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ACCA

ACCOUNTANTS FOR BUSINESS

# Generation Y: Realising the Potential

A joint research paper by ACCA and Mercer



## Foreword by ACCA

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As the global body for professional accountants, ACCA recognises the talent and skills that Generation Y finance professionals across the world are bringing to today's workplace. It is this generation who will shape and influence our profession for the decades ahead, and help their organisations create and sustain value – as long as we help them to realise their ambitions and career aspirations. We all have a significant role to play in supporting Generation Y finance professionals to fulfill their potential, and this research sends out some clear messages on how we must go about this.

The opportunities in this next decade for the global accountancy profession are substantial. Across all sectors of the global economy, accountants will be at the heart of business decision-making. They will be vital in supporting a return to economic growth and play a critical role in creating the right environment for long-term business success. Harnessing the talents, skills and experiences of Generation Y is central to achieving this vision.

This report has been produced through a successful collaboration between ACCA and Mercer. It represents one of the largest-ever studies of Generation Y finance professionals, and directly supports ACCA's global programme in 2010, Accountants for Business. It includes unique insights from more than 3,200 finance professionals in 122 countries, creating a comprehensive view of the strategies needed to successfully recruit, develop and retain a generation of young finance people who represent the future of the profession. I am delighted to be able to share the results with you.

Helen Brand  
Chief executive, ACCA  
[www.accaglobal.com](http://www.accaglobal.com)

## Foreword by Mercer

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In an ever-changing competitive environment, the one constant seems to be the war for talent, and one of the most critical talent pools is Generation Y. Companies are aware that to be considered an employer of choice by the most recent generation to join the workforce, they have to find new ways to attract and retain talent; a one-size-fits-all approach will no longer work.

Mercer's Human Capital consulting teams consistently see employers in every sector, including finance, facing the challenge of attracting and engaging Generation Y. We partner with clients who want specifics on what they need to do to retain and develop potential future leaders in this generation and specifics on how they can harness the energy, passion and commitment of Generation Y employees as they grow their professional careers.

Today, four generations of workers are working side by side, each bringing to the workplace a range of cultural and generational perspectives and strengths. Generation Y individuals around the globe are taking their careers into their own hands and focusing on their prospects for development to ensure their own career progression. This has implications for the way the finance profession builds its talent pipeline as well as the way organisations attract, develop and retain their young finance talent.

This report considers these issues from both Generation Y's and employers' perspectives, highlights some emerging and intersecting trends, and provides practical insights and recommendations that can help leading organisations build a robust Generation Y talent strategy for their finance professionals – a strategy that can stand alone or fit within an intergenerational work philosophy.

Pat Milligan  
Senior partner and president, Mercer Human Capital  
[www.mercer.com](http://www.mercer.com)

## Accountants for Business

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ACCA's global programme, Accountants for Business, champions the role of finance professionals in all sectors as true value creators in organisations. Through people, process and professionalism, accountants are central to great performance. They shape business strategy through a deep understanding of financial drivers and seek opportunities for long-term success. By focusing on the critical role professional accountants play in economies at all stages of development around the world, and in diverse organisations, ACCA seeks to highlight and enhance the role the accountancy profession plays in supporting a healthy global economy.

### About ACCA

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

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies at all stages of their development. We seek to develop capacity in the profession and encourage the adoption of global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We seek to open up the profession to people of all backgrounds, and remove artificial barriers, developing our qualifications and their delivery to meet the diverse needs of trainee professionals and their employers.

We support our 140,000 members and 404,000 students in 170 countries, helping them to develop successful careers in accounting and business, based on the skills required by employers. We work through a network of 83 offices and centres and more than 8,000 Approved Employers worldwide, who provide high standards of employee learning and development. Through our public interest remit, we promote appropriate regulation of accounting and conduct relevant research to ensure accountancy continues to grow in reputation and influence.

### About Mercer

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Mercer is a leading global provider of consulting, outsourcing and investment services, with more than 25,000 clients worldwide. Mercer consultants help clients design and manage health, retirement and other benefits and optimise human capital. The firm also provides customised administration, technology and total benefit outsourcing solutions. Mercer's investment services include global leadership in investment consulting and multimanager investment management.

Mercer's global network of more than 18,900 employees, based in over 40 countries, helps ensure integrated, worldwide solutions. Our consultants work with clients to develop solutions that address global and country-specific challenges and opportunities. Mercer is experienced in assisting both major and growing, mid-size companies.

Mercer's human capital business helps clients make and implement the right choices regarding their investments in people. Mercer provides comprehensive services and solutions in the areas of human capital strategy, talent management, rewards, and human capital operations and technology solutions.

The company is a wholly owned subsidiary of Marsh & McLennan Companies, Inc., which lists its stock (ticker symbol: MMC) on the New York, Chicago and London stock exchanges.

## About the authors

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Based at ACCA in London, he is responsible for undertaking research on learning and development issues affecting the global accountancy profession, and developing and delivering training-related products and services to employers and members.

Prior to joining ACCA he spent over a decade in industry as an accountant, holding a variety of finance and accounting roles, working in the UK and internationally.



### **SUE FILMER**

Sue Filmer is a principal consultant in Mercer's human capital business in London where her client work includes the design and implementation of workforce strategies, business strategy and workforce alignment, organisation design and development, and the design and implementation of performance and talent management solutions.

She has extensive experience in HR consulting, management training and senior management facilitation across a range of industry sectors. She has worked as a consultant on assignments across Europe and in the Middle East for more than 16 years. She has an MSc in human resource management and an MBA. She is a regular speaker at national and international conferences, and is a chartered member of the UK's Chartered Institute of Personnel and Development.



### **BRUCE MCDUGALL**

Bruce McDougall is a consultant in Mercer's human capital business, based in London.

His background is in HR and finance management consultancy and project management. He is a chartered accountant (ICAS) and a chartered member of the UK's Chartered Institute of Personnel and Development.

He has more than 13 years' experience in transforming both finance and HR functional areas in global projects. His experience includes talent, leadership development and training, organisational redesign, business process review and design, key performance indicators and management information.

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**This paper represents a collaboration between ACCA, the global body for professional accountants, and Mercer, one of the world's leading providers of consulting, outsourcing and investment services.**

**It presents one of the most substantive and widespread surveys of Generation Y finance professionals ever undertaken, with respondents from 122 countries.**

**We would like to thank all the Generation Y finance professionals who participated in this study. We would also like to thank a number of leading organisations in locations across the world who shared their perspectives on attracting, developing and retaining Generation Y finance professionals. The organisations were selected to ensure the survey gathered a variety of insights from a range of sectors and geographies into the issues, challenges and opportunities that emerge in managing this generation of finance professionals. The organisations that have contributed to this survey include the Government Finance Profession, Hays, KPMG Taseer Hadi and Company, RSM Tenon, Unilever, NHS, Standard Chartered, Aviva, PKF (UK) and Santander.**

This report presents the findings of research on Generation Y finance professionals (born between 1980 and 1993) undertaken between March and June 2010. More than 3,200 individuals<sup>1</sup> from 122 countries responded to our survey, making it one of the biggest-ever studies of the youngest generation presently in the workforce. In addition, a number of leading organisations from across the world were interviewed and shared their insights into managing this population in the workplace. This study on Generation Y is a core feature of ACCA's global programme of research and insights for 2010, *Accountants for Business*.

This survey seeks to provide a clear understanding of the youngest generation in the finance profession today. It examines their traits, what attracts them to an organisation and what keeps them with a particular employer, as well as their career aspirations and the implications for employers trying to attract, develop and retain them.

The report provides a unique perspective for the finance profession. It gives a blueprint for employers of finance professionals for recruiting, developing, engaging and retaining the future of the profession in today's workplace.

### KEY FINDINGS

**Dynamic career progression is at the heart of the story of Generation Y in the finance profession.** The youngest generation in finance seeks out career paths which are aspirational, fluid and evolving quickly. The generation is divided between those seeking to follow traditional finance career routes and those wishing to embark on much broader career paths outside mainstream finance roles. It is a tale of two career paths.

**An increasingly competitive, complex and regulated global economy is changing what employers require from their finance people.** Organisations will increasingly need individuals who wish to follow traditional finance career paths, bringing specialised and deep finance knowledge to their organisation and sector. However, organisations also need a new breed of finance professional, one who can bring a wealth of broader commercial insight and experience gained inside and outside of traditional finance areas and the finance function.

**The attraction of finance talent will be a key competitive differentiator in the future.** The survey suggests that career development is the key factor that attracts Generation Y finance professionals to an employer, so career development must be at the heart of an organisation's attraction proposition; organisations need to showcase the career paths available and be clear how they can deliver on the career promise. Other factors matter too – Generation Y finance professionals seek out competitive remuneration – money is important to them. Surprisingly, our survey reveals job security is also important, which is perhaps a legacy of the global economic downturn. Generally, lifestyle factors matter more to this generation than contractual factors. The employer's brand matters too, and most young finance professionals only want to work with organisations that reflect their own values.

### At the heart of career development for this generation lies experiential learning.

It is seen as key both by employers and Generation Y in developing the skills required of today's finance professional. There is a clear preference for this to be supported by face-to-face learning interventions. Generation Y finance professionals are not reliant on e-learning. They rate many other learning interventions as more useful, a finding consistent with the wider finance population<sup>2</sup>. Organisations need to develop a wide range of learning interventions to engage this generation successfully, but experiential learning to support career development should be at the centre of the proposition.

**Career development is critical to effective retention.** While most Generation Y finance professionals are content in their current role, a significant proportion (one-third) would like to leave their organisation immediately. The retention risk with this generation is significant and may be exacerbated where global economic conditions improve. This is a generation of financial professionals who are confident about their own careers and willing to move quickly if sufficient opportunities do not arise in their current organisation. Managing their expectations through transparent career management strategies will be vital to aid retention and secure appropriate return on training investment. Our survey also shows that appropriate remuneration strategies and a corporate culture of strong team relationships and empowerment are key to their retention.

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1 ACCA members and students born in or after 1980, working in a finance or accounting-related role for the past 12 months  
2 *Training needs analysis*, ACCA 2009

## Introduction: Generation Y in finance

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The key challenge facing organisations in the next few years will be the creation of value. Today we live in a knowledge economy, where information is key to value creation. Many organisations recognise that the talents of the people they employ are critical to business success.

