

There are some significant differences in perception when we explore these factors by sector. Those in academia report some of the highest levels of leadership integrity at 81% (Figure 6.2), while Big Four accountancy firms rank highest for inclusivity (Figure 6.3).

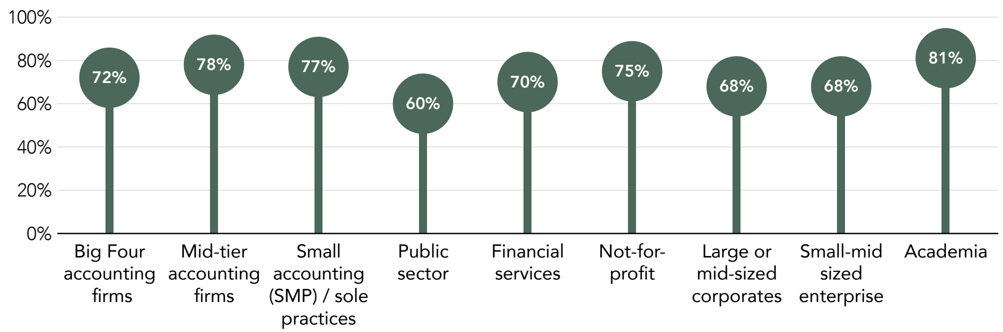
Despite these positive ratings, there is still significant work to do in increasing social mobility, with more than one-third of respondents across Europe (36%) indicating that they believe a low socio-economic background is still a barrier to progression within their organisation (Figure 6.4). Globally, almost half (49%) of respondents share this view, suggesting there is still significant work to do on social mobility (Figure 6.6).

Figure 6.1: 'I believe the leaders in my organisation are accessible'
(Percentage that agree, by sector)



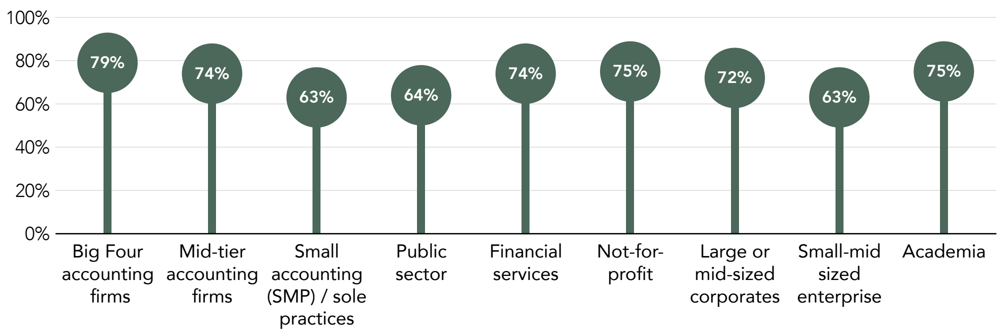
Source: ACCA 2022

Figure 6.2: 'I believe the leaders in my organisation have integrity'
(Percentage that agree, by sector)



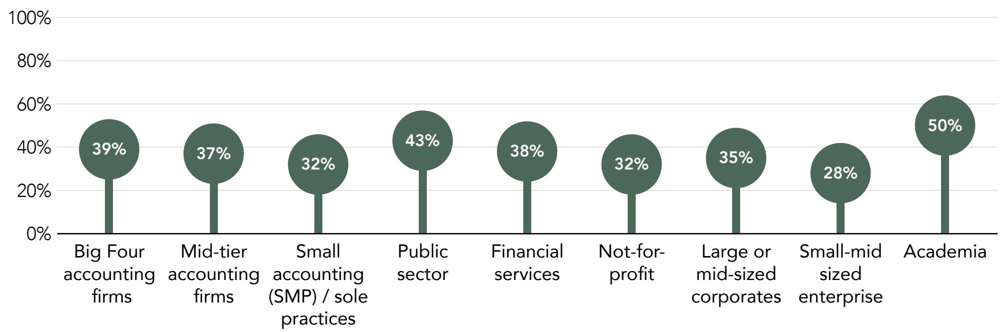
Source: ACCA 2022

Figure 6.3: 'I believe my organisation is inclusive'
(Percentage that agree, by sector)



