

Think Ahead

ACCA

Professional accountants – the future:

# Generation Next

■ Highlights



# 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](http://www.accaglobal.com)



This report shares initial insights on the work preferences and career aspirations of the younger generation in accounting and finance today. Almost 19,000 ACCA students and members up to the age of 36 responded to the survey representing 150 countries.

The report is the first in a series of research activities in 2017 which will further explore the aspirations of the next generation of professional accountants across different sectors in the global profession, and specifically the best practices employers are adopting in attracting, engaging and retaining them.

# Executive summary

This report follows ACCA's *Professional accountants – the future: Drivers of change and future skills report*, which outlined the key drivers of change in the profession and the skills most needed in the future. Generation Next shares initial views of younger finance professionals on their career aspirations and work preferences, what attracts them and retains them in organisations, and how they like to learn.

According to our research data, Generation Next are a generation of young finance professionals who are well equipped to deal with the change happening in the profession that is primarily being driven by globalisation and technology. They have a global outlook, often aspiring to work in another country in their next role or at some time in their careers. They appear technologically savvy and see technology developments as an opportunity for the profession. They are prepared to switch jobs quickly to

attain what they want from their careers, and many have aspirations for careers both in the accounting and finance profession and beyond at some point.

They are attracted to organisations primarily for the opportunity to learn new skills, and career progression opportunities; these factors are also seen as most important in keeping them at an organisation. In the context of the implications of the data, this document also outlines considerations for both young finance professionals themselves in planning out their own careers, as well as for employers as they seek to attract, develop, engage and successfully retain the youngest generation in the workplace today. These issues will be further explored in our on-going work.

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

TOTAL RESPONSES	
	<b>18,646</b>
f	9,069
m	9,577
countries	150



Map shows sample of country responses

# Key findings

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

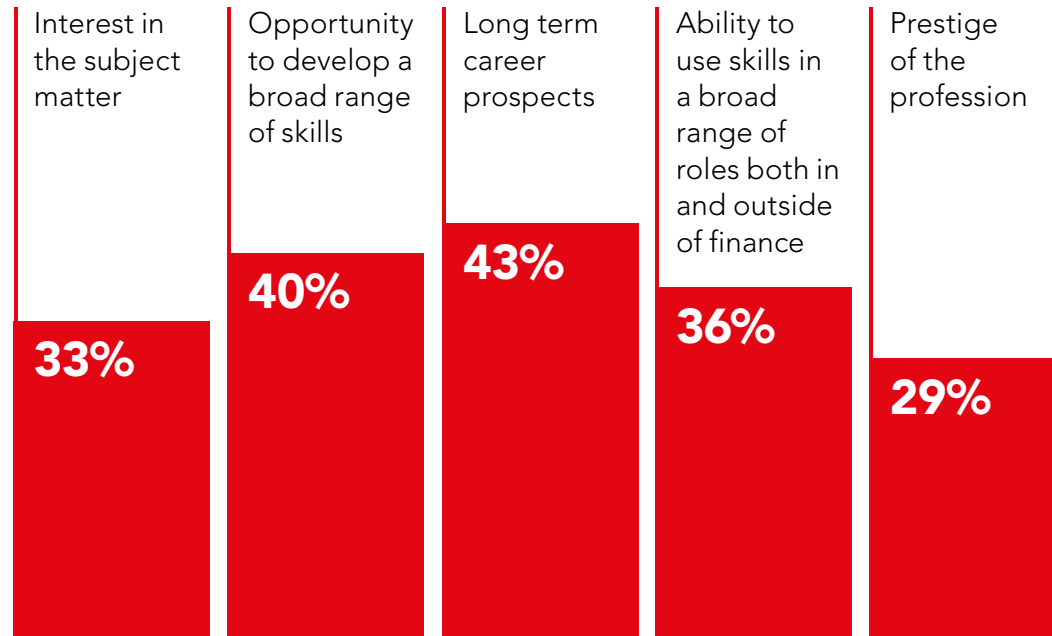
Entry into the business world by attaining finance and accounting capabilities is a smart strategy say Generation Next.