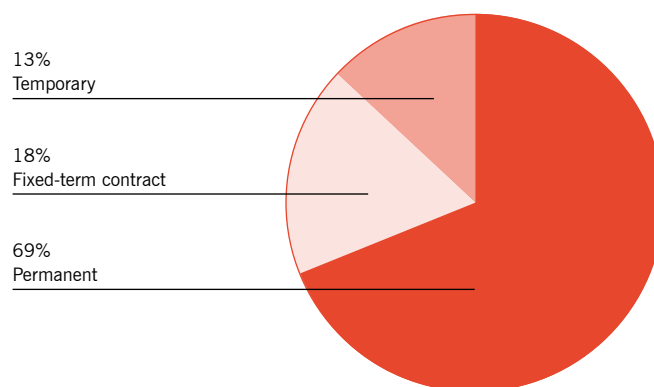
Human capital, not physical capital, is now the organisation's primary source of competitive differentiation; leveraging the skills, talents, ideas and experiences of a creative workforce is a strategic imperative. Unlike the first decade of the 21st century, in the present decade businesses will not be able to rely on economic momentum and credit to drive organisational profits and shareholder return. Instead, value will need to be created through innovation, and through harnessing and leveraging the skills of the organisation's human capital. Value will be created by people, ideas and the brand.

The skills and experiences of accounting professionals have always been a source of value. This remains as true today as at the inception of the profession. Over the past decade, there has been growing recognition of the skills and experiences that professional accountants bring to organisations, particularly in an increasingly regulated and complex business environment. The onset of the global economic crisis has consolidated this position. Organisations of all sizes and across all sectors have turned to their finance counterparts for support in charting a pathway to recovery. The past 18 months have provided an opportunity for finance leaders to influence and shape businesses and their strategies. Over the next few years, businesses must capitalise on the opportunities afforded by the downturn.

As Generation Y makes up an increasing proportion of the global workforce, tapping into the knowledge, skills and talents of the new generation will be critical to organisations' success. But why does this generation matter so much? In many developed countries birth rates are declining significantly, and the older baby-boom generation is retiring, which means that the youngest working generation will make up an ever-larger proportion of the workforce. With Generation Y also having to work longer because of dwindling pension security, a heavy burden is being placed on young shoulders.

It is not just developed economies where Generation Y has huge significance: this generation is important to the fortunes of emerging markets too, and in the finance profession an increasing proportion of qualified accountants belong to Generation Y. Of ACCA's 140,000 members globally, 11% are under the age of 30. It is the talent and skills of this new generation that will create value in the global economy in the second decade of the 21st century. Generation Y is the future of business and the future of the accountancy profession.

**CHART 1:  
NATURE OF EMPLOYMENT STATUS**



### GENERATION Y IN PROFILE

#### Employment status

A quick overview of our respondent profiles suggests that almost 70% of Generation Y finance professionals are employed in permanent positions, leaving almost one-third either employed on fixed-term contracts or in temporary positions (chart 1). This is indicative of the more flexible nature of work assignments today across the global finance profession.

**Location of work**

Our survey suggests Generation Y finance professionals are typically office-based (chart 2). Over one-half of respondents to our survey indicate that they never work at home, and just over one-quarter that they only rarely do so. With just 7% saying they often do, this is not a generation of finance professionals working from home on a regular basis.

**Work pattern**

Our survey suggests that many Generation Y finance professionals work in excess of their contracted hours, with over 40% suggesting they do so at least six times a month. Less than 10% suggest they never work in excess of their contractual hours. Working in excess of contractual hours is more likely in public practice (particularly in larger organisations), the corporate sector and financial services.

**Managing other people**

Almost two-fifths of respondents manage other people in their role (chart 3). Just over three-quarters of these managers have a small team of fewer than five people, while one-quarter manage a larger team. Overall, the number of men leading teams is higher than the number of women, roughly a 60/40 split. However, broken down by region, the figures show significant variation. In Asia Pacific 66% of team leaders are women, in Europe and America the figure is 56%, while in other regions it is men who predominantly lead teams at this early stage of their career in finance.

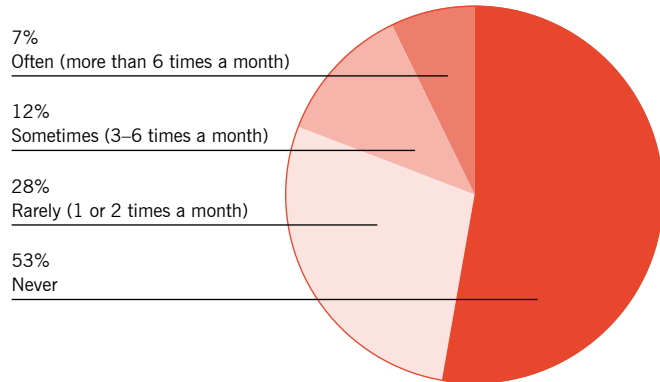
**The colleagues they work with**

Almost 75% of respondents work with individuals from a different generation (chart 4). Respondents in Europe and America are more likely to do so than respondents from other regions.

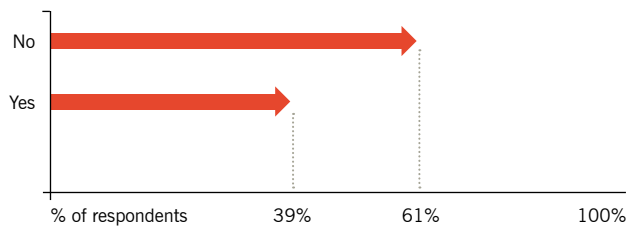
56% of respondents say they work with colleagues employed in different parts of the organisation, and over half say they work with non-finance/accounting colleagues (chart 4).

More than one-quarter of respondents indicate that they work with stakeholders outside the organisation and 28% that they work with colleagues located in different countries (although this is less likely in public practice, reflecting the national nature of many practice firms) (chart 4).

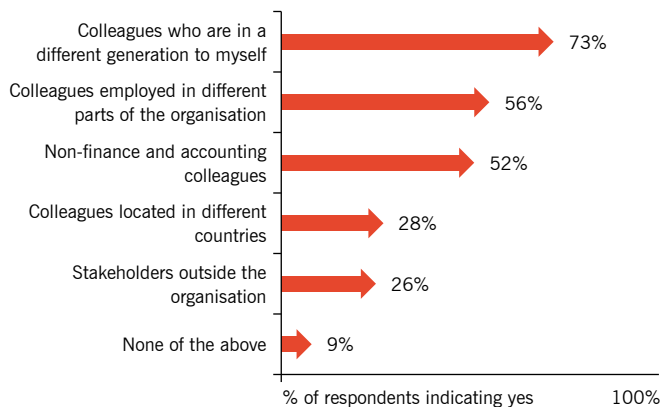
**CHART 2:  
FREQUENCY OF WORKING FROM HOME**



**CHART 3:  
DO OTHER PEOPLE REPORT TO YOU IN YOUR ROLE?**



**CHART 4:  
THE COLLEAGUES THEY REGULARLY WORK WITH**





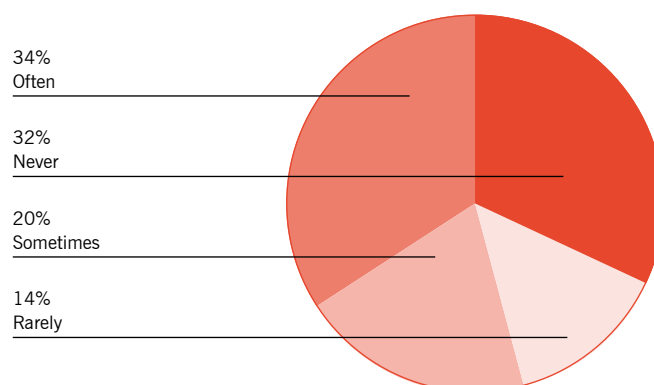
### Use of foreign language

Over one-third of this generation often uses a foreign language as part of their role, with a further one-fifth using a foreign language sometimes (chart 5).

These findings reflect how the business world is evolving in a variety of ways. Greater globalisation is driving more cross-border work, and the need to understand different business and regulatory environments is increasing. The accountancy profession is itself becoming more diverse; ACCA now has students and members in over 170 countries, and a significant number of respondents to our survey are working with international colleagues regularly.

In today's complex business environment we see finance professionals working with a range of internal and external stakeholders. Internally, finance professionals are regularly employed in multidisciplinary project teams and work closely with the HR, sales, marketing and IT departments as well as all the different governance boards such as audit committees. Externally, the range of stakeholders that finance engages with is even broader: bankers, government, regulatory authorities, tax authorities, suppliers, customers, shareholders, asset management companies, environmentalists, trade creditors, debtors, and so on. It is encouraging to see that the youngest generation in finance is engaged across the organisation and beyond.

**CHART 5:  
USE OF FOREIGN LANGUAGE IN ROLE**



## The heart of the Generation Y story: dynamic career progression

Finance professionals have a significant role to play in the creation of value for the organisation. The remit of finance professionals, both internally for the organisation and as external advisers, is broadening dramatically. The role of the finance director in today's business environment is no longer comparable with the role only 10 years ago. We live in a world that is becoming more competitive, complex and regulated. The implication is that organisations need two types of finance professionals: those who bring specialised and deep finance knowledge to the organisation and sector, and those who bring a wealth of broader commercial insight and business experience.

Our survey suggests these developments are consistent with what Generation Y finance professionals expect from their own careers. Many seek to develop a broader business career outside core finance roles at some point in their career. In contrast, a considerable number still expect to pursue traditional finance roles and career paths. The story of Generation Y in finance is that of dynamic career progression where careers paths are fluid, changing quickly and continuously evolving. This is a story of diverging career expectations for young finance professionals. It is a tale of two career paths (chart 6).

According to our survey, 40% of Generation Y finance professionals wish to pursue a 'classic' finance career, with progression and success indicated by increasing depth of knowledge and expertise. While Generation Y employees remain in finance, they may specialise in areas such as tax or audit, and could define success as ascending the career ladder of the organisation to roles such as finance director or audit partner.

Over half of this generation wish to pursue new pathways, and gain a breadth of experience by following a career path outside traditional finance roles and beyond the finance

### IT IS A STORY OF DYNAMIC AND DIVERGING CAREER EXPECTATIONS FOR YOUNG FINANCE PROFESSIONALS. IT IS A TALE OF TWO CAREER PATHS.

function at some point. The speed of career progression may differ between these two pathways. Generation Y professionals seeking pathways outside traditional finance roles will bring a wealth of valuable finance skills to these new roles, but will also need to build and prove their knowledge and experience in new areas; they may need to recalibrate their notions of success in the early stages of their careers.