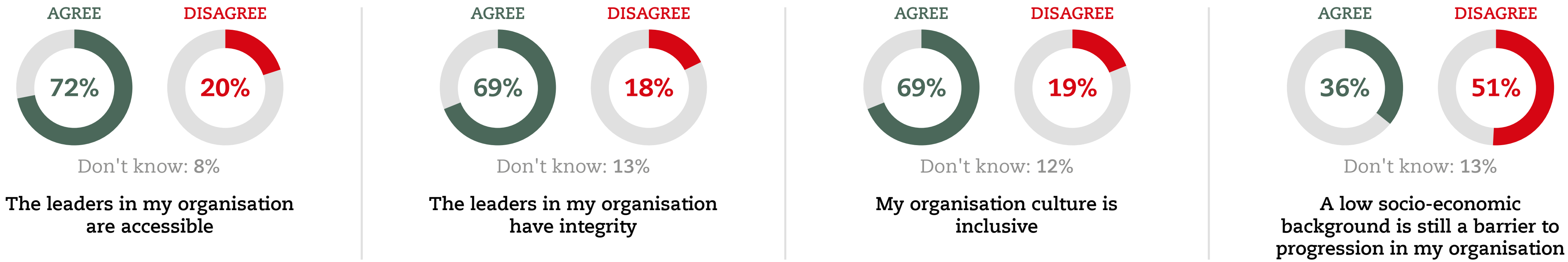
Source: ACCA 2022

Figure 6.4: 'I believe a low socio-economic background is still a barrier to progression in my organisation' (Percentage that agree, among Europe respondents, by sector)



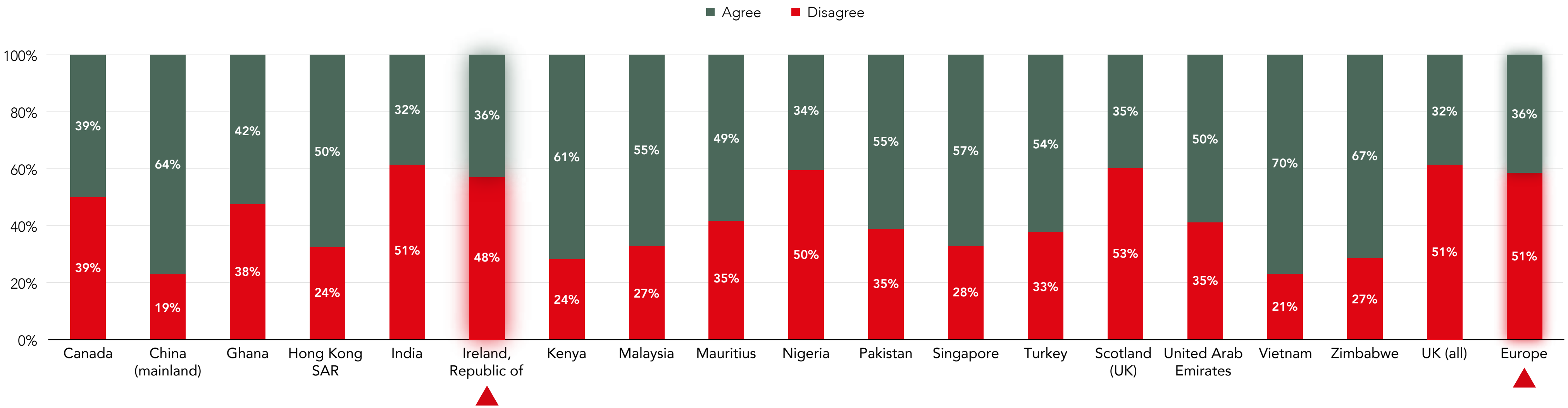
Source: ACCA 2022

Figure 6.5: Culture and leadership in the Europe



Source: ACCA 2022

Figure 6.6: 'A low socio-economic background is still a barrier to progression in my organisation' (Global responses by location)



Source: ACCA 2022

('Don't knows' remain the balancing figure for each country)

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