

# UK 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 **241,000** members and **542,000** future members based in **178** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values. In the UK we have over **90,000** members working up and down the country, across all sectors, public and private, from micro businesses to large firms, helping individuals, organisations and businesses to thrive.

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

### **(i)** UK TALENT TRENDS IN FINANCE 2023

IN 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 UK RESPONDENTS.

Over 8,000 professional accountants from 148 countries were asked about the concerns they held about working in the future, as well as aspirations for their careers. In the UK, over 600 individuals responded, from a broad range of sectors, enabling us to understand key UK workplace issues, such as employee engagement, well-being, and attitudes to technology adoption.

# FOREWORD

This ground-breaking global survey confirms that accountancy remains a smart career choice, offering opportunity, flexibility and security. Indeed, the UK emerges as one of the most attractive destinations for global accountancy professionals.

Exploring the aspirations and challenges of accountancy and finance professionals, the report reveals a profession grappling with new ways of working, seeking to identify innovative ways to attract and retain talent within a mobile, ambitious global workforce. Undoubtedly, the wealth of insight about what matters to accountancy professionals will be a thought-provoking, vital resource for anyone with an interest in recruitment, skills development and retention, the future of the accountancy profession and the economy in general.

The report also shines a light on post-pandemic working patterns. In contrast to the global picture, hybrid working is now dominant in the UK. Furthermore, the evidence suggests that those working in a hybrid fashion are more likely to be satisfied with various aspects of work. But it's clear that new ways of working are still evolving and also present new challenges and opportunities.

Similarly, in common with the rest of the world, there are significant levels of concern from employees in the UK about the cost-of-living crisis, workplace stress and mental health support. It is worth highlighting that a range of resources to support members, including a Wellbeing Hub, are available on ACCA's website.

The use of technology to deliver organisational and client value in the UK is highly advanced; however, many have expressed a strong interest in receiving enhanced training from their employer while others have expressed concern about technology potentially replacing a part, or all, of their role. Overall, the data underlines the importance of employers continuing to support the skills of staff at all stages of career development if they want to attract and retain talent. As well as the vast range of CPD and certificates available via ACCA Learning, our partnerships with leading software providers deliver additional support for members. For learners, we have developed an exclusive online Education Hub, providing a wide range of support resources across the UK.

Lastly, as a profession with integrity and ethics at its core, it's encouraging to see the UK score highly on measures of leadership integrity, inclusion and culture. Nevertheless, too many in the profession still identify socio-economic background as a potential barrier to success. ACCA remains committed to being a force for public good and offering everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. ACCA is also open access, meaning there is an entry point for everyone. We take this commitment very seriously and will continue developing the forward-thinking professionals the world needs.



Abdul Goffar Director ACCA UK

# At a glance:



#### #1 The inflation crisis fuels wage pressures

Rising prices are challenging employees and employers and putting pressure on wage demands and staff retention.



#### #2 Hybrid working gains traction in the UK

The UK is one of the most advanced regions in the world for high levels of remote and hybrid working.



#### #3 Mobility is driving a possible talent crunch

Accountancy remains a career choice with high mobility and wide job opportunities, but this presents retention challenges for employers.



#### #4 Addressing burnout has to be a priority

Stress and mental health issues are evident across the workforce, particularly for younger respondents in our survey.



#### **#5** Technology is empowering but concerns prevail

Technology is key to adding value, but the pace of change for some is overwhelming.



#### #6 Inclusivity measures score well, but social mobility lags.

Leaders are accessible and cultures appear inclusive, but many express concerns about social mobility.



# #1 The inflation crisis fuels wage pressures

The impact of inflation on the real wages of employees ranks as one of the biggest work-related concerns for the future. The concern is consistently high across every region in the world, and is the leading concern in the UK. This presents additional challenges for employers in keeping up with wage demands in a profession where career mobility opportunities remain high. Indeed, remuneration is identified as one of organisations' top attraction factors for employees, yet satisfaction levels with pay are lagging behind.

#### #2 Hybrid working gains traction in the UK

Only one-fifth of respondents in the UK identified as fully office based, with the remaining 80% either adopting a hybrid approach to work or being fully remote. Globally, the picture is notably different, with over half of respondents being fully office based. While 77% of respondents in the UK claim to be more productive when working remotely, some also find collaboration more challenging and report being less engaged with their manager when working remotely. Across various work satisfaction metrics, finance professionals working in hybrid roles appear to be significantly happier at work than those working full time in the office.

### **#3 Mobility is driving a possible talent crunch**

Over one-third (36%) of UK respondents expect to move to their next role within 12 months, rising to 58% within the next two years. Globally, there is an indication in the data that organisation size still matters for job hunters considering prospective moves to a different organisation or sector. This is a potential employer 'talent crunch', further compounded by employee dissatisfaction across a range of different employer propositions.

