

Think Ahead

ACCA

Professional accountants – the future:

Generation Next:

- A guide for
employers



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 **178** countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of **100** 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 short guide provides insights for employers on the career aspirations of the youngest generation of finance professionals in the workplace today. The guide also outlines a number of considerations for employers on attracting, developing, engaging and retaining young finance employees in response. The insights are based on a recent ACCA research report, *Professional accountants – the future: Generation Next*. Almost 19,000 ACCA students and members up to the age of 36 responded to the survey representing 150 countries.

Generation Next is part of a wider ACCA programme considering key issues impacting the future of the profession. To learn more about Professional Accountants - the future please visit our dedicated website www.accaglobal.com/thefuture to explore more of our research and find out how we continue to evolve the ACCA qualification to meet the needs of employers.

Alternatively please contact your local business development manager who can take you through the Generation Next report in more detail and let you know how ACCA and our products can help you attract, engage and retain finance professionals to support you in developing the outstanding talent your business needs for the future.

Generation Next: What employers need to think about?

Here are some considerations employers may wish to reflect on as they seek to attract, develop, engage and retain the youngest generation of finance and accounting professionals today.

1. REVISIT CAREER PATHS

Are career paths transparent in your organisation?

Only 31% of respondents to our survey agreed that career paths were transparent at their organisation (and 37% suggested they were not). Additionally only 38% agreed their organisation offered sufficient opportunities to achieve their career goals (Figures 1 and 2). The data suggests career support may not be communicated well, or perhaps career planning may not be sufficiently creative to develop the growing diversity of skills required or ambitious enough to meet the diversity of career aspirations.

The concept of career lattices rather than career ladders is now well established, enabling more collaborative ways to structure work, and giving individual employees opportunities for broader depth of career development and growth of knowledge through multiple experiences.

We may expect less linearity in how individuals progress their careers through the profession in the future, yet new opportunities will arise. A rethink of career paths helps ambitious Generation Next to understand that picking up skills by moving laterally, not just being continually promoted, can also help them attain their own career goals. It also enables organisations to grow the diversity of skills and breadth of corporate understanding the enterprise will need in the future in an era that will be defined by cross functional collaboration. 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.

FIGURE 1: My current organisation offers sufficient career opportunities to achieve my career goals

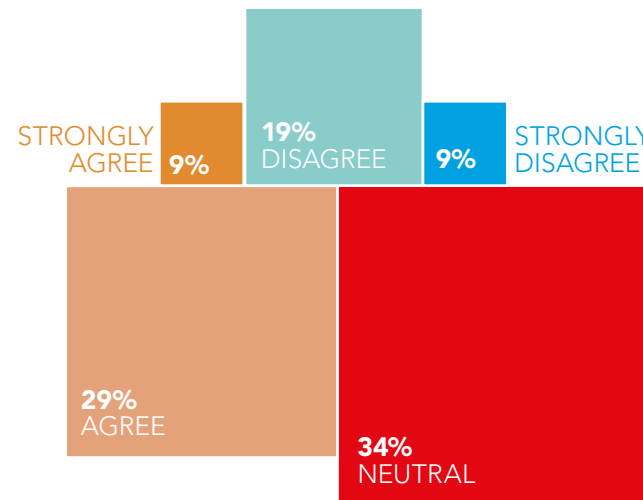
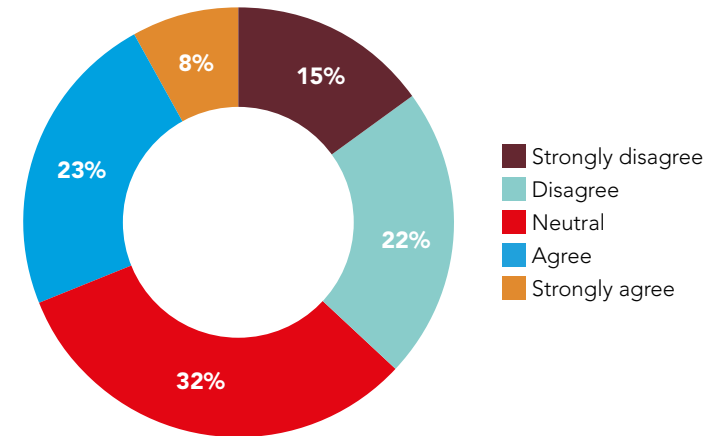