This dynamic represents both a significant opportunity as well as a considerable challenge to the finance profession and employers. The talents and skills of those Generation Y professionals seeking to remain in the profession must be harnessed to ensure the profession has a talent pipeline of future finance leaders. For those ultimately seeking careers outside mainstream finance roles, employers need to be flexible in accommodating more variable career paths. This lateral career movement of finance professionals offers the employer an opportunity to increase finance competencies across

the wider organisation and build financial management capacity in the business.

Right through the attraction, development and retention cycle, employer strategies will need to be aligned to the career needs of this new generation. Failure to channel their skills, abilities, enthusiasm, energy and ambition could leave the organisation ill-equipped to compete. For Generation Y, the attraction proposition will need to indicate that starting a career in finance can provide a gateway to a number of career options rather than entry into a more specialised finance field. Failure to deliver on the career promise could mean significant talent flight and the inability to realise a satisfactory return on training investment.

In addition, employers will need to understand the other factors that make Generation Y finance professionals want to join an organisation in the first place. They will need to identify which development practices are likely to leverage their potential most effectively, and critically, they will need to understand how to keep hold of them. This becomes a business imperative in some countries, such as Pakistan and Malaysia, where Mercer's recent Total Remuneration survey<sup>3</sup> found that finance jobs are one in the top three 'jobs most difficult to retain' category. Both employers and employees have a vested interest in delivering against these objectives. The goal is clear but finding the solution may be more challenging.

CHART 6: A TALE OF TWO CAREER PATHS

The classic finance career	The new pathway
Traditional finance roles Depth of finance knowledge Career paths within finance roles Quick vertical progression early in career	Broader business roles Breadth of knowledge outside of finance Career paths outside of finance roles Slow vertical progression early in career

3 Total Remuneration survey, Mercer 2009

**What attracts the youngest finance professionals to work for a particular organisation, how do they like to learn, and what makes them want to stay with an employer?**

**How do employers attract, develop and retain the very best of this generation?**

# Attraction: opening the door to young talent

The attraction of finance talent to organisations will be a key competitive differentiator in the future, and will require employers to ask themselves what attracts the younger generation in finance to particular organisations. What do organisations need to do to hire the best in class of this generation?

### ATTRACTION: THE TOP FIVE

Our survey reveals the top-five most-important factors that attract Generation Y in finance to employers.

**CHART 7:  
TOP-FIVE FACTORS ATTRACTING POTENTIAL EMPLOYEES**



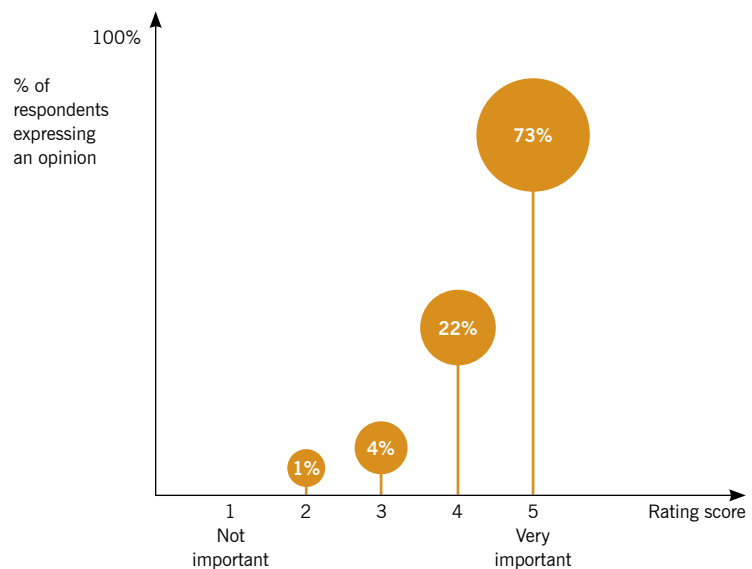
### CAREER DEVELOPMENT AND LEARNING OPPORTUNITIES

The figures from our survey of Generation Y finance professionals overwhelmingly demonstrate that career development and learning opportunities are the primary factors in deciding to join a particular organisation (chart 8). Almost three-quarters of respondents to our survey say that these are ‘very important’ – easily the largest response across all our attraction parameters.

The perception that career development is the key to attracting Generation Y finance professionals is universally shared with the employers we interviewed for this study. They report that candidates ask for information on career development during the interview stage, seeking employer support to achieve professional qualifications, for example, through funding or study leave.

The implication for organisations wishing to attract Generation Y is that the career proposition is fundamental. Successful recruiters of this generation into finance roles need to be very clear on the career path opportunities available and how individuals can develop within the organisation, and the associated time frames.

**CHART 8:  
THE IMPORTANCE OF CAREER DEVELOPMENT AND LEARNING OPPORTUNITIES IN ATTRACTING INDIVIDUALS TO AN EMPLOYER**



**“THE MOST IMPORTANT THING FOR ME IS THE CAREER DEVELOPMENT AN ORGANISATION CAN OFFER ME”**

**GENERATION Y INTERVIEWEE**

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## CAREER DEVELOPMENT NEEDS TO BE AT THE HEART OF THE ATTRACTION PROPOSITION.

Broadly, our analysis shows that Generation Y candidates are interested in two types of career path: the classic finance career (40% of respondents), and new pathways that extend outside traditional finance roles (60% of respondents). Employers seeking to attract Generation Y finance professionals must have a clear view on the career pathways within and beyond mainstream finance roles. They need to be clear on how the organisation values finance professionals who ultimately seek a rewarding career within their business outside the normal finance boundaries. In delivering the recruitment strategy they need to ask:

- How do we see the roles of finance professionals emerging in our organisation?
- What career paths will be available?
- What are the specific opportunities for finance professionals along the career journey?
- What is the roadmap they need to follow to get to their destination?
- What is the organisation's experience of developing finance professionals outside core finance roles?
- How can we leverage their finance skills in other areas of our business?
- How do we equip finance managers to hold informed discussions on career path options?
- Can the organisation use role models to showcase typical career paths?

Our survey reveals that Generation Y finance professionals are attracted to roles that are challenging and that support interesting finance careers. The nature of the role is cited by respondents as the third most important factor in attracting them to an organisation. They want roles that stretch their abilities and offer quick routes to career success.

## CASE STUDY

### Aviva

#### ENGAGING WITH GENERATION Y THROUGHOUT THE RECRUITMENT PROCESS

Aviva is the world's fifth-largest insurance group and the largest insurance services provider in the UK. It is a leading provider of life, pensions and investment products and one of the largest Financial Adviser providers. It is also the largest general insurer, with an overall UK market share of 15% and 4.3 million customers. Aviva insures one in five households, one in seven motor vehicles and more than 800,000 businesses in the UK. The company aims for superior long-term investment performance, and its size and efficiency provides an extensive range of value-for-money, good-quality products for customers, whether they are investing for the future, guarding against the unexpected, or protecting the things that are important to them. It has 54,000 global employees (24,000 in the UK) serving over 50 million customers in 28 countries around the world.

At Aviva we are taking an increasingly global approach to our people management practices, including the recruitment of Generation Y finance professionals and our graduate intake programmes. To attract our young talent, we involve our recently recruited graduates as we find this helps us match our organisational language to suit the style of Generation Y, adopt a recruitment approach that is well received by this generation, and implement communication tactics that maintain engagement throughout the attraction and selection processes.

#### Faster, quicker, clicker recruitment

We recognise that to attract quality talent we need to communicate and interact with Generation Y, and indeed other generations, in an engaging and interactive way, and we have developed our approach to recruitment and on-boarding in response to the preferences of Generation Y. In the UK, candidates can apply for jobs with us via their mobile phone and we can send them an SMS with confirmation of their interview appointment. To support candidates we have a green room on the internet that provides information and advice as well as games to guide them through the recruitment process. Successful candidates can log onto the green room to receive their job offer and start their induction online, both before they join us and for the first month after joining. This allows us to start engaging with them before they join, helps them to feel part of Aviva early on in the process, and guides them at the beginning of their career with us.

Our interview process has also changed for entry-level roles, from a competency-based approach to a strengths-based assessment. We focus on positive psychology in assessments, looking at what makes people eager to get out of bed in the morning and play their role in Aviva's success. We recognise that candidates are seeking careers that will enable them to use and build on their strengths, and we ask them to tell us what those strengths are. For finance professionals this means balancing technical skills with other skill sets, so we use numerical assessments and role plays as well as strengths-based conversations. In our job adverts and interviews we highlight the opportunities that Aviva can offer as well as the financial rewards and the different types of roles available, and we look for a breadth of knowledge, experience and potential in our finance professionals rather than deep expertise in narrow areas.

#### Keeping engaged after joining

We work hard to retain Generation Y finance professionals after they have joined Aviva, and do this by maintaining our engagement with them and by enabling them to build their careers across business areas.

An element of our engagement approach is Aviva's global intranet, which has made a real difference to the way Generation Y and others connect with each other across the organisation. There are chatroom forums that enable people to have their say, to express what they think and feel to the most senior management in the company, and get solutions and responses from colleagues across the business within hours. Although usage is led by Generation Y, we are seeing increasing numbers of senior leaders regularly post on the forums too. This technology has increased productivity by enabling communication and information movement at a much quicker speed than before, with low additional cost. We also engage with our talent through our Brand New Club, where we connect people internally who have a passion to make a difference in Aviva, enabling them to create and drive change in the working environment.

We recognise Generation Y's importance for our continued success at Aviva, and the approaches discussed here are part of our wider strategy to ensure a motivating and energising employee experience for this and other generations.

The career development offering needs to be at the heart of the attraction proposition, but our survey suggests there are other important factors that attract Generation Y finance professionals.

**REMUNERATION**

Remuneration is a critical element of the attraction proposition for Generation Y professionals seeking employment in a finance role. Base salary is identified as the second most-important attraction factor after career development, and non-base salary benefits such as bonuses are rated the sixth most-important attraction factor overall.

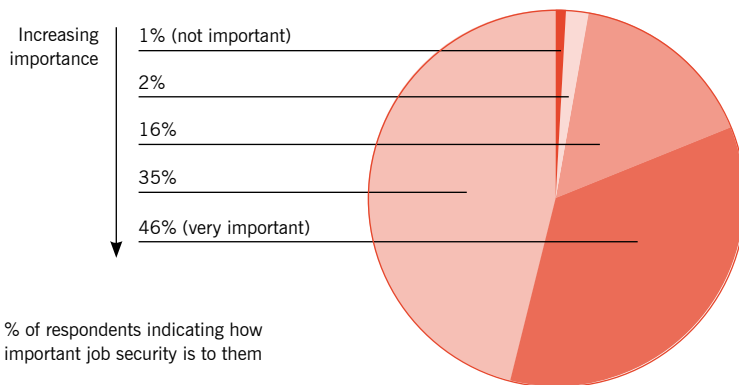
**GENERATION Y FINANCE PROFESSIONALS PLACE HIGH IMPORTANCE ON LIFESTYLE FACTORS. ISSUES SUCH AS JOB SECURITY ARE IMPORTANT TO THEM.**

Finding the appropriate remuneration levels to attract sufficient Generation Y talent into finance can be a challenge. There are many competing industries, most notably the banking sector, which in the past has successfully captured potential entrants through high levels of remuneration. We do not expect this to change significantly in the future. Therefore employers need to concentrate on a broader proposition to attract the top Generation Y talent.