# #4 Addressing burnout has to be a priority

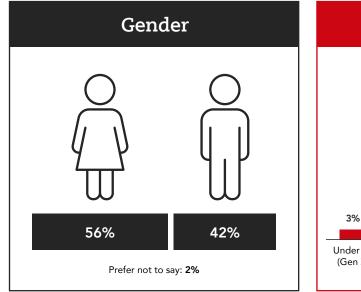
Well-being and mental health are the second highest-rated work concern about the future in the UK. Over half (54%) of respondents report that their mental health suffers because of work pressures, while almost three-quarters (72%) state they would like a better work-life balance and 41% state they would like more support from their organisation in managing mental health. Globally, our data suggests 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. In fact, mental health remains a leading concern among respondents from all generations in the UK.

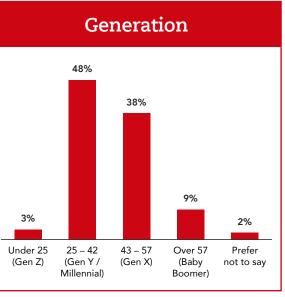
# #5 Technology is empowering, but concerns prevail

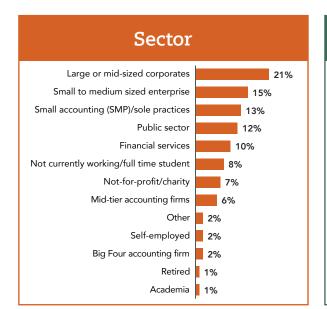
The overwhelming majority of those employed in the UK indicate that they understand how technology helps them add more value to their organisation and clients (90%), but there is a significant skills gap, with 63% stating they would like more training in technology from their employer. Globally, our data indicates that younger employees are among those most concerned about the pace of technological development, in addition to those in the Big Four accountancy firms and in academia.

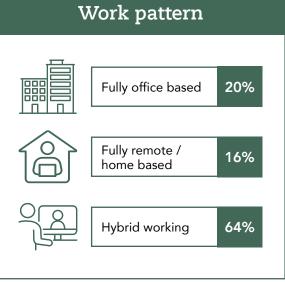
#### #6 Inclusivity measures score well, but social mobility lags

The UK scores highly on inclusion and integrity, with employees indicating that they believe their organisations are making progress across a number of metrics, such as the accessibility of their leaders, leadership integrity and inclusive organisational cultures. In general, 72% believe leaders in their organisation are accessible, while 74% agree that leaders have integrity and 73% believe their organisation is inclusive. There are opportunities across the public sector and academia to learn from practice across other sectors. Despite these positive scores, almost one-third (32%) of respondents believe that a low socio-economic background is still a barrier to progression in their organisation. Globally, almost half (49%) of respondents share this view, suggesting there is still significant work to do on improving social mobility. Figure ES1: Demographics of our UK respondents











UK TALENT TRENDS 2023 | 1. THE INFLATION CRISIS FUELS WAGE PRESSURES

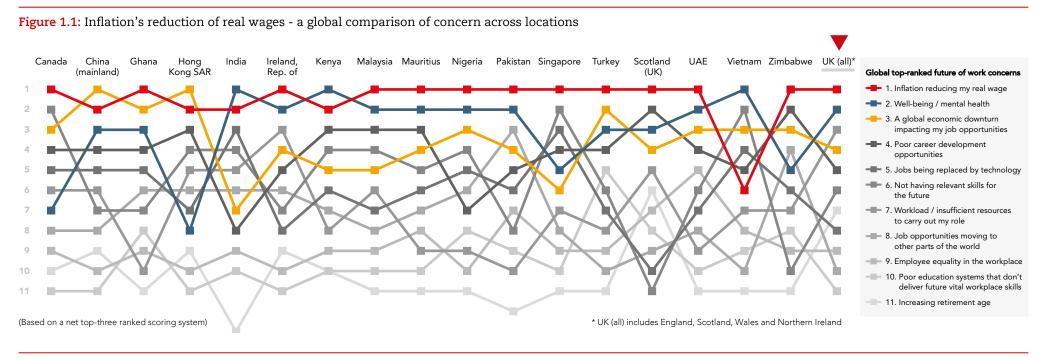
1. The inflation crisis fuels wage pressures

#### **#1** The inflation crisis fuels wage pressures

The impact of inflation on wages ranks as the leading work concern in countries around the world and is the highest-ranked concern identified by UK respondents (Figure 1.1 and Table 1.1). It is ranked as the leading concern across all generations and by both men and women from a wide range of sectors.

Concerns about inflation are highest for accountants in the public and not-for-profit sectors, where there is growing concern that public sector wage constraints and potential funding cuts could further exacerbate the issue. Wage pressures are also a major concern for employers, who reported extra pressure on the cost base (Figure 1.2), with wage demands and concerns about retention in the face of the economic challenges cutting across the different sectors.

Discussions in the ACCA UK Roundtable showed that inflation is having a different impact on the public sector. It is likely to be a more significant concern as we move into the future, particularly when we see public sector wage constraints and potential cuts.