FIGURE 2: Career paths are transparent at my organisation

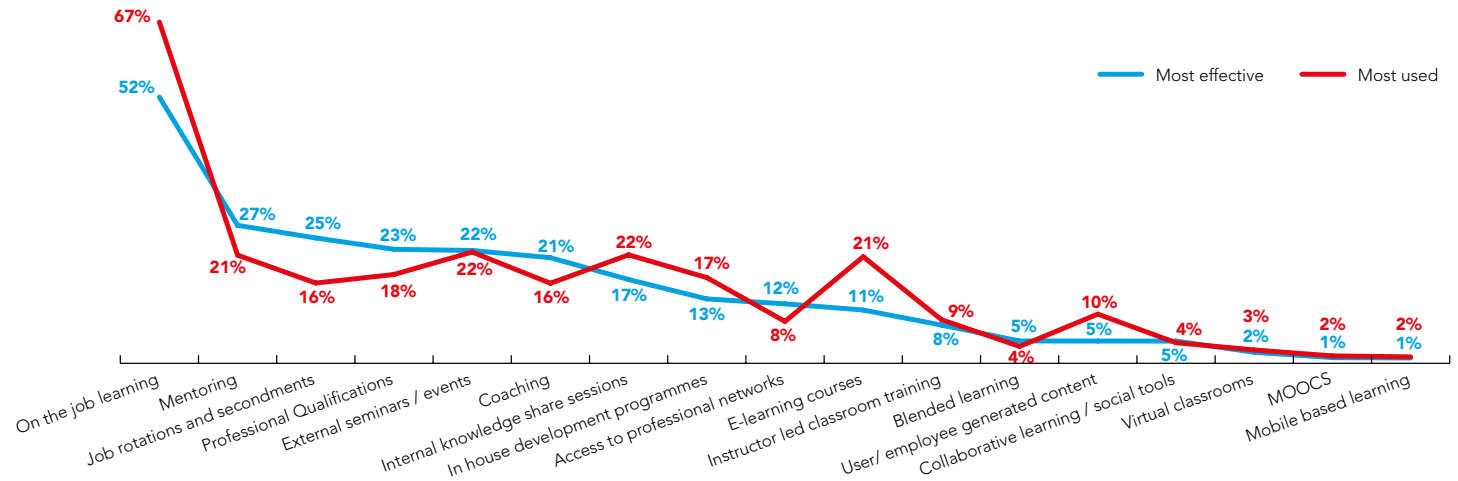


2. REDESIGN LEARNING AND CAREER SUPPORT PARADIGMS

Do you have the right learning interventions to support career development?

Opportunity to learn new skills is ranked as the top attraction and retention factor, followed closely by career development opportunities. In terms of career development, respondents indicated that they find more personalised training valuable – on the job learning, job rotation and secondments, and mentoring (Figure 3). Interventions aligned to an individual's interests and career goals that support the development of wider leadership skills and behaviours are particularly valuable.

FIGURE 3: The most effective learning activities for career development versus those most used by employers



3. ENGAGE THE OLDER GENERATIONS IN KNOWLEDGE SHARE

How is 'know-how' from older employees transferred?

The skills, wisdom and 'know-how' of more experienced colleagues in the workplace are a key asset in businesses. Our data suggests Generation Next have good relationships with both their colleagues and line managers (Figure 4 and 5), and programmes established to further share knowledge in the workplace, help drive innovation and foster better collaboration for the future. Mentoring programmes or knowledge share sessions are ways in which this can be better achieved where the 'know-how' based on years of experience in organisations can be shared.

FIGURE 4: I have a strong relationship with my line manager

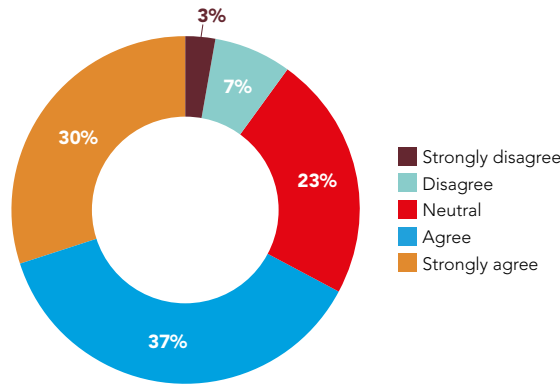
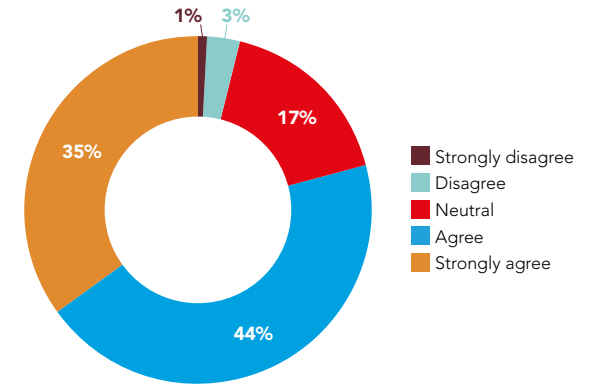