In an environment where technology is shaping the future of the profession our respondents still see finance and accounting experience as a solid platform for skills attainment and career growth – both within and outside of finance and accounting. Almost half of them said they were attracted to the profession for the potential long term career prospects it affords as well as the opportunity to develop a broad range of skills (Figure 1). 85% agreed that finance career background experience would be valuable for organisation leaders in the future.

**85%** 

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

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



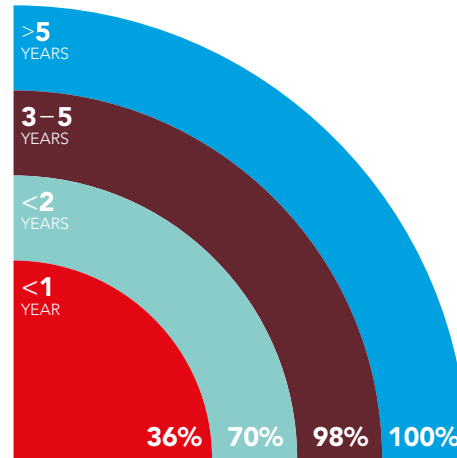
**2. GENERATION NEXT ARE VERY MOBILE**



According to respondents, this is Generation 'Now' when it comes to mobility.

70% of respondents indicated they would like to change jobs within two years (Figure 2) and in their next move most are looking to move outside of their current organisation (Figure 3). They also seem happy to consider different sectors or types of organisations. They have clear ambitions about their next role being a promotion rather than a sideways move (Figure 4). The implications for employer engagement and retention strategies could be significant, particularly in terms of tacit knowledge loss and high replacement costs.

**FIGURE 2:** How quickly would you like to move to your next role? (All respondents)



**FIGURE 3:** Do you expect your next career move to be internal or external?



**FIGURE 4:** Do you want your next role to be a promotion or are you happy for a sideways move?



“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*



### 3. PROGRESSION IS KEY FOR ATTRACTION AND RETENTION

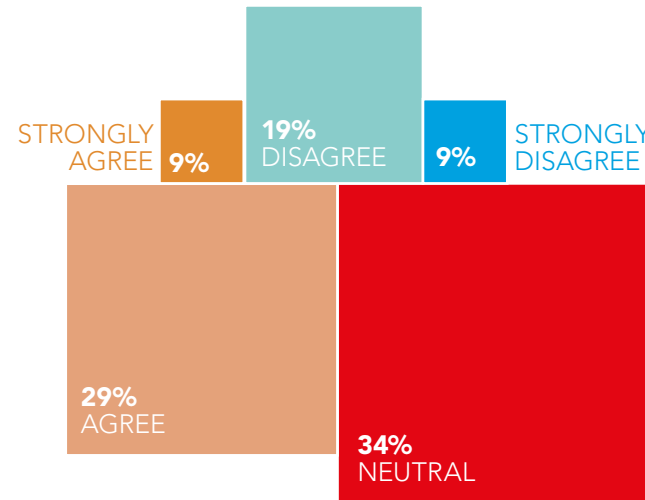


Generation Next are focused on developing their careers and attaining new capabilities.

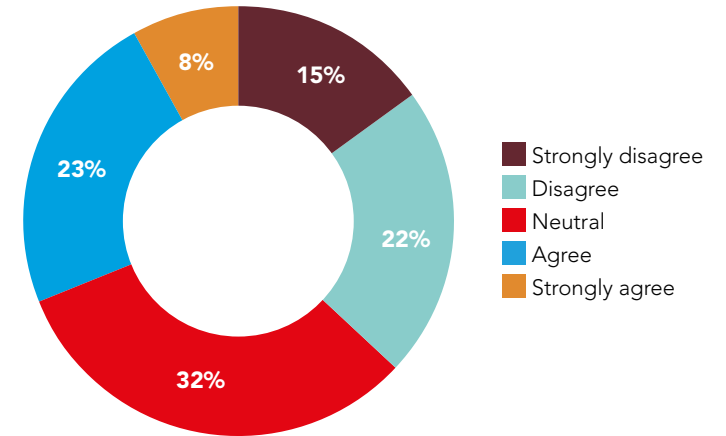
The data also shows that this is a generation who are eager to learn and develop; respondents said the most important factors keeping them with an employer were the opportunities to learn new skills followed by opportunities for career progression. However, only 38% thought their organisations offered sufficient opportunities to achieve their career goals (Figure 5) and many respondents were unclear about career paths in their organisation (Figure 6). There seems to be a range of challenges identified by respondents in terms of career progression barriers, with job capacity issues, lack of transparency on career paths and insufficient reward among the reasons cited (Figure 7).