Source: ACCA 2023

#### 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

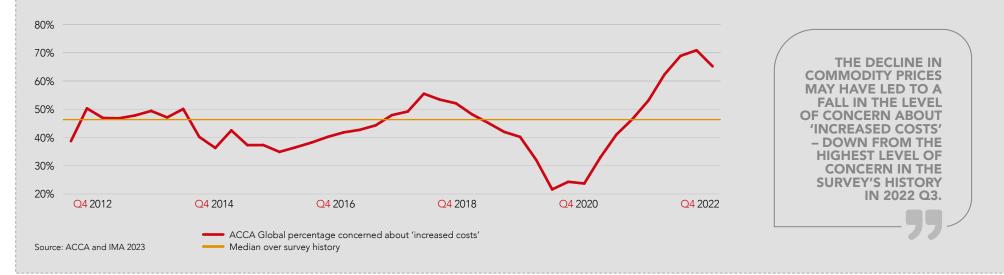
CBS News, 1 Jan 2023.



#### Figure 1.2: Global concerns about increased operating costs

### ACCA Global Economic Conditions Survey<sup>1</sup> 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





#### 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 UK 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	38%	58%	55%	59%	48%	69%	56%	59%	57%
Wellbeing / mental health	38%	47%	30%	29%	39%	24%	39%	36%	14%
Workload / insufficient resources to carry out my role	44%	47%	40%	40%	27%	45%	30%	31%	57%
A global economic downturn reducing my job opportunities	25%	21%	24%	16%	24%	22%	38%	31%	43%
Poor career development opportunities	38%	32%	16%	25%	30%	25%	33%	25%	0%
Not having relevant skills for the future	31%	13%	15%	20%	24%	20%	16%	25%	14%
Increasing retirement age	13%	18%	12%	31%	21%	25%	17%	22%	29%
Jobs being replaced by technology	13%	5%	24%	18%	15%	18%	18%	13%	14%
Employee equality in the workplace	25%	24%	7%	9%	18%	12%	16%	13%	14%
Job opportunities moving to other parts of the world	13%	5%	7%	5%	9%	6%	11%	6%	14%
Poor education systems that don't deliver future vital workplace skills	13%	8%	6%	5%	6%	10%	5%	11%	0%

(Based on a net top 3 ranking system)

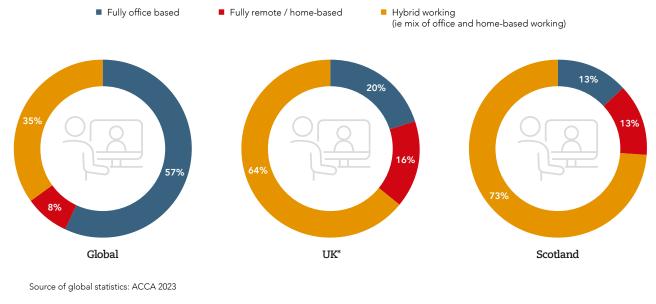
# 2. Hybrid working gains traction in the UK

#### **#2** Hybrid working gains traction in the UK

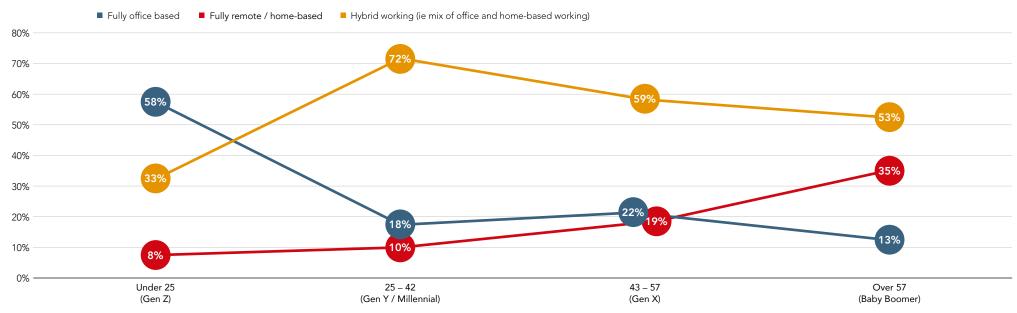
The switch to remote and hybrid working appears to have gained traction in the UK. Only one in five UK respondents state they are fully office based while the remaining 80% are either fully remote / home-based or hybrid working.

Just under two-thirds (64%) of UK respondents report a working pattern that is a blend of office and home-based working, rising to 73% in Scotland, where it is most popular. In this respect, the UK presents a different picture from other regions, with just over one-third (35%) of global respondents stating they are working under hybrid arrangements, while over half (57%) say they are working full time in the office (Figure 2.1). Younger respondents are more likely to report that their working arrangements are currently fully office based, while the older age groups are more likely to be working fully remote (Figure 2.2).

The UK's adoption of flexible working patterns may reflect demand from employees and the competition for talent. It may also contribute to the attractiveness of UK as a career location for accountants.



