

Think Ahead



*2020: The future of accounting*

# Managing change: Millennials in Finance

Middle East

*In collaboration with*

**Deloitte.**



# 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 [accaglobal.com/middle-east/en.html](http://accaglobal.com/middle-east/en.html)**

ACCA Middle East would like to thank the following authors from Deloitte Middle East for their perspective as shared in this insight.

**Author:**

**Ghassan Turqieh,**

Partner and Human Capital Consulting Leader, Deloitte Middle East

**Co-author:**

**Rand Khalife,**

Manager, Consulting, Deloitte Middle East

## Millennials in the workforce

Millennials, referring to those born between 1980 and 1995, represent an increasing share of the workforce. This is evidenced by a recent report from Deloitte University Press that showed millennials “have recently inched past the other generations to corner the largest share of the US labour market” (the same phenomenon is also happening in KSA and other Gulf countries), and that a growing number now occupy senior positions.

They are no longer leaders/CFOs of tomorrow, but, increasingly, leaders/CFOs of today—as such, their views on how business does and should conduct itself are of more than academic interest. Millennials are taking their values with them into the boardroom. Finance executives need to address the challenges of not only the accounting profession but also the challenges posed by the millennials’ ways of working.

*“Millennials are no longer leaders/CFOs of tomorrow, but, increasingly, leaders/CFOs of today.”*



# Millennials influencing ways of working

## Influencing the workplace

By all accounts, millennials are different from preceding generations. The difference lies not only in their hopes and dreams but in what they expect and demand. As millennials are reaching management levels in corporations, we are only beginning to see how those heightened expectations are likely to change and influence the workplace for everyone, impacting employers and employees of all generations.

Millennials are attracted and engaged by employers who create a culture suitable for their goals and aspirations, which revolve around sense of purpose, fast track career progression, exposure, rewards and recognition, and diversity. Millennials often put their personal values ahead of organizational goals, and several have shunned assignments (and potential employers) that conflict with their beliefs. These “features” of millennials are being noticed and observed in the Middle East region, although in various degrees based on the economic prosperity of each geography.

*“Millennials are different from preceding generations.”*



# Millennials in finance and accounting

The shifting demographics signal a notable change in the finance talent landscape. A recent survey found that 62% of senior finance professionals believe millennials to be the biggest challenge for their businesses. Organisations should think hard about this as they prepare for the wave of retirements from boomer generation (those born between 1946 and 1964) employees that will happen relatively soon.

Beyond the various challenges facing the accounting profession, such as evolving smart and digital technology, the continued globalisation of reporting/disclosure standards, and new forms of regulation, finance leaders need to also address those challenges also posed by millennials. We share the five most significant outcomes that this generation could cause in the finance workplace.

## Increasing transparency and loss of privacy

Perhaps the most radical impact of millennials on the workplace is triggered by their inclination to freely share private information (sometimes for the purposes of testing the integrity of the organisational systems) and their expectation that others will reciprocate.

People who grew up with the Internet at their fingertips learnt no barriers for accessing and disseminating information. Then there is the enormous volume of information available in the public domain. These combined factors have changed attitudes about sharing information, including less regard for historical norms about ownership and plagiarism. As one academic said, "privacy is being redefined by this generation." This phenomenon represents a dramatic change in behaviour and could influence corporate culture and practices in many ways. A company's sensitive or confidential information may be perceived by the new generation differently, which only puts more pressure on management, who need to act differently in order to protect the organisation's assets.

## Unprecedented flexibility in working conditions and benefits

Earlier generations expected to make sacrifices in one or more areas of their lives in order to achieve in another. Millennials believe differently. They expect to work hard, they expect to deliver results and they expect their need for a balanced life to be accommodated.

According to research on millennials in the Middle East, good work-life balance emerges as the top factor that encourages people to remain loyal to their organisation. In addition to flexibility in working conditions, Middle East millennials are mostly looking for an annual/regular bonus, health and medical insurance coverage for themselves and family, and housing allowance.

Millennials in the Middle East region believe that financial stability, good health and a successful career are the top priorities in their lives, and that to lack any one of these causes stress.

CFOs are required to become increasingly comfortable with arranging a flexible work environment for employees working in finance and

Recognition is another interesting challenge for companies and specifically for CFOs. A number of companies are trying frequent “mini-promotions” with small wage increases as a way to keep millennials satisfied about their career movement.

accounting to align with millennials’ expectations and to shift from “traditional” policies in that area.