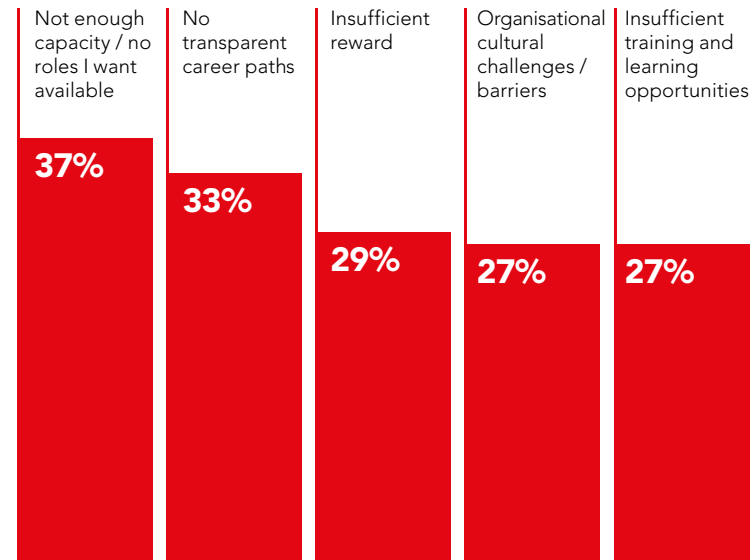
**FIGURE 5:** My current organisation offers sufficient career opportunities to achieve my career goals



**FIGURE 6:** Career paths are transparent at my organisation



**FIGURE 7:** Career progression barriers



**4. INTERNATIONAL ROLES ARE PART OF THEIR CAREER STRATEGY**



Generation Next understand the global context in which their careers are taking place.

Our data suggests that young professionals do see the value of international experience – 80% of respondents expressed a desire to move to another country or regional role at some point in their career. Bringing a more diverse view to the workplace is increasingly relevant and one way of building these capabilities is working in globally based teams or seeking international secondments. By tapping into Generation Next’ ambitions for growth and international work experience, employers can also benefit from greater global talent pools in their recruitment processes, building the requisite breadth of skills and diversity needed for future leadership roles.

**5. A FINANCE CAREER IS NOT NECESSARILY THE ‘END GAME’**



Experience in the profession is seen as a door-opener to a wide range of career possibilities even beyond the profession.

The data suggests respondents have career aspirations across the profession but sometimes beyond as well. 60% suggested they wanted to pursue a role outside of finance / the accountancy profession at some point into business (Figure 8), and a remarkable 81% of respondents suggested they had aspirations to start their own business. Here men were more likely than women to have this goal (Figure 9). 62% agreed that more finance professionals in the future would want to become entrepreneurs rather than pursue a traditional finance career. The data suggests young finance professionals are thinking about many different career options in and beyond the traditional roles of the profession.



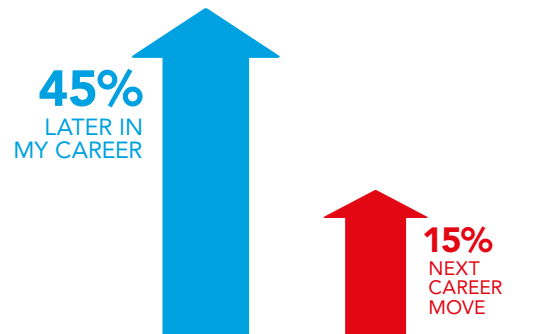
“A survey of 750 chief financial officers (CFOs) and other finance leaders identified exposure to global operating environments and cross-cultural, cross-market business and finance experience as key career markers for aspirational ‘would-be’ CFOs to acquire.”