**JOB SECURITY**

A surprising finding from our survey is the importance of job security to Generation Y (chart 9). It is the joint fourth most-important attraction factor for a finance role after career development, nature of the role and base remuneration package. This may be a reflection of the changes since the global economic crisis. A consistent observation from employers as part of this study has been a change in attitudes of Generation Y since the economic downturn. Organisations seeking to develop a compelling attraction proposition to recruit Generation Y finance professionals need to consider the perception of how secure a role in finance will be in their organisation.

**CHART 9: THE IMPORTANCE OF JOB SECURITY IN ATTRACTING GENERATION Y**

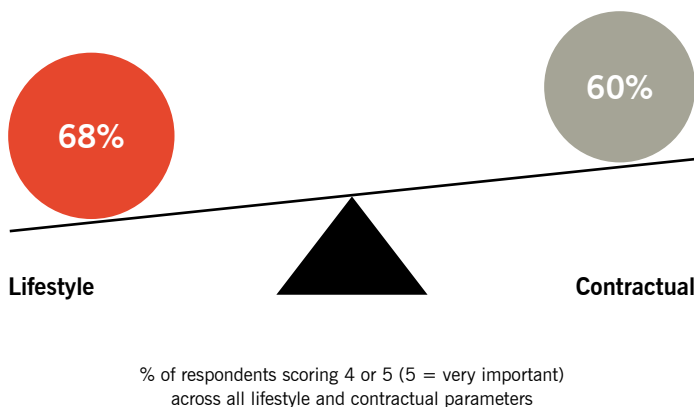


**'I REALLY FEEL A COMPANY SHOULD BE ENVIRONMENTALLY FRIENDLY'**

GENERATION Y INTERVIEWEE

% of respondents indicating how important job security is to them

**CHART 10: LIFESTYLE FACTORS OUTWEIGH CONTRACTUAL FACTORS IN ATTRACTING GENERATION Y**



% of respondents scoring 4 or 5 (5 = very important) across all lifestyle and contractual parameters

**WORK-LIFE BALANCE**

Work-life balance is cited by Generation Y finance professionals as a significant factor to attracting them to organisations. More generally, lifestyle factors outweigh contractual factors in attracting them to a finance role (chart 10). The career model of a finance professional in previous generations has been significant investment in time and effort early in the career driven by financial incentive. Our survey suggests this model may apply less well in attracting Generation Y individuals because they are more lifestyle-driven.

Perhaps the preference towards lifestyle factors is in part due to a changing definition of success. Our survey suggests the historical view of career success being defined by more money probably rings less true for this generation. This is a generation that seeks a much broader range of benefits from working life, and actively seeks out organisations that can deliver this.

**“THE BRAND IS IMPORTANT BECAUSE IT REFLECTS ON ME AS AN INDIVIDUAL”**

**GENERATION Y INTERVIEWEE**

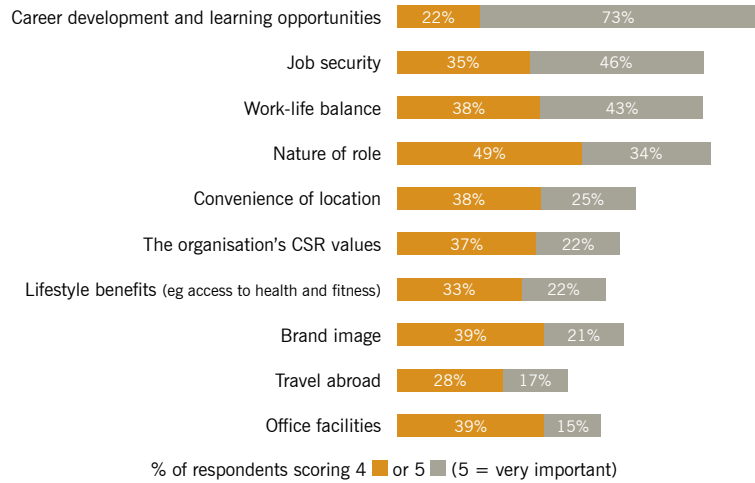
Some of the employers we interviewed comment that one key challenge in recruiting this generation into traditional career paths such as auditing is the perception of risk and reward. They see fewer candidates aspiring to the most senior roles such as partner or finance director because they perceive that higher pay may not be sufficient reward for the high risk and impoverished work-life balance enforced by the compliance and regulatory environment. The profession needs a talent pipeline of individuals wanting to reach the top in finance, particularly in regulated areas such as audit. To address this, some employers are promoting career advancement to the top finance roles as an opportunity to influence the strategy of the organisation or government.

Lifestyle factors are also recognised by employers as important to the attraction proposition (chart 11). Such factors include convenience of location (cited by Generation Y respondents as the fifth most important lifestyle factor) and lifestyle benefits such as access to health clubs (rated as important by the majority of our respondents). Employers suggest that they can recruit quality talent in suburban or greenbelt areas where the employee is looking to achieve a lifestyle out of the city. Convenience of location is cited as more important by women than by men.

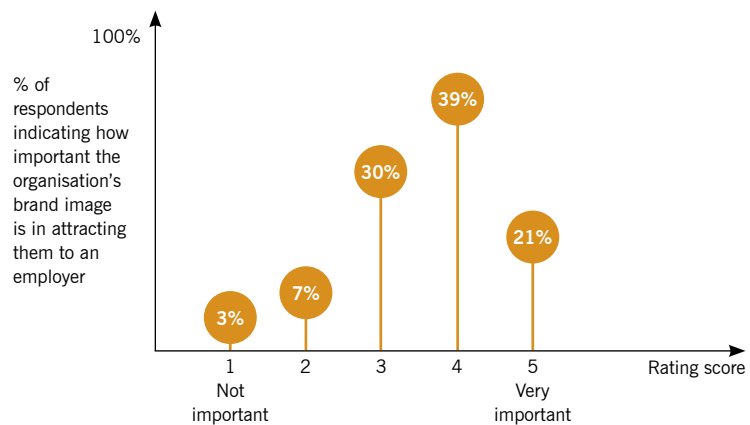
**BRAND IMAGE**

Our research suggests that Generation Y finance professionals are broadly brand-conscious and also take an interest in corporate social responsibility (CSR) issues (chart 11). Our survey indicates they are attracted to organisations that have a powerful brand image that reflects their own values (chart 12). Across all attraction parameters, brand and CSR issues matter to this generation, but perhaps less so than previously thought.

**CHART 11: LIFESTYLE FACTORS THAT ATTRACT GENERATION Y FINANCE PROFESSIONALS TO EMPLOYERS**



**CHART 12: HOW IMPORTANT IS AN ORGANISATION'S BRAND IMAGE IN ATTRACTING YOU TO AN EMPLOYER?**



**GENERATION Y FINANCE PROFESSIONALS ARE BRAND-DRIVEN AND WANT TO WORK FOR ORGANISATIONS THAT REFLECT THEIR OWN VALUES.**

Recruiting organisations need to be conscious of the power of their brand and their CSR record on their ability to attract Generation Y to the organisation. Organisations need to identify the elements of their brand that will attract Generation Y and focus on promoting these in the attraction proposition.

Employers also report that candidates seek out information on the organisation, its culture and the alignment of values. From an employer perspective there are differing opinions as to the importance of this topic. Some employers believe candidates will chose strong brands that they are proud to show on their CV;

## Attraction: opening the door to young talent

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others see it as a hygiene factor, with candidates concerned only to ensure they would not be ashamed to have an employer's brand on their CV. It may also be a luxury criterion for job-seekers and deprioritised in tougher sectors by Generation Y candidates looking for a first job. Brand is cited as less important by women than by men.

A strong brand enables the employer to be as discerning as the candidate in an active recruitment market. As

the jobs market has become more challenging for candidates, our employer interviews reveal that employers increasingly demand that candidates have a thorough background knowledge of the organisation; previously some candidates could have achieved success through a broader 'scattergun' approach to job hunting.

Some company brands are inevitably more appealing than others to this generation. Successfully engaging Generation Y on

its own terms without compromising the integrity of the brand of the organisation is a fine balancing act. Feedback from employers suggests that where this element of the attraction proposition is delivered badly, it is counterproductive and detracts from the professional brand of the organisation. Indeed, attempting to attract Generation Y with a brand image that does not match the actual employee experience risks disappointment and early attrition.

### AN INSIGHT FROM A LEADING GLOBAL RECRUITMENT ORGANISATION

**Hays plc is the leading global specialist recruiting group. It is the expert at recruiting qualified, professional and skilled people worldwide, being the market leader in the UK and Australia and one of the market leaders in Continental Europe. It operates across the private and public sectors, dealing in permanent positions, contract roles and temporary assignments. The Group employs over 6,700 staff operating from 345 offices in 28 countries across 17 specialisms.**

Recruiting experts from five global locations at Hays shared with us their insights into the challenges of recruiting Generation Y finance professionals. Their experience of helping organisations recruit finance professionals across the world has enabled them to identify a number of successful Generation Y attraction practices.

Generation Y candidates are attracted to a strong employer brand that they can see and feel through the organisation's website and its presence on social networking sites. Employers need to have accessible, attractive and informative career websites where candidates can gather relevant information on the company and gain an understanding of what it is like to work there. Many leading organisations use the internet and social networking sites to convey a Generation Y friendly image; however the promised employee experience needs to be managed carefully to ensure it reflects the actual experience of being a Generation Y employee within the organisation. The employer brand can be further built for this generation by linking with universities and colleges, through job fairs and career advice centres for example, as well as establishing sponsorship, internships and training programmes.