The Deloitte Millennial Survey (2017) shows that such arrangements are not simply “nice to have” but are strongly linked to improved performance and employee retention. Millennials say that flexible working arrangements support greater productivity and employee engagement while enhancing their personal well-being, health, and happiness. In addition, the survey indicates that accountability and flexibility are highly correlated, with those working in more flexible environments reporting higher levels of personal responsibility.

This is to the benefit of the financial workplace, as greater levels of accountability are a key requirement from CFOs.

*“Millennials in the Middle East region believe that financial stability, good health and a successful career are the top priorities.”*

### **New approaches to career planning and development**

Traditional career planning and development activities have been based on organisational stability and employee longevity, both of which are less relevant to the new generation. Companies nowadays should look for advanced and new approaches to career development that would align with millennials’ expectations and ways of work.

When it comes to learning and development, millennials simply will not stay put for a day-long class. Other generations may have been equally unhappy in the classroom, yet they put up with it. Millennials grew up accustomed to lots of stimulation and self-directed learning, and they will not tolerate anything less. Just-in-time learning delivered through media seems to be the preferred alternative. In addition, millennials place a high value on having training and development opportunities available for them and seek to constantly acquire new skills and abilities to remain competitive. They want to see a career path in front of them and to feel confident that they will progress and grow in their jobs.

### **Insistence on integrated, interconnected technologies**

Millennials consider a company’s technology an important criterion for whether they will take a job. Just as important as job flexibility, automation will likely bring the next big change in the working practice. The generation that grew up with the latest and greatest gadgets does not have patience with anything less. Their world is defined by easy-to-use digital interfaces that can be accessed anywhere and anytime. The Deloitte Millennial Survey shows how millennials not only expect the greatest technologies to be adopted at their organisations, but that they also recognise the obvious potential benefits of automation in terms of productivity and economic growth; they also see it as providing opportunities for value-added or creative activities, or the learning of new skills.

Research indicates that organisations which do not provide the most advanced tools are at risk of giving millennials opportunities to become heavy users of organisation-tolerated technologies that may not be approved and technologies that are not officially allowed in their organisations.



This could lead finance functions to potentially jeopardise compliance requirements.

As accounting traditionally was not a profession that quickly embraced emerging technologies, CFOs nowadays will need to become knowledgeable of available technologies that match their work and organisation requirements and at the same time that align to the vision of millennials to increase widespread adoption of technology.

*“Millennials consider a company’s technology an important criterion for whether they will take a job.”*

### **Loyalty and willing employees for “traditional” jobs**

According to the Deloitte Millennial Survey (2017), two in three millennials are expected to leave their jobs by 2020. In other words, for millennials building a long-term relationship with a single company is simply no longer a primary goal.

For finance organisations, the inability to retain talented workers possessing the required industry and financial knowledge to handle complex business situations is troubling enough. Hence, CFOs need to seriously consider appropriate retention plans; these could include initiatives focusing on clear communication between employers and employees on the company’s vision and their individual contributions as professionals to that vision, as well as regular feedback complemented by a clear career ladder and growth opportunities.

In summary, with the increasing number of millennials in the workplace in the Middle East, businesses cannot afford to ignore the huge impact this group is having and will continue to have.

**Leaders and CFOs will need to shift their traditional financial work environment to align with the next generation's expectations and be able to attract, develop, engage and retain the required talent.**

They will also need to focus heavily on ensuring a seamless integration, productive engagement and collaboration between the different generations in their workforce. Moreover, technology tools have become essential to meet the expectations of millennials and later generations, and can no longer be ignored in order to ensure sustainable future growth.

**References:**

*The Future of the Workforce, Critical drivers and challenges* (2016) – Deloitte  
*A New Understanding of Millennials, Generational differences re-examined* (2015) – Deloitte University  
*The 2017 Deloitte Millennial Survey, Apprehensive Millennials: seeking stability and opportunities in an uncertain world* (2017)  
*The 2016 Deloitte Millennial Survey, Winning over the next generation of leaders* (2016)  
*Getting smart with employment, Opportunities for Arab youth employment in the hospitality, technology and media industries in the MENA region* (2016) – Deloitte  
*Millennials in the Middle East and North Africa Survey* (2014) – Bayt.com  
*Catalyst for Change, The Impact of Millennials on Organization Culture and Policy* (2009) – Monitor  
<https://www.ifac.org/global-knowledge-gateway/business-reporting/discussion/future-accounting-profession-three-major>