 $^{\ast}$  UK (all) includes England, Scotland, Wales and Northern Ireland



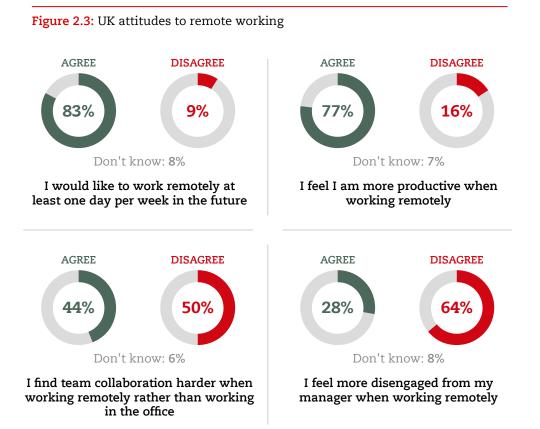
#### Figure 2.2: UK\* attitudes to remote working by age group

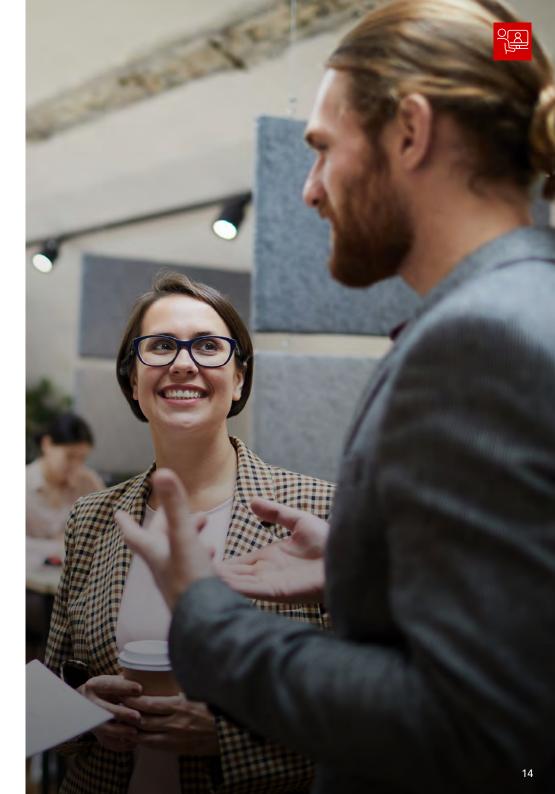
Figure 2.1: Current working patterns globally and in the UK\*

While hybrid and remote approaches to working are notably more prevalent in the UK than elsewhere globally, our insight indicates that new ways of working may still need to evolve to respond to workplace challenges. While these are most often highlighted in relation to younger employees, the data suggests that there are challenges to address across all age groups and sectors (Figure 2.3).

Almost half (44%) of respondents reported that they find team collaboration harder when working remotely rather than in the office. In addition, one in three employees state they are more disengaged from their manager when working remotely.

During our discussions, employers have expressed significant concern about the impact of remote working for those at the earliest stage of their career and new employees, citing the absence of informal learning gained in the office environment and the lack of a suitable work environment for some employees at home.





Nevertheless, the data indicates that all respondents have a strong appetite for working from home more often, with 83% of UK respondents reporting that they would like to work remotely at least one day per week. The vast majority of female respondents (85%) claim to be more productive when working remotely, although this falls to just over two-thirds (67%) of male respondents. A slightly larger proportion of men claim to be more disengaged from their manager and find team collaboration harder when working remotely than do women (Figure 2.4). 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<sup>2</sup>.



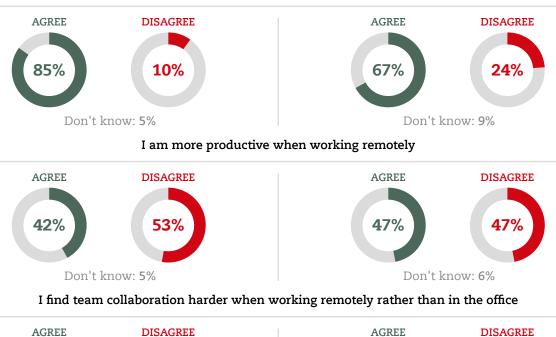
'The younger members of our team that are joining directly out of school into junior finance roles struggle when working at home without face-to-face guidance and structure'.

#### ACCA UK Roundtable

'I would definitely say I am more productive working remotely, there are [fewer] distractions when I'm at home and therefore more output is done'. ACCA UK Roundtable Figure 2.4: UK attitudes to home working, by gender



#### I would like to work remotely at least one day per week in the future





#### I am more disengaged from my manager when working remotely

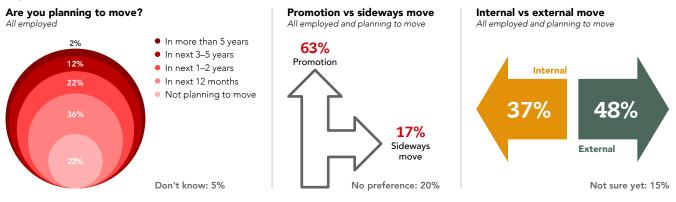
# 3. Mobility is driving a possible talent crunch

#### #3 Mobility is driving a possible talent crunch

Employers around the world have highlighted the significant challenges they face with talent retention as well as recruitment. Over one-third (35%) of UK respondents expect to move to their next role within 12 months, rising sharply to 58% who plan to move within the next two years.