#### Securing top Generation Y talent

Top Generation Y talent is in short supply and Hays advises that employers target the specific needs of this group in order to attract the best candidates. They see that both parties are becoming more demanding and they believe the employment market will become more candidate-driven as economies pick up again; already in some countries job portals encourage candidates to wait until the employer finds them, instead of asking applicants to respond to specific job adverts. Hays says that while employers are seeking higher-quality talent, candidates are demanding that they can pursue either a career with high salary and long hours, or alternatively a job with less salary but with a more generous work-life balance. This presents a challenge for employers in addressing differing candidate demands; the solution is for employers to offer development in a supportive environment with clear career and individual development plans, but with flexible working arrangements that enable the work-life balance that many in Generation Y strive for.

This generation expects fast and transparent recruitment processes; employers may therefore need to change their recruitment practices in order to respond to the behaviours and preferences of this generation, for example by providing feedback quickly to candidates. The effort required by employers to intertwine Generation Y's culture into the existing organisation's culture may come with a price tag, but the price may be higher later on if this opportunity is not seized now. The prize is an organisation with the competitive edge to attract new finance talent. The challenge for employers is how to demonstrate at the recruitment stage what they specifically offer Generation Y; however if this is done well they will be able to ensure that their organisation is a magnet and chosen destination for top Generation Y talent.

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### ATTRACTION: RECAP

The key to attracting Generation Y finance professionals is the career development proposition. They are attracted to organisations that offer interesting roles, learning opportunities and career paths.

Organisations need to showcase career paths available both inside and outside of traditional finance roles to attract this generation. They need to be very clear on how they can deliver the career promise.

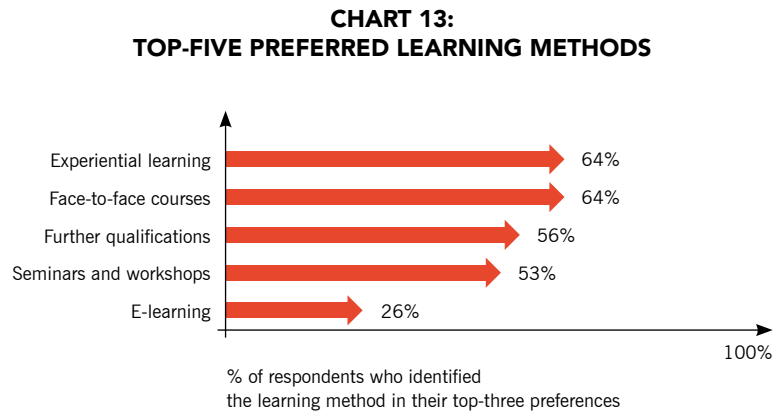
Lifestyle factors are more important than contractual factors; a broad proposition is required, with career development at its centre.



**How do organisations get the best out of the Generation Y talent in finance, and how do they deliver development opportunities? What strategies should organisations adopt to leverage the skills and potential to secure the future of the profession? What development activities engage them, and which are less successful?**

## DEVELOPMENT: THE TOP FIVE

Our survey reveals the top-five preferred learning methods of Generation Y in finance.



## CAREER DEVELOPMENT THROUGH EXPERIENTIAL LEARNING

According to our survey, Generation Y is a hands-on generation that wants dynamic career progression supported through experiential learning and other more formal training approaches. In ACCA's recent report on talent development<sup>4</sup> across the profession, experiential learning and secondments are identified as the key development activities most valuable for the development of finance talent across the organisation. Experiential learning needs to be at the heart of organisations' development proposition. It is key to developing Generation Y talent and by its very nature (learning through experience) typically takes place in day-to-day work activity.

Employers who participated in this study recognise the importance of experiential learning. For them, this approach is more cost-effective since employees are productive in their work while learning. Increasingly, finance professionals are operating in complex and pressured environments. Businesses are more regulated, and accountants are involved in an increasingly broader range of situations and tasks in the

modern-day profession. And that is why experiential learning matters: it is key to developing the broader skills required of accountants today.

Experiential learning is at the heart of the training model across the profession in all sectors. Public practice firms operate a model that develops high numbers of trainees even though they know most will leave either immediately after qualifying or with a few years of post-qualification experience. Although this model may not be cost-effective for individual firms, when compared to the option of buying talent in the recruitment market, it can be seen as fulfilling a responsibility to the wider profession by maintaining the talent pipeline of the profession as a whole and giving trainees the experience they will need for their future career. Auditing, for example, is a key development area and provides an excellent technical base for understanding key areas of finance across an organisation.

According to our survey and interview research, both Generation Y and employers agree that the focus of development early in their career is on both technical and business skills, harnessed through experiential learning. Both parties are eager for the employee to gain their qualifications, as this will be beneficial for the employee's career progress and guarantees a quality standard for the employer. Experiential learning gives trainees the knowledge and skills they need and when planned in a formal, structured way it underpins career paths. The challenge can be in quantifying and documenting the learning achieved through experiential learning and to demonstrate that it has supported the individual's career plan. Some employers address this by taking a rigorous approach to maintaining learning logs or capturing the learning gained from experience in personal development plans as part of the performance management process.

**EXPERIENTIAL LEARNING IS KEY TO DEVELOPING GENERATION Y FINANCE PROFESSIONALS EFFECTIVELY.**

<sup>4</sup> Talent management in 2010: foundations for growth, ACCA 2010

## CASE STUDY

### RSM Tenon

#### BRINGING TOGETHER EXPERIENTIAL LEARNING WITH THE TRAINING ACADEMY

RSM Tenon is one of the most progressive and entrepreneurial professional services firms in the UK, with leadership in the provision of risk management, tax, recovery, financial management and business advisory services.

We are the UK (excluding Northern Ireland) member of RSM International, the 6th largest global accounting network of independent firms, represented by over 30,000 people working in over 700 offices across more than 70 countries worldwide.

#### Generation Y in RSM Tenon

Generation Y finance professionals are critical to RSM Tenon because they are our future. We are an organisation that spots opportunities and reacts positively to them. We want to create an environment where Generation Y talent can flourish. Our future clients, the next generation of entrepreneurs, will also be Generation Y, so having this talent in our business means better service to our clients in the future.

We see Generation Y finance professionals seeking flexible careers. They are more focused on the short term, and success-driven, expecting immediate self-fulfillment and results, sometimes to the detriment of a long-term career plan. Speed of career development is of the essence but they need a roadmap to their 'pot of gold', with plenty of milestones on the way so they can clearly see progress. They are hugely socially connected: they like to work with others and are more team-focused than Generation X. For Generation Y professionals, the boundaries of work and play are blurred: work needs to be fun, and they are motivated by opportunities to create, innovate and be entrepreneurial. They display a high level of self-assurance in particular, and ask 'why?'. We see them as more ethically and environmentally-conscious: integrity is important to them, and so are the brand values and image of the organisation.

Their highest priority is career development. They are looking for a clear path to achieve, with clear, sensible, individual objectives and milestones to keep them focused on the way. RSM Tenon's big message here is clarity and honesty from the outset on career opportunities: communication is key. They need to know how they fit in and how their individual contribution and career will make a difference to the big picture.

#### Flexible career paths

We see some of this generation increasingly wishing to follow non-traditional career paths. As an organisation we therefore need to be really flexible and creative in enabling these career paths to take place, while still nurturing people along the more traditional finance career routes. For example, we take a view on the roles most likely to be needed to support our longer-term strategy, and actively seek to create such roles if they don't already exist, particularly if we can place good people in these roles and keep hold of good talent. In our experience, Generation Y finance professionals are continuously looking for job rotation, multiple experiences and secondments to keep them engaged and focused, and to give them choices in their career paths. As a business we support this.

#### The value of training and experiential learning

As a business we know that for Generation Y finance professionals to be great advisers to the entrepreneurs of the future, the development of their technical and their soft skills is key. Skills such as relationship-building, rapport-building and communication, the ability to relate to clients and colleagues and to break down complex material into concise and clear messages are vital in our business. The key to learning methods with this generation is variety. There is a danger in assuming that e-learning and online training will be the preferred options for Generation Y; given the familiarity with technology and the dominance of IT in the workplace, traditional classroom-based training is still a very effective medium for us because it offers variety. However it is delivered, all training needs to be engaging, inspirational and, critically, experiential.

#### Transparent careers, honest conversations

We believe the key to successfully developing this generation is managing their expectations. From day one we are clear that we are a meritocratic organisation and that we reward great performance, solution-focused thinking and commitment. We have a transparent career progression structure and clearly communicate the opportunities for secondment, job rotation, business projects and sabbaticals. We have very honest career conversations. We encourage mentor programmes and have a formal appraisal system that focuses more on the future, objective setting and career development than historical performance. We also make it clear that individuals need to take responsibility for owning their careers and their development. They need to be proactive and push to take advantage of the opportunities available. We also believe it is important to emphasise that rewards are not always instant from the outset: effort + performance + patience = rewards.

#### Training Academy

RSM Tenon is very proud to have established a Training Academy where we have developed programmes aimed at our trainees, our managers and our directors that focus on providing behavioural, commercial and personal development opportunities for our talent in line with their roles and career aspirations. Following each programme, the individuals have to set real actions, targets and milestones to push them towards the direction that they want to go. Some programmes include real business project challenges, with delegates given the opportunity to generate ideas, develop solutions and report to our senior management. Most of this training is residential and classroom-based, but we have some e-learning solutions to embed the classroom learning.

Our final observation is that career development and effective engagement are key with this generation of finance professionals. We have put together a think-tank to look at all aspects of our business from a Generation Y perspective and to generate insights and ideas for senior management to consider. It's a win-win situation for both the employee and the employer. It shows we value employees and are listening, and it gives them the opportunity to shape our business for the better.

One of the most common challenges cited by employers is developing the broader-based business skills. Skills such as professional judgment, leadership, communication, strategic insight and commercial acumen are consistently identified as the ones that organisations need from their finance teams. These skills are vital regardless of whether the individual wishes to pursue a classic finance career or a broader career outside of finance, and they are harnessed through 'doing', which is the key to experiential learning. Employers we interviewed consistently identify a key purpose of development programmes as being the development of the wider skill set, with experiential learning being at the heart.

Previous research that ACCA has conducted on leadership development<sup>5</sup> across the finance profession supports these findings. The drive to obtain breadth and depth of experience early on in the career significantly enhances opportunities later on. Interviews conducted with CFOs as part of that research stressed heavily the relevance of experiential learning, and taking personal ownership for careers. Experiential learning really matters, and Generation Y finance professionals recognise this.

### FACE-TO-FACE LEARNING

Alongside experiential learning, face-to-face learning is identified as a preferred learning method for this generation of finance professionals. Face-to-face learning interventions provide knowledge and skills to complement the workplace experience of Generation Y finance professionals. As organisations evolve and business activities cross geographic boundaries, new ways of delivering face-to-face learning interventions will evolve. The attraction of face-to-face interaction remains for this generation and may challenge a perception that they prefer to engage in e-learning.