FIGURE 5: I have a strong relationship with my team colleagues



4. ALLOW NEW WAYS OF WORKING USING TECHNOLOGY TO FLOURISH

Are you maximising the use of social collaboration tools?

The youngest generation of finance professionals are familiar with virtual collaboration technology, and though they expect technology to replace many entry roles in the profession they also see it as an opportunity to add more value (Figure 6 and 7). Yet new technologies also bring new collaboration possibilities too.

Generation Next has the potential to make profound changes in the way teams work together through collaboration via digital tools in the future. They see the benefits technology may bring for finance professionals and should be good champions for embracing and promoting technology for working together more effectively across the organisation.

There is growing use of social media and collaboration tools such as apps to share information in enterprises and with stakeholders. Social digital tools can also be very useful for encouraging peer to peer collaboration, recognising the contribution of colleagues and driving engagement.

They can also play a key role in helping better share information and opinion up and down the organisation hierarchy, as well as providing useful analytical information on employee concerns, trending conversations and so on.

FIGURE 6: Technology will replace many entry roles in the profession

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

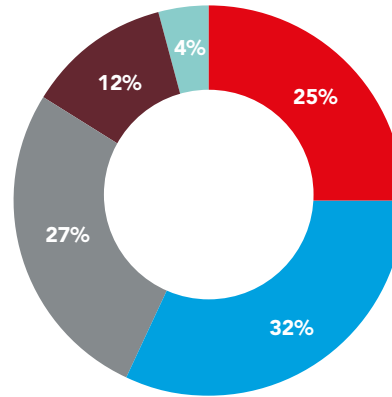
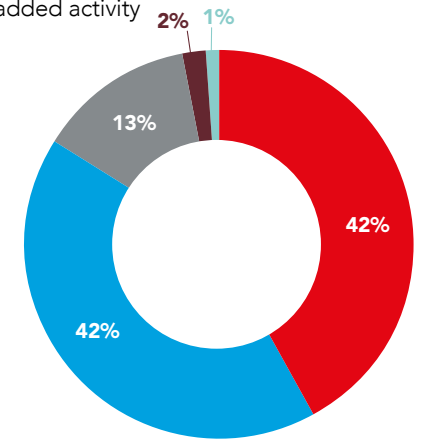


FIGURE 7: Technology will enable finance professionals to focus on much higher value added activity

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree



5. RETHINK SUCCESSION PLANNING AND TALENT PIPELINES

How robust is your talent pipeline?

Generation Next respondents do not craft their careers thinking about a job for life...or even necessarily for more than a few years according to our data. 70% expect to move from their current role within two years (Figure 8). The survey results imply significant fluidity in the movement of talent, yet businesses still need to ensure they have the right mix of talent, capabilities and skills in the organisation to grow over the longer term. Employers need to develop effective strategies to attract, develop and retain talent in view of the skills they have internally and with an assessment of the current and future needs of the organisation. They also need to be able to track how the talent mix is changing over time. There are also implications for succession planning relating to key roles in organisations, particularly if the aspirations on mobility are realised and individuals move jobs more often.

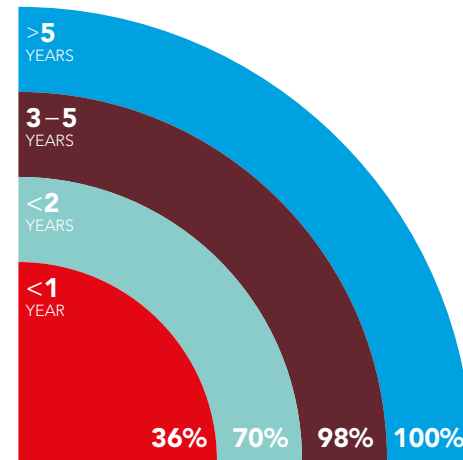
6. HARNESS GENERATION NEXT'S DIGITAL SAVVY

Are you tapping into millennials' technology 'know-how'?