This evidence of workforce willingness to change roles to pursue new opportunities further underlines the crucial importance of employee satisfaction and career progression opportunities, as 63% of those planning to move indicate a strong preference for a promotion and 48% of those seeking to move want to make an external move. Notably, lack of career development opportunities was cited as the second-to-top work concern in Scotland (compared with fifth-to-top concern for the UK as a whole) (Table 3.1 and Figure 3.3). Long-term career prospects, opportunities to gain a professionally recognised qualification and financial rewards are among the leading attractions of the profession.

#### Figure 3.1: UK respondents' intentions for future job moves



'We are concluding more of our recruitment in an untraditional way where we are able to hire people [who are] more geographically dispersed...because of hybrid working. It is opening up a broad range of people applying for jobs from different parts of the country. Those individuals are also more flexible [about the] ways in which they like to work'.

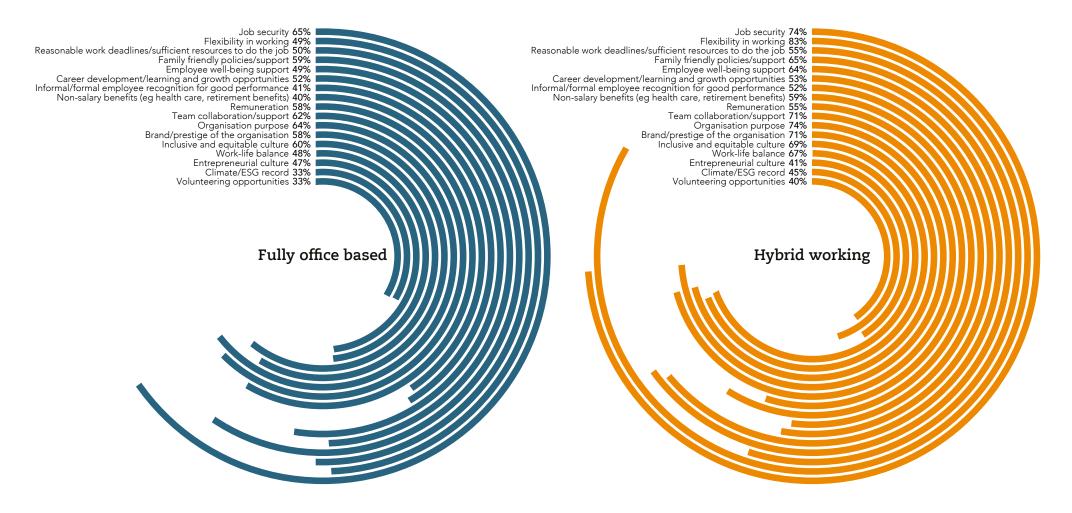
#### UK Roundtable





Our research examines a broad range of factors relating to employee satisfaction, including job security, remuneration, development opportunities and flexibility (Figure 3.2). Comparing satisfaction rates for these aspects of work against working patterns of respondents, the data suggests that those who are fully office based appear less happy and more likely to move to new roles than those working in a hybrid way. 59% of hybrid workers reported satisfaction with employee well-being support, while less than half (49%) of those fully office based report satisfaction against this metric. Fewer than half (48%) of fully office-based respondents report satisfaction with work–life balance, which rises sharply to 68% for hybrid workers. The gaps in employee satisfaction remain consistent across the vast majority of factors.

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





Attractiveness factors are key to retention and vary significantly by generation – in the UK, Gen Z rank career development opportunities, reasonable work deadlines and job security as the leading priorities – while Gen Y, Gen X and Baby Boomers favour factors such as remuneration, recognition and work-life balance.

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

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

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

<b>1</b> st	Long term career prospects	
<b>2</b> <sup>nd</sup>	Opportunity to gain a professionally recognised qualification	
3 <sup>rd</sup>	Financial rewards	
$4^{\mathrm{th}}$	Purpose – having a job that is essential to an organisation	
5 <sup>th</sup>	Opportunity to continually acquire new capabilities / learning	

(Net top 5 ranked)