Face-to-face learning is important in the profession, and should continue to be a part of ongoing learning

## GENERATION Y FINANCE PROFESSIONALS PLACE HIGH IMPORTANCE ON FACE-TO-FACE LEARNING. THEY VALUE E-LEARNING LESS THAN MAY HAVE PREVIOUSLY BEEN SUPPOSED.

delivery. It is a powerful training medium to communicate the complex ideas that are an inherent part of the training of professional accountants. This observation is supported by the fact that the larger accountancy organisations and multinational businesses have established training academies to deliver best-in-class face-to-face training by leveraging the internal experience and intellectual expertise that already exists across the organisation and imparting this knowledge to the incoming younger generation. Such solutions can be cost-effective and enhance the organisation's brand.

### E-LEARNING

One of the striking results from our survey is the preference for many forms of learning and development activities (chart 13 on page 17). Just over one-quarter of respondents identify e-learning as one of their top-three preferred learning methods; 64% prefer face-to-face courses, 56% further professional qualifications, and 53% seminars and workshops.

How do these results compare with the preferences of the broader finance population? Other research from ACCA shows these results are consistent with those of other generations of finance employees in the workplace. According to ACCA's global training needs analysis in 2009, the preferred learning mediums for technical skills development are face-to-face seminars, face-to-face courses, and reading journals and publications; for business skills development it is face-to-face seminars, experiential learning, and then e-learning.

Our overall conclusion is that organisations need to adopt various approaches to developing and delivering their finance training offering, and that experiential learning supported through face-to-face interventions is key to engagement, with e-learning having a specific role to play such as imparting information.

This is a challenge for organisations; the business case for e-learning can be compelling because it helps drive down delivery costs and can be scaled up globally, which is important for organisations moving to multifaceted, multilocation finance teams, or where the business model for finance changes and operations are outsourced or offshored. It also enables the organisations to track and gauge the effectiveness of learning undertaken. In the future we would expect more learning content to be pulled rather than pushed, and this generation is likely to play a key role in this.

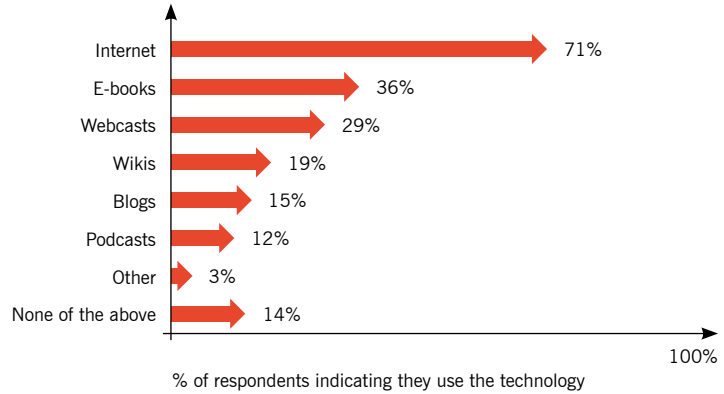
Part of the attraction of face-to-face courses is the interactivity and real-time engagement. As e-learning evolves using networked web technology that promotes learning through sharing and collaborating, and allows those with common learning themes to join or form interest groups, e-learning will become a learning tool that is personalised and connected, and where Generation Y finance professionals can feel they are part of something big and global. With the right technology, e-learning delivered in this way will be a natural transition for a generation used to connecting in their personal lives through social networks.

<sup>5</sup> Paths to the top: best practice leadership development for finance professionals, ACCA 2007

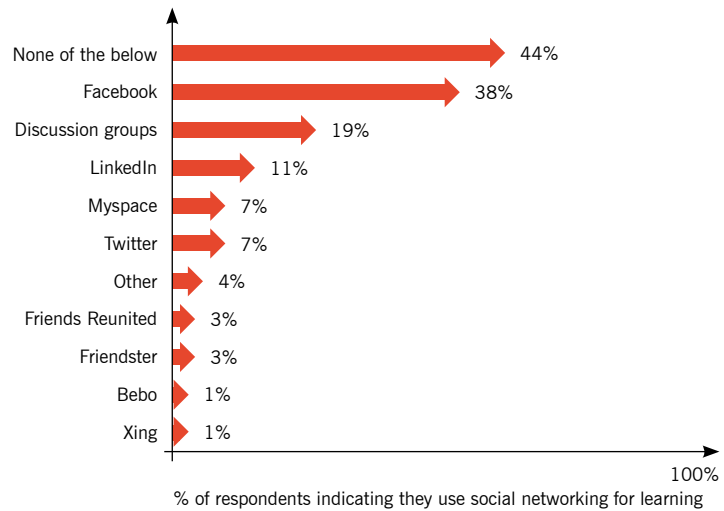
Though a high number of respondents (71%) say they use the internet to support work-based learning, most respondents to this survey are not using specific technologies (chart 14). Just over one-third of respondents claim to use e-books, and 29% webcasts, but less than 20% are using podcasts, wikis or blogs.

Currently the use of social networking sites does not translate to the workplace in terms of being useful for work-based learning (chart 15). Though 38% of respondents acknowledge that they have used Facebook to support learning for their role, and 19% have used online discussion groups and boards, only 11% use LinkedIn, and less than 10% of respondents use other networking sites. Almost 45% of all respondents to the survey indicate they never use any of the social networking sites named in relation to learning for their role.

**CHART 14:  
THE TECHNOLOGIES THAT GENERATION Y PROFESSIONALS USE TO SUPPORT LEARNING IN THE WORKPLACE**



**CHART 15:  
USE OF NETWORKING SITES FOR LEARNING BY GENERATION Y**



#### AN INSIGHT FROM A GLOBAL BANK IN CHINA

Standard Chartered is a leading international bank, listed on the London, Hong Kong and Mumbai stock exchanges. It has operated for more than 150 years in some of the world's most dynamic markets and earns around 90% of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the bank's growth in recent years.

With 1,700 offices in 70 markets, Standard Chartered offers exciting and challenging international career opportunities for its 75,000 staff. It is committed to building a sustainable business over the long term and is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. The bank's heritage and values are expressed in its brand promise, 'Here for good'.

Affie Hussein, head of learning and development (group finance) at Standard Chartered in Shanghai, shared with us the bank's approach to developing Generation Y. He says there is a strong focus on action learning via on-the-job experience, supplemented by additional face-to-face and e-learning development opportunities. Standard Chartered has mobilised resources to implement, via its Finance Academy, a country-customised learning and development programme specifically to meet local skills and knowledge gaps. The focus is on solving locally identified management and regulatory requirements; it is not just information dissemination.

It specifically addresses the needs of the Generation Y finance community and is designed to provide, inter alia, up-skilling of their technical accounting capabilities. A key objective is to allow the participants to acquire relevant information in order to undertake their business-as-usual activity efficiently.

The combination of Standard Chartered's learning and development interventions ensures that the experience is optimised, and enables the bank's Generation Y talent to spend time on activities that align to their strengths.

#### Retention built on attraction and development

In Standard Chartered's experience, retention is not driven by purely financial concerns; what Generation Y finance professionals demand, and what the bank gives them, are great developmental opportunities. The company believes the effective retention of this generation of finance professionals in the organisation starts with recruiting the right people in the first place, and ensuring the bank has an effective career development value proposition.

Standard Chartered's experience is that candidates are attracted to its strong brand as they recognise the range of opportunities the company can provide. According to Hussein, talented employees stay with Standard Chartered because they feel the company can offer them challenging and rewarding careers. Having been in China for more than 150 years, the bank is here for the long run, it's here for good.

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#### DEVELOPMENT: RECAP

The key to developing Generation Y finance professionals is experiential learning supported by face-to-face learning interventions to deliver career progression possibilities.

Generation Y finance professionals are not overly reliant on e-learning. They rate other learning interventions as more useful and their learning preferences are consistent with those of the wider finance population.

The use of technologies and social networking sites by Generation Y finance professionals for the purposes of learning at work is limited.

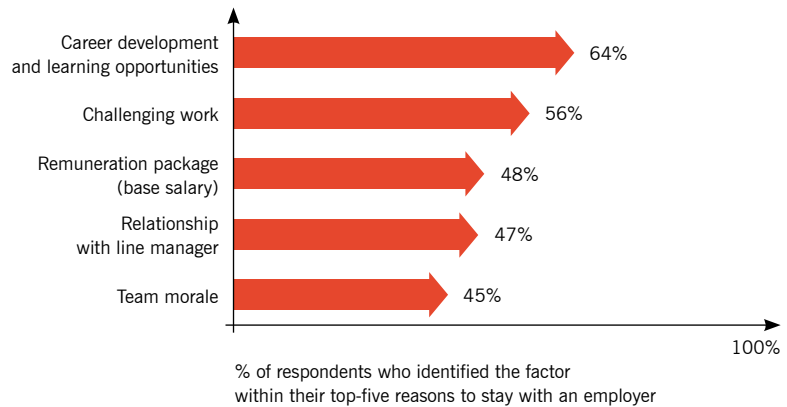
# Retention: the challenge of keeping hold of them

How do organisations keep hold of Generation Y finance talent? As the global economy slowly returns to economic growth, and opportunities in the external market increase, what strategies do organisations need to adopt to ensure that Generation Y finance professionals stay with them?

## RETENTION: THE TOP FIVE

Our survey reveals the five most-important factors that influence Generation Y in finance to remain with an employer.

CHART 16:  
TOP-FIVE RETENTION FACTORS



## CAREER DEVELOPMENT AND LEARNING OPPORTUNITIES

The ability of an organisation to offer challenging work as part of an effective career development proposition is key to retaining Generation Y finance professionals. The good news is that our survey suggests Generation Y finance professionals are broadly happy with their current role (chart 17 on page 23): 61% say they are satisfied with their current role, 70% say their role gives them the opportunity to undertake challenging and interesting work (and the provision of challenging work is identified as the second most-important factor in deciding to stay with an organisation), 68% say their role makes good use of their skills and abilities, and 63% say they have sufficient authority to be effective in their role.

However, there are some significant challenges identified. One-third of respondents to our survey say they want to leave their organisation at the present time, and one-half of respondents say they do not expect to be with their current employer in three-years' time. These findings present a major retention challenge to employers of Generation Y

finance professionals. They also suggest that current retention strategies are not successful, and may mean current approaches to people development require revision.

Our survey shows career development opportunities as the number one factor that influences young finance professionals to stay with an organisation (chart 18 on page 23), but according to our survey, 50% do not believe their current organisation offers them sufficient career opportunities. This presents a serious retention challenge right now and in the near future. It may also be exacerbated by a more favourable recruitment market where global economic conditions improve.