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

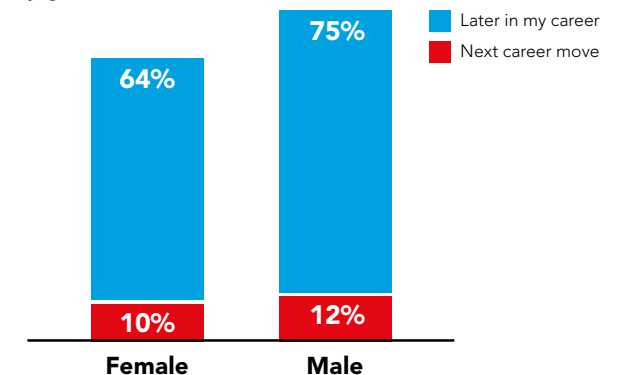
**81% WOULD LIKE TO EVENTUALLY START THEIR OWN BUSINESS**



**FIGURE 8:** Would you like to pursue a role outside of finance / the accountancy profession into business?



**FIGURE 9:** Would you like to start your own business at some point? (By gender)

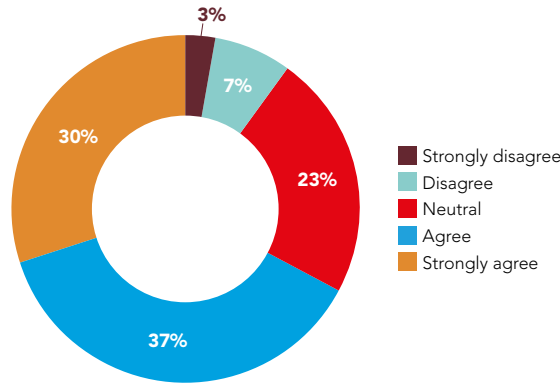


**6. CURRENT ROLES PROVIDE SOME SATISFACTION** ✓

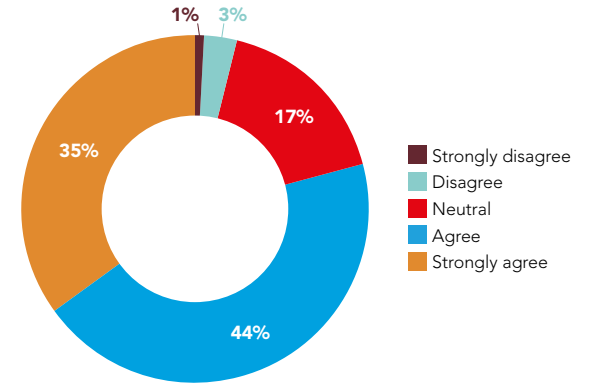
Irrespective of mobility aspirations the data suggests a reasonably positive outlook on satisfaction levels.

48% of respondents defined themselves as satisfied or very satisfied in their role. They have strong relationships with both their line manager and team colleagues (Figures 10 and 11) and, even though there are variations across key sectors, they generally have a good work life balance in their current jobs. Remuneration however presented a slightly different story with just a third of respondents suggesting they were satisfied with their current compensation.