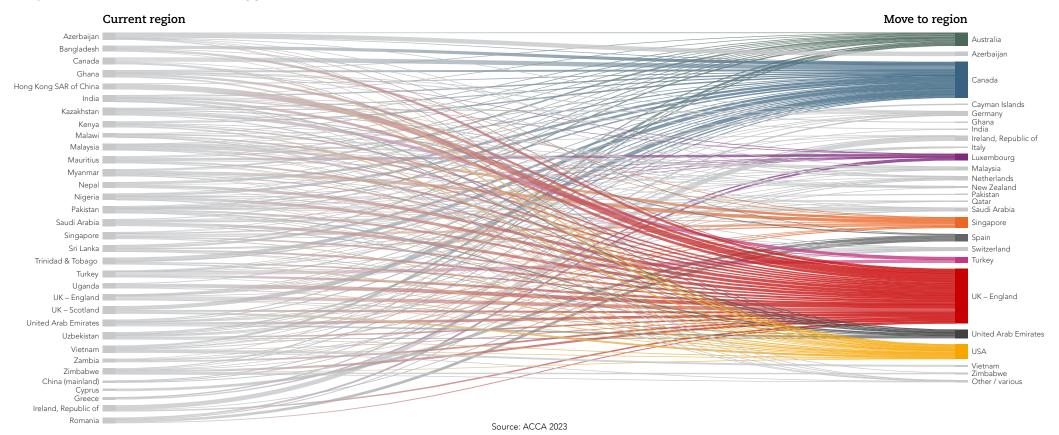


#### UK IS THE MOST POPULAR GLOBAL DESTINATION

When global respondents were asked which global locations were most attractive to accountancy talent, the data suggests that the UK is the most popular destination for professionals seeking to move role internationally, with 22% of global respondents selecting it as their destination of choice, followed by Canada at 15% and the US at 7%. Those UK respondents who would consider moving internationally were most likely to identify Anglophone countries such as Canada and the US (Figure 3.4).

Our discussion with employers indicates that strong upward career development opportunities and flexible approaches to work may be among the leading motivations for individuals to move to the UK. Globally, our data indicates that younger respondents were more likely to cite the benefits of mobility across different locations and regions, with 28% of Gen Z and 26% of Gen Y identifying this as a top-three benefit of a career in accountancy and finance, versus 21% of Gen X and 16% of Baby Boomers.

#### Figure 3.4: Favoured destinations among global respondents



# **4. Addressing burnout** has to be a priority

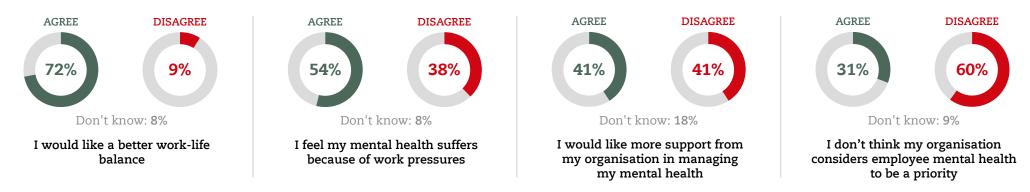
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#### **#4 Addressing burnout has to be a priority**

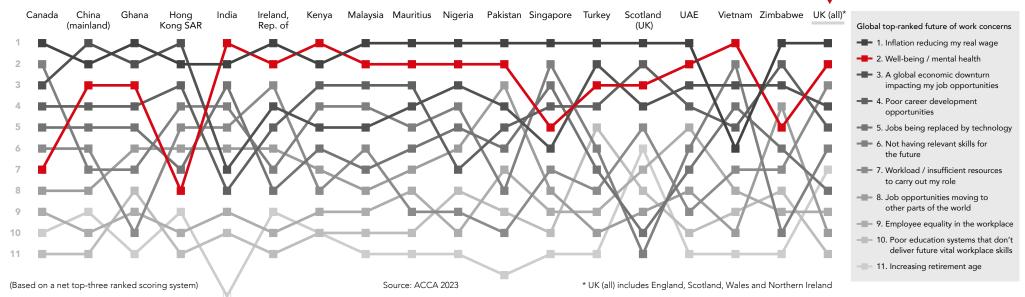
Well-being and mental health are the second-highest-rated work concern for the future in the UK as a whole (Figure 4.1). Over half of respondents (54%) in the UK, falling to just under half (47%) in Scotland, report that their mental health suffers because of work pressures.

Notwithstanding the higher proportion of hybrid workers in the UK, almost three-quarters (72%) state they would like a better work-life balance and 41% state they would like more support from their organisation in managing mental health. Globally, our data suggests 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 (Figure 4.2). Nonetheless, mental health remains a leading concern among respondents from all generations in the UK.