The provision of sufficient career development opportunities is at the heart of the retention challenge.

## High mobility

Our survey shows that Generation Y finance employees in the workforce are significantly mobile both inside finance, pursuing classic finance career routes in all sectors, and exploring new career paths outside of traditional finance roles (chart 19 on page 24). There is strong evidence of the high mobility of Generation Y finance professionals across all sectors and size of organisation. They seek mobility and see it as key to effective career development. Effective retention strategies will need to accommodate these mobility aspirations.

Based on our interviews with participating organisations, employers recognise that Generation Y finance professionals increasingly seek broader career paths, but one of the key challenges for employers is accommodating this effectively,

**THE RETENTION RISK WITH THIS GENERATION OF FINANCE PROFESSIONALS IS CURRENTLY VERY HIGH. THERE IS A PERCEIVED LACK OF CAREER OPPORTUNITIES.**

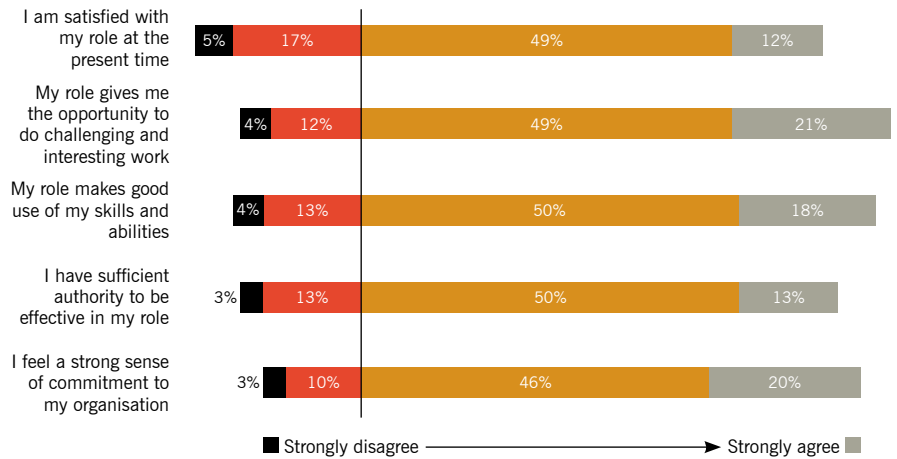
particularly where organisations are small in size, or less fluid or flat in structure. Many employers of finance professionals still primarily offer the classic finance career route only. Public practice firms typically expect trainees to follow a path to become a partner in the firm. Many industry employers expect their finance professionals to remain in finance, moving up within the functional area to become a finance director. Most career moves operate within the confines of mainstream finance roles and generally there are less formal approaches to developing Generation Y finance professionals outside these; where this does happen, it often takes place on an individual basis. Recent ACCA research<sup>6</sup> in this area suggests less than 10% of employers currently offer secondments outside of finance or in service lines as part of their finance talent development programmes.

There are, however, some alternative views that may highlight new trends. Some organisations are reviewing the career paths they offer in order to be more transparent and flexible, based on a view that Generation Y finance professionals do not sign up to traditional career paths and instead view their career as a journey where opportunities are appraised and taken as they appear along the journey. For example, one organisation interviewed indicated that it has started creating new finance roles aligned to its future strategic direction, but which also meet the career aspirations of particular Generation Y finance employees it wants to retain (see case study on page 18). Some employers are now suggesting that to aspire to the very top roles in finance within the organisation, a key requirement is experience outside of finance.

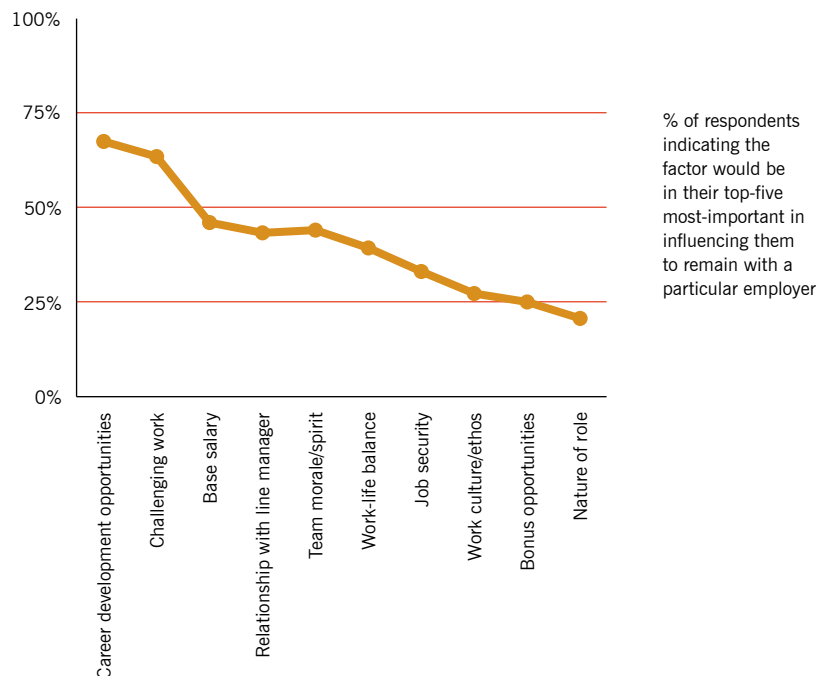
**A focus on upward promotion**

A striking observation from the data is that Generation Y professionals want to progress their careers quickly but are only prepared to do so if the new role represents an upward step on the career ladder, according to 84% of our respondents. In pursuing an alternative career path, only 41% of respondents

**CHART 17:  
WHAT GENERATION Y PROFESSIONALS THINK  
ABOUT THEIR CURRENT ROLE IN FINANCE**



**CHART 18:  
THE 10 MOST-IMPORTANT FACTORS INFLUENCING  
GENERATION Y FINANCE PROFESSIONALS  
TO REMAIN WITH A PARTICULAR COMPANY**



6 Talent management in 2010: foundations for growth, ACCA 2010

**CHART 19:  
INTENDED CAREER PATH**

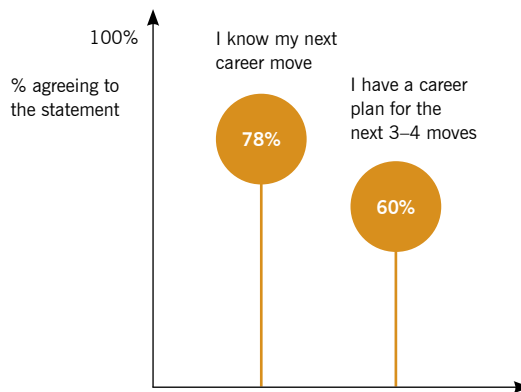
Dynamic finance careers (all sectors except public practice)	Dynamic finance careers (public practice only)		
Move career outside of mainstream finance	58%	Move career outside of mainstream finance	56%
Move to specialised area of finance	74%	Move into finance role in business	79%
Move to another area of finance	81%	Move to another service line	56%

would be happy to accept horizontal or back-step job moves. These insights are key to understanding the aspirations of this generation in the workforce in finance, and how realistic they may be. Regardless of whether this generation follows the classic finance career path, or explores new pathways outside of mainstream finance, modern-day career routes are more akin to a corporate lattice where individuals move horizontally as well as vertically, choosing to take career breaks, secondments, stretch assignments, back-fill roles, and so on. Increasingly there is no standard blueprint for how a career should look or evolve. Even where individuals are intent on following a classic finance career route, there may be more variability in the nature of roles available and taken.

**A focus on quick career moves**

Generation Y finance professionals are confident about their career trajectory and willing to take ownership for it. 75% of respondents see their finance career development as primarily their own responsibility.

**CHART 20:  
CONFIDENCE OVER CAREER MOVES**



Almost 80% of respondents are confident about what they want their next career move to be, and 60% of respondents have a career plan for the next three or four career moves (chart 20).

Overall, more men have career plans than women. However, in Asia Pacific, Europe and the Americas, the majority of those with career plans are women, while in other geographies the majority of employees with career plans are men.

**THE SURVEY FINDINGS ON CAREER PATTERNS SHOW THE CAREER PATHS THAT GENERATION Y FINANCE PROFESSIONALS WISH TO FOLLOW AS EXTREMELY DYNAMIC: THE CAREER PATHS THEY WANT ARE ASPIRATIONAL, FLUID AND EVOLVE QUICKLY.**



## CASE STUDY

### Government Finance Profession

#### JOIN FINANCE, WORK IN BUSINESS

The Government Finance Profession (GFP) is a community of more than 10,000 qualified finance professionals, Association of Accounting Technicians (AAT) members and trainees spread across 50 central government departments and their agencies, in the UK. Around half the community consists of qualified finance professionals and the other half is training to qualify.

The head of the GFP is supported by a small policy team based in HM Treasury. This team sets the strategic direction for the GFP and works closely with departments to improve financial management across the civil service by strengthening financial management skills and embedding finance into all aspects of policy development and operational delivery.

#### Lifeblood of the profession

At the GFP we recognise the importance of Generation Y as the future lifeblood of the profession. This generation will be key in achieving our aim of embedding a professional finance culture across government, to improve financial literacy, decision-making, and the delivery of effective and efficient public services.

The role of the finance professional in UK government is changing. Citizens and stakeholders expect the financial numbers to be right as a matter of course, but they are also expecting more. They expect finance professionals to bring the numbers to life. Finance professionals need to provide intelligent insights and leadership to the wider business. This higher-value business partnering requires business and softer skills, not just finance technical skills. The demand for high-performing finance professionals is expected to increase as awareness of the value they bring grows. Generation Y is the key source of this future talent. At the GFP we are focused on building a talent pipeline that develops business professionals rather than simply finance professionals. We need to do this if we are to be successful and deliver the stronger financial management discipline required by government.

From our experience of working with Generation Y, a picture emerges of career-focused individuals eager to develop themselves. They want clear and varied career paths, preferring a structure with flexibility that affords clear choices. Generation Y individuals want both interesting roles and the opportunity to develop a broad set of skills at an early stage in their careers. They see continuing professional development as a personal enabler. They welcome feedback on their personal performance and in particular areas for improvement. These are great attributes and we at the GFP have a role to play in helping this generation realise its potential.