Generation Next's entry into employment brings new opportunities. 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 in a digital world.

ACCA's report, *Digital Darwinism: thriving in the face of technology change 2013*, identified the key technologies reshaping the business and accountancy landscape (Figure 9). Deploying young professionals to show how technology really works and tapping into their digital skills is going to be beneficial for organisations. There are also opportunities here for 'reverse mentoring', where older employees are mentored by younger employees in social media or technology trends.

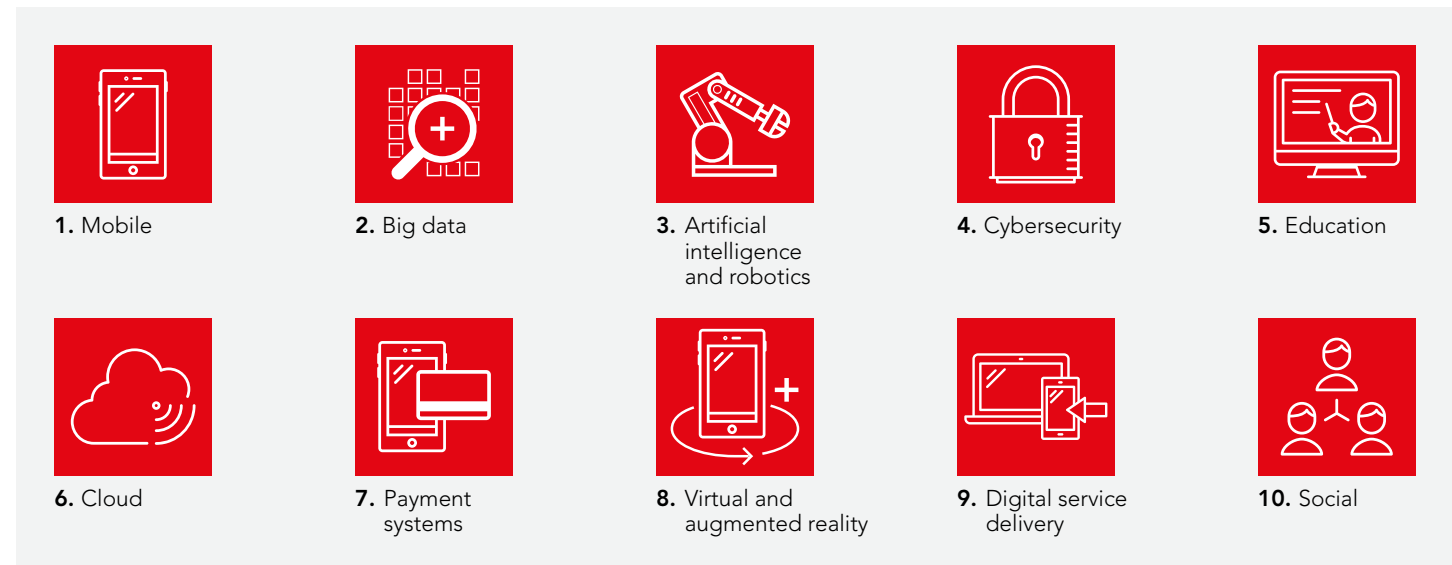
FIGURE 8: How quickly would you like to move to your next role? (All respondents)



"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 9: Top 10 technologies reshaping the business and accountancy landscape



7. THINK DIVERSE GLOBAL TALENT POOLS

How diverse is your workforce?

The benefits of a diverse workforce (in all its forms) are well established. In a global business environment too, geographic diversity and international experience on the CV is valuable particularly for those seeking careers in larger multi-national organisations. According to the Generation Next survey 80% expect to pursue a role in a different country or region at some point in their career. By tapping into Generation Next's ambition for growth and international work experience, employers can acquire more geographically diversified talent, and at the same time provide much needed development opportunities for their younger employees who aspire to leadership roles in larger organisations. In a technologically connected environment there is also a different dimension in which diverse global talent can be sourced – new talent doesn't have to be physically present in the same location, and technology can be used to open up new sources of talent.

8. MANAGE EXPECTATIONS, HAVE CAREER CONVERSATIONS

Do line managers have career conversations?

According to the data, unsurprisingly short tenure has a reasonably direct correlation with age (Figure 10). Yet there are few differences between the different age cohorts in terms of how quickly they wish to move to their next role (Figure 11), and across all sectors the preferred ambition is for promotion rather than a sideways move (Figure 12).