**FIGURE 10:** I have a strong relationship with my line manager



**FIGURE 11:** I have a strong relationship with my team colleagues



✓ **48%**  
SATISFIED or  
VERY SATISFIED





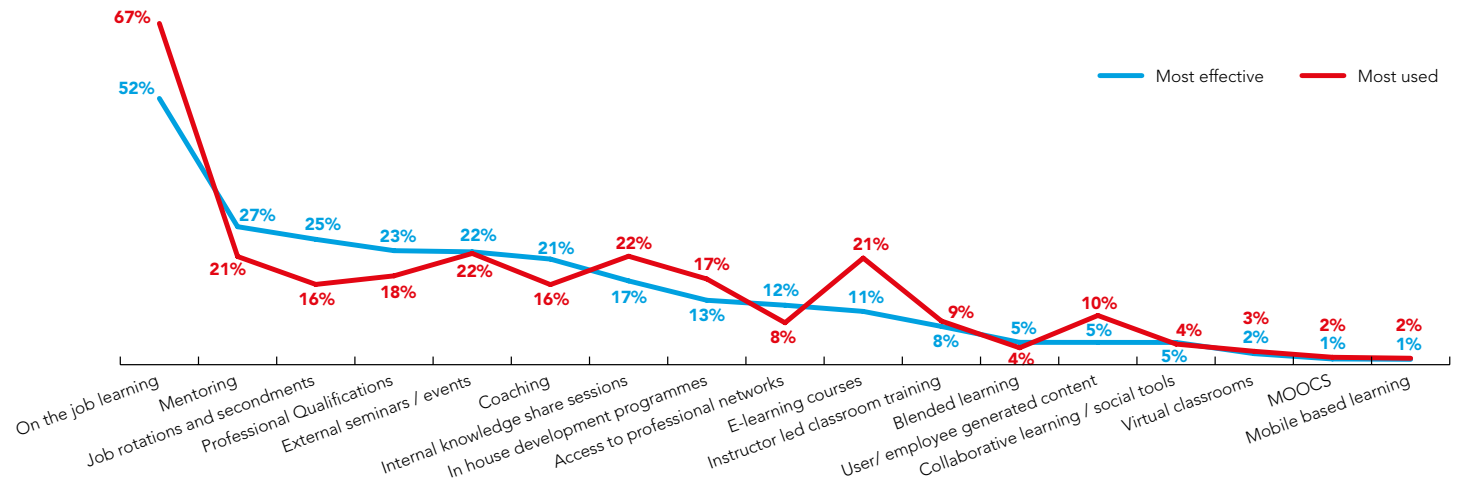
## 7. EXPERIENTIAL LEARNING IS MOST VALUABLE



Generation Next place a high premium on experiential learning.

While many different learning interventions may exist in organisations, our survey respondents told us that what they found most effective was on-the-job learning and other personalised training interventions such as mentoring (ranked 2nd in effectiveness) and coaching (ranked 6th in effectiveness). Professional qualifications ranked 4th out of 17 learning interventions (Figure 12). Given the focus on experiential learning, this suggests professional qualifications that incorporate practical real life scenarios could be particularly beneficial.

**FIGURE 12:** The most effective learning activities for career development versus those most used by employers



### DOES THE 70 : 20: 10 RULE STILL APPLY?

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



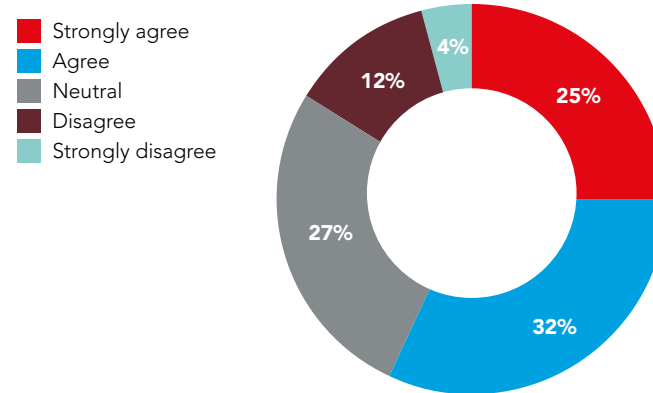
## 8. TECHNOLOGY IS SEEN AS AN OPPORTUNITY



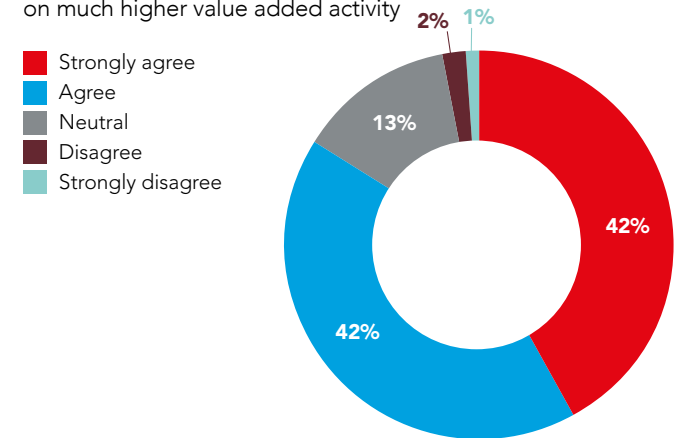
### Generation Next see the benefits of technology adoption.