#### Figure 4.1: Employee well-being challenges facing employers

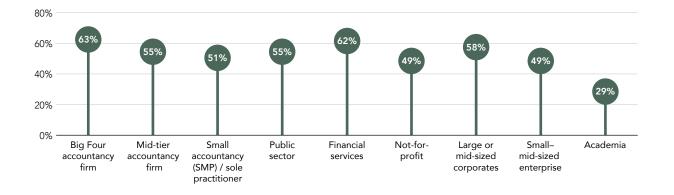


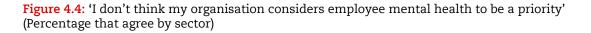
#### Figure 4.2: Well-being/mental health issues – ranking of concern across selected global locations

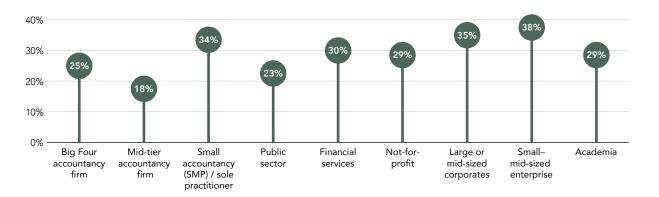


The impact of work pressure on mental health has consistently high ranking, underlining the importance of support for mental health in the workplace (Figure 4.3). Despite this, the data also indicates that a large proportion of respondents from across all sectors don't believe their organisation considers employee mental health to be a priority (Figure 4.4). Those working in the Big Four accountancy firms and financial services are most likely to report that work pressure is affecting their mental health, while those working in smaller private sector firms, including small and medium-sized accountancy practices (SMPs) and small and medium-sized enterprises (SMEs), are the most likely to report not getting enough support for mental health concerns.

Figure 4.3: 'My mental health suffers because of work pressures (Percentage that agree, by sector)'









who may be under a lot of work pressure to talk to colleagues or their manager with the aim being to have a very open conversation about it.'

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# 5. Technology is empowering, but concerns prevail

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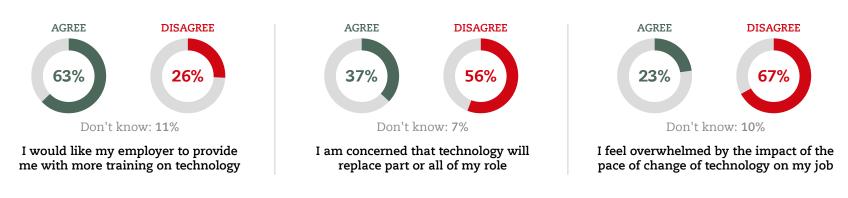
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#### **#5** Technology is empowering, but concerns prevail

The overwhelming majority of those employed in the UK recognise the benefits of technology in their workplace, with 90% indicating that they understand how technology helps them add more value to their organisation and clients. The data also suggests that there is a significant skills gap, with 63% stating they would like more training on technology from their employer (figure 5.1).

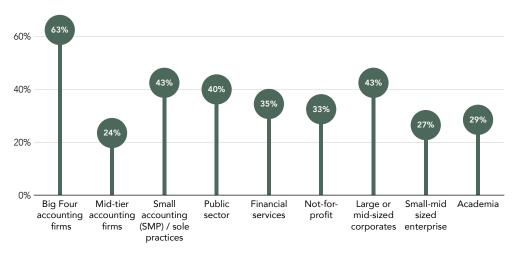
Just over one-third (37%) are concerned that part, or all, of their role will be replaced by technology, while the majority appear comfortable with the pace of change of technology in the workplace, as only 23% claiming to be overwhelmed by the pace of change. Both concerns are expressed most strongly by those working for the Big Four accountancy firms, with 63% concerned about roles being replaced by technology (Figure 5.2) and 38% stating they are overwhelmed by the pace of change (Figure 5.3).

#### **Figure 5.1:** Technology concerns expressed by UK respondents



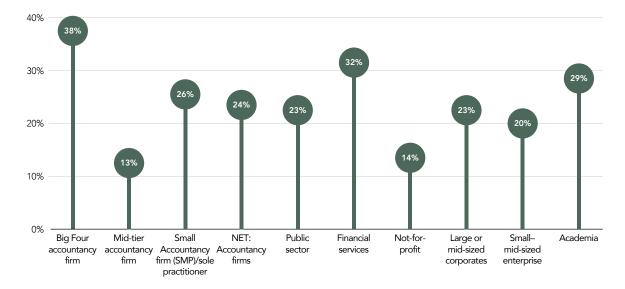
'Data analytics and the role of the data analyst is a really crucial area – we've appointed a lot of financial analysts but we're also having to appoint a lot of business analysts. All accountants need to be a lot more switched on to data analytics, moving into the future'. UK Roundtable

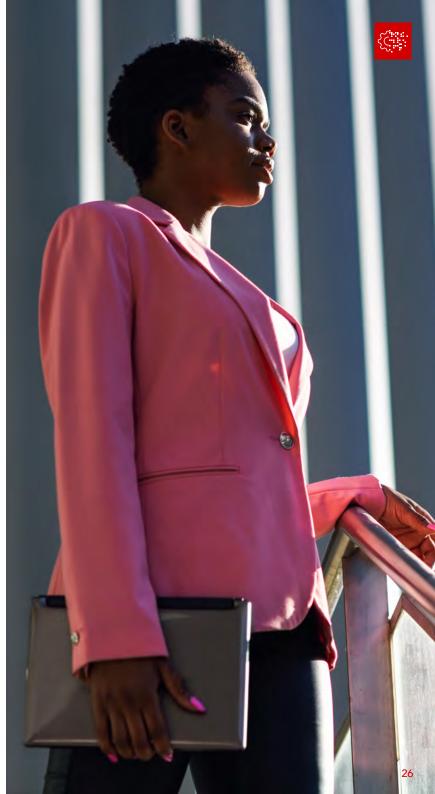




**Figure 5.2:** 'I am concerned that technology will replace part or all of my role' (percentage that agree, by sector)

**Figure 5.3:** 'I feel overwhelmed by the impact of the pace of change of technology' on my job (Percentage that agree, by sector)