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 career expectations. Line managers are a powerful resource in helping have honest career conversations with employees, even potentially as coaches, but to do this effectively they also need to develop strong coaching skills for better engagement.



"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*

FIGURE 10: How long have you been in your current role? (By age)

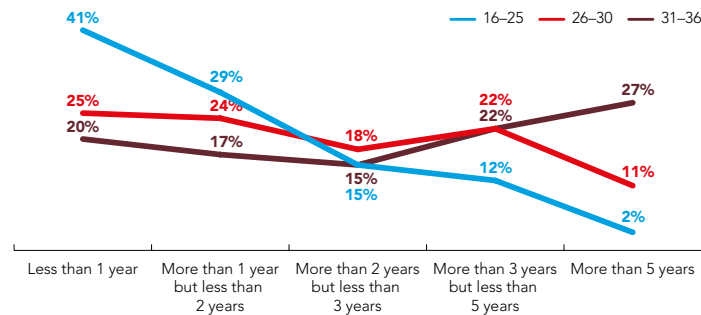


FIGURE 11: How quickly would you like to move to your next role? (By age) (Cumulative percentages)

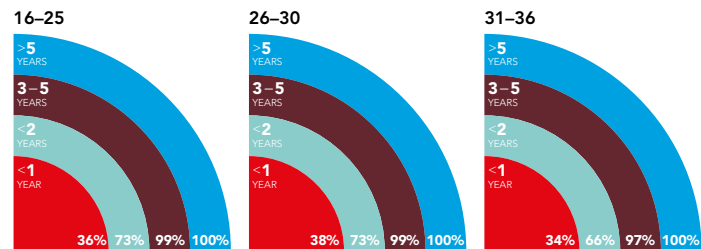
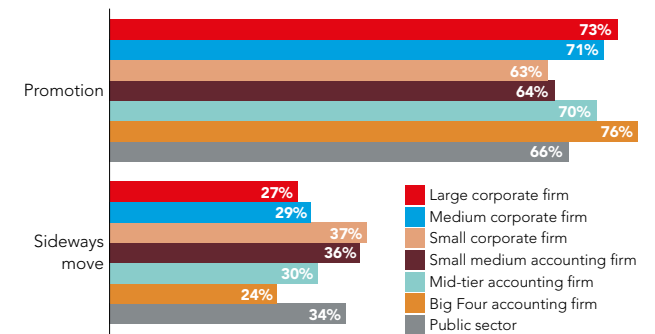


FIGURE 12: Do you want your next role to be a promotion or sideways move? (Responses by key sectors)



9. RETHINK ENGAGEMENT

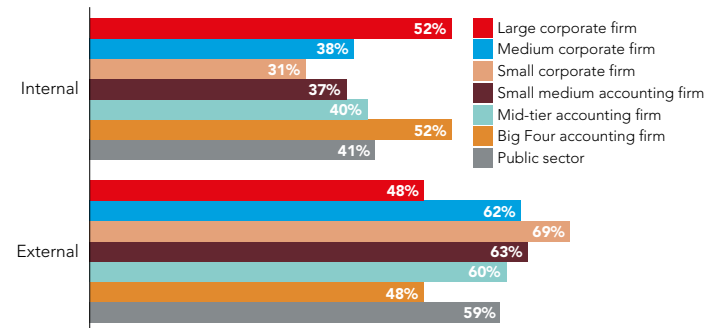
What engagement strategies are you using?

In a world of lateral career moves and high ambitions employers need to rethink engagement and reward strategies to ensure appropriate recognition and retention, and this is clearly an imperative right across all sectors, given the mobility aspirations the data suggests (Figure 13).

If employers want to build truly sustainable businesses, there is a shared responsibility to rethink engagement to drive retention for the longer term. Otherwise there is a risk employers continually lose tacit knowledge, suffer high replacement costs, and don't deliver on engagement.

There are multiple components to good engagement strategies, some of which are highlighted in the previous points. Employers should track engagement through surveys, actively 'reward' or recognise contribution (not necessarily financial), drive collaboration opportunities across the organisation, use social media to provide channels for employee feedback, and of course be transparent around career options. Opportunities for employees to engage in social interactions outside of work can also be a valuable engagement intervention.

FIGURE 13: Do you want your next role to be internal or external (responses by key sectors)



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