With increasing attention on the application of 'robotic' software across the profession as well as other emerging technologies, the data suggest that this is a generation who broadly expect to see more automation taking place. They expect some displacement of more junior level roles across the profession (Figure 13), but also recognise that technology will enable finance professionals to focus on much higher value added activity (Figure 14). This is in line with ACCA's previous report *Professional accountants – the future: Drivers of change and future skills*, which suggested that, over the next decade, information technology (IT) will be transformational for the profession, with smart software and systems replacing manual bookkeeping and accounting work (such as expenses processing), as well as greater automation of complex processes (such as the financial close). ACCA's recent report with PwC, *Market Change is faster than ever – is your finance function in the race?*, also suggests that technology could lead to a new age in efficiency for finance teams, enabling them to focus on much higher value-adding activity.

**FIGURE 13:** Technology will replace many entry roles in the profession



**FIGURE 14:** Technology will enable finance professionals to focus on much higher value added activity



# Generation Next: Navigating a successful career

Here are some ideas on how younger finance and accounting professionals can start to chart career success.

## 1. OWN YOUR CAREER

Are you thinking about your career plan?

Successful professionals manage their careers with a blueprint, carefully plotting out the experiences they need to acquire. As employer – employee relationships continue to evolve, and with job tenure decreasing, Generation Next must take responsibility for their careers and seek out experiential development opportunities that will be most beneficial.

## 2. FUTURE PROOF YOUR SKILLS

Are you thinking about the skills you will need for the future?

An age of collaboration in the profession between smart people and smart tools, as well as other drivers such as globalisation will continue to reshape job roles and responsibilities as noted in ACCA's report, *Professional accountants – the future: Drivers of change and future skills*. Generation Next need to build a portfolio of technical, ethical and interpersonal skills and competencies to ensure on-going relevancy as careers become more fluid.

## 3. CREATE A PERSONAL BRAND

Are you building your own brand?

In a jobs market where an increasingly fluid range of skills is required to meet business needs, employers start to recruit for, and evaluate capabilities in new and different ways, and prospective employees need to clearly demonstrate how they will add value. Particularly through social media Generation Next professionals have good opportunities to create personal brands and strong online profiles including endorsements.

## 4. MAKE CHANGE FROM WITHIN THE SYSTEM

Are you being realistic in terms of what your current employer can offer?

Realistically many employers may not be able to accommodate the career aspirations of Generation Next as quickly as may be wished, and historically it has taken time for individuals with careers in the finance and accounting profession to build up the requisite skills. Generation Next have a responsibility to work 'within the system' and see the employer perspective in charting out their own career journey in the organisation.

## 5. NEVER DISMISS LATERAL MOVES

Are you open to moving roles without a salary increase or promotion?

Lateral moves can not only help with building additional technical competencies, but they can also help Generation Next attain other, softer skills and behaviours such as leadership, communication, influencing skills, change management and collaboration skills. Lateral moves can provide new challenges, and introduce individuals to new managers improving the visibility of their skills to the organisation. They can also open up new career paths and provide enhanced professional development.

## **6. BECOME 'INTRAPRENEURIAL'**

### Can you gain entrepreneurial experience within the organisation?

Organisations often provide opportunities for professionals to undertake innovative or creative activities, for example, transforming ideas into more effective processes or actionable business insight. Some even have dedicated innovation teams who are given a remit to explore and test new concepts. With intrapreneurship, Generation Next benefits from the resources, capabilities and security of the current organisation, learning from possible failures without the personal risks that entrepreneurship entails.

## **7. GAIN GLOBAL EXPERIENCE**

### Can you systematically plan to acquire international experience?

Working in global teams and international roles helps build Generation Next's understanding and respect for cultural differences. Bringing a more diverse view as an employee is attractive for employers, and diversity in all its forms (not just cultural or geographic) is increasingly rightly prized. A great way to obtain a more diverse outlook is to work in global teams, and seek international experience, and these are often vital skills if they aspire to leadership roles in multi-national organisations.

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

### Are you being mentored?

Longer term career success can be helped particularly through mentoring. Generation Next professionals should actively seek out mentee opportunities so that they gain personal and professional development through experience and knowledge sharing with the mentor. Mentoring can help provide instant feedback, give a different perspective and also help build the network.