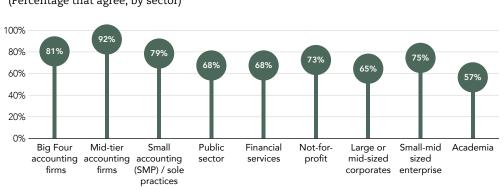
# 6. Inclusivity measures score well, but social mobility lags

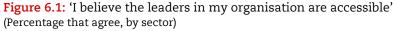
#### #6 Inclusivity measures score well, but social mobility lags

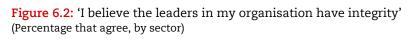
The UK scores highly on inclusion and integrity, with employees indicating that they believe their organisations are making progress across a number of metrics, such as the accessibility of their leaders (Figure 6.1), leadership integrity (Figure 6.2) and inclusive organisational cultures (Figure 6.3).

Almost three-quarters (72%) believe leaders in their organisation are accessible, while 74% agree that leaders have integrity and 73% believe their organisation is inclusive (rising to 80% in Scotland, the second highest ranking, globally). Academia and the public sector score less well across these areas but maintain a positive overall position.

Despite these positive ratings on inclusion and accessible leadership, around one-third (32%) of respondents believe that a low socio-economic background is still a barrier to progression in their organisation (Figure 6.5). Globally, almost half (49%) of respondents share this view, suggesting there is still significant work to do on social mobility (Figure 6.6).







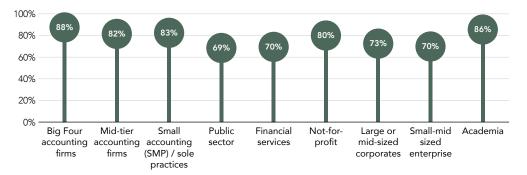
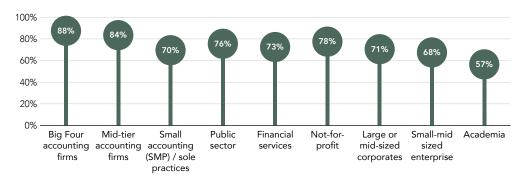
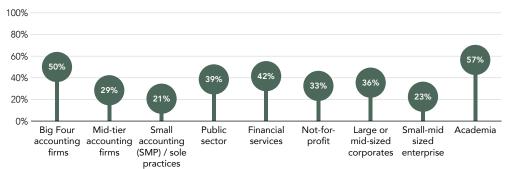


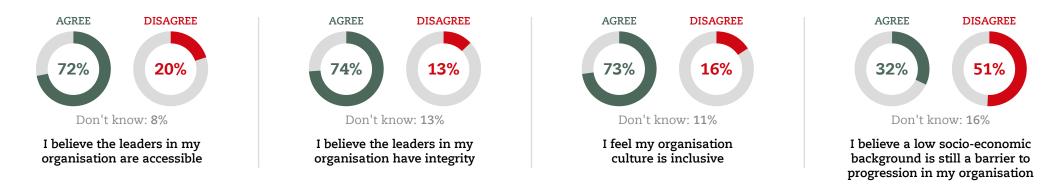
Figure 6.3: : 'I believe my organisation is inclusive' (Percentage that agree, by sector)



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

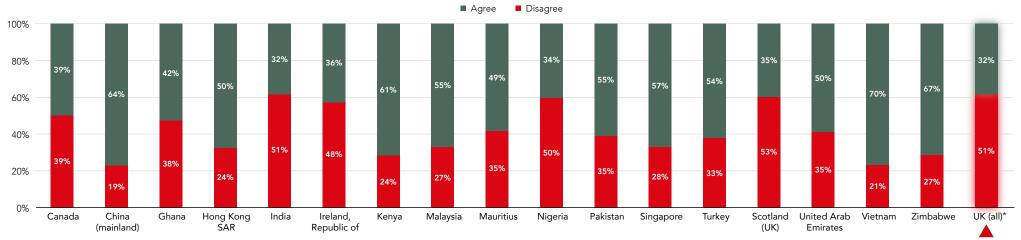






#### Figure 6.5: Culture and Leadership in the UK

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



Source: ACCA 2023 \* UK (all) includes England, Scotland, Wales and Northern Ireland

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

UK TALENT TRENDS 2023

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