## **9. LEAD THE WAY WITH TECHNOLOGY**

### Are you shaping the future of your organisation by your own tech 'know-how'?

Generation Next have great scope for influencing the technology agenda at their organisations, particularly in terms of improving business processes, driving better knowledge collaboration, influencing employment models and virtual working, and further shaping learning interventions. They also have the opportunity to act as mentors in 'reverse mentoring' on social media or technology.

## **10. ALWAYS, ALWAYS BUILD YOUR NETWORK**

### How strong is your network?

The strength of an individual's personal network can have a significant bearing on career success particularly in a world where next career moves may be less obvious and following less linear paths. Developing ties to senior leaders, experts and influencers to identify career opportunities and share new ideas can significantly help in building skills as well as identifying new career opportunities that may not always be advertised. Building a strong network early on in the career is critical too.

# 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 successfully retain the youngest generation in the workplace today.

## 1. REVISIT CAREER PATHS

### Are career paths transparent in your organisation?

The concept of career lattices rather than career ladders is well established, enabling more collaborative ways to structure work, and giving individual employees opportunities for broader depth of career development and grow knowledge through multiple experiences. A rethink of career paths helps ambitious Generation Next understand that picking up skills by moving laterally, not just being continually promoted, can help them attain their goals. It also enables organisations to grow the diversity of skills and breadth of corporate understanding their enterprise will need in the future in an era defined by the need for cross functional collaboration.

## 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. The data suggests this generation find personalised training valuable – on the job learning, job rotations and secondments, and mentoring. Interventions aligned to individuals' interests and career objectives and that also support the development of wider leadership skills are valuable.

## 3. ENGAGE THE OLDER GENERATION 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. Programmes established to share knowledge should reap dividends across different generations 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.

## 4. ALLOW NEW WAYS OF WORKING USING TECHNOLOGY TO FLOURISH

### Are you maximising the use of social collaboration tools?

Generation Next has the potential to make profound changes in the way teams work together through collaboration via digital tools in the future. There is growing use of social media and collaboration tools such as apps to share information in enterprises and with stakeholders, or conference and event apps. Social digital tools can also be very useful for encouraging peer to peer collaboration, recognising the contribution of colleagues and driving engagement. Social collaboration tools can also play a key role in helping better share information and opinion up and down the organisation's hierarchy, as well as providing useful analytical information on employee concerns, trending conversations and so on.

## 5. RETHINK SUCCESSION PLANNING AND TALENT PIPELINES

### How robust is your talent pipeline?

The data in the survey suggests fluidity in the movement of talent, and businesses 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. Linked to this are the implications for succession planning relating to key roles in organisations, particularly if the aspirations on mobility are realised and job moves become more fluid.

## 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. Deploying young professionals to show how technology really works and tapping into their digital skills is going to be beneficial for organisations. There are opportunities here for 'reverse mentoring' where older employees are mentored by younger employees in social media or technology trends.



## 7. THINK DIVERSE GLOBAL TALENT POOLS

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### How diverse is your workforce?

The benefits of a diverse workforce (in all its forms) are well established. 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

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### Do line managers have career conversations?

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.

## 9. RETHINK ENGAGEMENT

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### 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, otherwise there is a risk employers continually lose tacit knowledge, suffer high replacement costs, and don't deliver on engagement. 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.

## Conclusion

The implications derived from the survey are clear; Generation Next see few career boundaries with entry into the profession as a pathway to a broad range of business opportunities. They are ambitious for quick progression, happy to switch sector and have aspirations to work globally.

The survey results raise new questions – and the report presents a few possible answers – as to how best to engage and nurture young professionals to ‘future proof’ the talent pipeline. How can finance provide more sustainable, fulfilling career development opportunities in the face of a rapidly changing business landscape? How can organisations equip the next generation with the skills and capabilities to thrive, and not just survive, in a challenging world? How can the profession adapt and innovate to ensure it remains attractive globally?

This first report marks the beginning of a series of research activities exploring the next generation of accountants in the profession and the implications for attraction, engagement and retention strategies. Over the coming months we will be considering some of these issues further, drawing on the experiences of organisations in different sectors in addressing these critical talent issues as well as sharing best practices.



**PI-PATF-GENERATION-NEXT**

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