#### Identifying a preferred route

Having understood what Generation Y professionals demand and prefer, we encourage them to consider different routes to gain experience and to develop the breadth of business skills that will help them have a successful career. Selecting a career route can be like using the map of an underground system, with various routes, destinations and stations available. Individuals can select their own way to their preferred destination. Offering choices gives individuals the flexibility that they seek and reinforces the view that there is no standard career path or limit to the type of roles that finance professionals in government can occupy. Finance professionals are already adding value and being successful in all areas of government outside of the classic finance department. Generation Y professionals are CV-savvy; they will evaluate opportunities as they arise to see how they will help them to differentiate themselves, develop their careers or achieve other personal goals. The GFP actively helps individuals to identify and seize opportunities for development and challenge.

#### Providing inspiration and support for development

It is important to be honest and open with Generation Y about options and expectations. If the GFP is to add value then it needs to be able to deliver tangible outcomes; it needs to be able to help develop, influence and at times challenge government policy. We therefore stress how important it is that Generation Y professionals take ownership of their own careers and equip themselves with the necessary skills and experiences to succeed. If they want to get to the top they need to develop the full range of softer skills, including leadership, communication, presentation, influencing and stakeholder management. We find we are knocking on an open door, as most members of Generation Y actively want to develop these skills. We find this generation soaks up learning, and particularly enjoys a blended learning approach that provides the interaction and support to which it responds well.

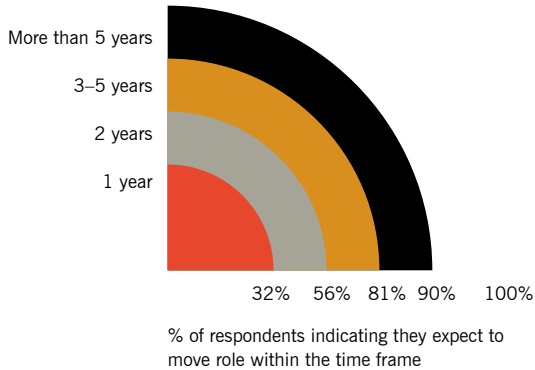
As inspiration, we present case studies of role models who have gained their experience outside as well as inside finance, perhaps as a consultant, non-executive board member, school governor or in a different sector of the economy. We also provide strong support through induction training, mentoring, coaching and various communication media including our website, conferences and in-house magazine. Generation Y individuals particularly like coaching and mentoring; they like to bounce ideas off coaches rather than undertake formal training, and they often seek out feedback for themselves.

In addition to providing technical and professional training, we also have good support in place to enable Generation Y to take up opportunities. This includes clearly defined policies that provide tangible support such as study leave, pay bounties, bonuses, pensions and generous annual leave. Furthermore, different departments will also offer different opportunities. Some might offer flexible working hours, help with childcare and further education, while others might offer overseas roles.

#### Taking a long-term view

As described above, there is a recognition that finance professionals need to work in areas outside of finance if they are to progress to the top and become the CFO, CEO or senior government leader of tomorrow. An accounting qualification provides a valuable and useful starting point, but, to realise their potential, finance professionals need to acquire the full range of business skills from a mixed range of experiences. To enable Generation Y professionals to take advantage of these opportunities we treat them as adults, encouraging and motivating them rather than controlling or directing. Generation Y professionals want to take ownership on their own careers. We help them to take a long-term view by helping them identify where they want go and how they can get there. This generation will be valuable in the employment market as the global economy improves; we need to continue to be open and innovative in our approach to development opportunities, career paths and support to enable our youngest finance professionals to reach their potential in all areas of business.

**CHART 21:  
HOW QUICKLY DO YOU WANT TO MOVE FROM YOUR CURRENT ROLE?**



The survey points to a generation that is not only at ease and confident about moving, but that also wants to move quickly from role to role to progress careers (chart 21). Almost one-third of respondents move to their next role within one year. Generation Y professionals actively seek out challenging work, citing it as the second most important factor behind career development opportunities as the reason to stay with an organisation. They are very clear and confident about their career trajectory, and if their current organisation does not see them as ready for promotion, they will move to an organisation willing to hire them for a bigger role.

Employers that we interviewed recognise the retention challenge and the desire for Generation Y professionals to move quickly. Such accelerated careers are often unrealistic ambitions in the given time frame or within the organisational structures that exist. Sometimes fast promotion can lead to an early ceiling, resulting in the flight of high-potential finance talent. Upfront frank conversations as part of employers' recruitment strategies are critically important: it is

**“I FEEL THE FINANCE JOB I AM DOING NOW WAS MIS-SOLD TO ME. THERE IS LIMITED CAREER OPPORTUNITY AND PROGRESSION”**

**GENERATION Y INTERVIEWEE**

the beginning of a relationship based on trust and transparency, and these are qualities that this generation believes are important. These conversations need to be supported by employer programmes that proactively create the required career progression opportunities.

This is a generation of finance professionals who think they know what they want in terms of career development, and if they are not satisfied they have the confidence to pursue alternative options. Managing their expectations around career promotion becomes a critical challenge for employers to get right. Good retention matters because it yields greater return on investment, it reduces the recruitment costs relating to

replacement, and perhaps most critically it keeps skills and knowledge inside the organisation, creating competitive advantage. This is particularly true across the accountancy profession.

Employers may need to manage those individuals seeking broader careers outside of mainstream finance differently to those seeking traditional finance careers. Where individuals seek to take new pathways outside of classic finance roles, upward promotion (higher seniority level and remuneration) may take time to realise; horizontal or back-step moves are much more likely because of the experience required. As more and more Generation Y finance professionals seek careers outside mainstream finance roles, they will need to recalibrate their notions of success; obtaining breadth of knowledge may mean forgoing promotion and salary growth, at least for a while. Their vertical career progression may be significantly slower than those who stay on the traditional finance career trajectory, but will Generation Y employees be prepared to accept this? Expectations will need to be managed very carefully.

To deliver dynamic career paths, transparency will be key. Employers need to think carefully about their career propositions and how they can implement effective career management strategies. Not all of these need to be particularly sophisticated or expensive. Employers need to consider simple strategies such as:

- Establishing career discussions as part of the performance management process
- Setting up a career pathway framework that documents, tracks and measures career movement
- Establishing route maps which show the roles available, the career routes to achieving these roles, the skills required to meet the role descriptions and the training interventions to support them

**EMPLOYERS WILL NEED TO THINK CREATIVELY ABOUT HOW THEY CREATE ROLES AND OFFER GREATER CAREER PATH VARIATION OUTSIDE MAINSTREAM FINANCE ROLES.**

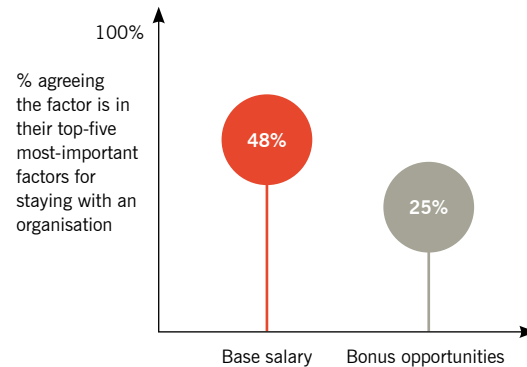
- Creating career progression opportunities for those at the beginning of a career path by tackling bottlenecks or generating movement further up the career path
- Showcasing role models and champions across the business who have followed different career paths
- Providing formal secondment opportunities and building on the learning that is gained from the experience

Career framework tools provide a blueprint for staff development in the organisation, as well as being useful for activities such as succession planning and skills gap identification.

### REMUNERATION

Aside from career development, and the provision of challenging work, the level of remuneration provided to Generation Y finance professionals is rated in the top five reasons in the decision to remain with an organisation by almost 50% of respondents, and bonus opportunities by 25% of respondents (chart 22). We can conclude that money is important in attracting this generation to an organisation in the first place, and is important in keeping them there. In today's internet environment, it is relatively easy for aspirational Generation Y finance professionals to benchmark their salary against the external market, particularly where they are undertaking a standard finance role. There will be many similar comparable roles outside the organisation and for some organisations uncompetitive pay is a particular retention challenge where their global reward policies do not permit a prompt response to local pay trends.

**CHART 22:  
THE IMPORTANCE OF MONEY IN DECIDING TO STAY  
WITH AN ORGANISATION**



**"I CANNOT PRAISE MY TEAM ENOUGH. IT IS A SPECIAL EXPERIENCE TO WORK WITH THEM"**

GENERATION Y INTERVIEWEE

### RELATIONSHIPS AND TEAM WORKING

Our study suggests that Generation Y professionals in finance place great importance on good relationships with their colleagues. Along with career development, successful relationships with colleagues are identified as a key determinant in choosing to stay within the organisation. A good relationship with the immediate line manager, and strong team morale and spirit is identified as the fourth and fifth most important factors that influence them to remain with a particular employer. They also feel strongly about the degree of trust and autonomy they enjoy – one-third of respondents put being trusted to work independently among the top-five

most-important factors influencing them to stay, and 63% believe they have sufficient authority to be effective in their present role.

Employers also highlight relationships as important when managing Generation Y finance professionals. For example, some employers stress that Generation Y individuals prefer a mentoring rather than a managing relationship with their superior. This can place a strain on managers who have to balance their workload with a requirement to 'consult' to gain the willing participation of the Generation Y employee rather than rely on the more traditional style of instructing.

**A TRANSPARENT CAREER PROPOSITION COVERING BOTH CLASSIC FINANCE CAREERS AND NEW CAREER PATHWAYS OUTSIDE OF CORE FINANCE ROLES IS KEY TO RETAINING THIS GENERATION OF FINANCE PROFESSIONALS IN THE ORGANISATION.**

## Retention: the challenge of keeping hold of them

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Relationships with managers can also come under strain where employees work in different locations because of flexible working arrangements or virtual teams, and the manager is not able to physically see the team. This relationship of trust is also required when gaining the commitment of the employee to build a career plan that is longer, and perhaps slower, than the Generation Y employee expects. Trust is identified by respondents as the seventh most-important factor influencing them to remain with a particular employer.

Communication appears to be key to building these relationships, and some of the organisations that we interviewed specifically provide opportunities for Generation Y employees to interact personally with the organisation's leadership, using face-to-face communications and other media when engaging with the employee.

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### RETENTION: RECAP

The key to retaining Generation Y finance professionals is career development. Generation Y finance professionals are likely to stay with organisations that can offer dynamic career progression. The careers they want are aspirational, fluid and evolve quickly.

Career mobility is very important to this generation. This is a story of diverging career paths, with part of this generation seeking ambitious but traditional finance careers, and others wanting broader careers outside of mainstream finance roles.

There is a perceived lack of career development opportunities on offer, potentially causing significant retention challenges for organisations both now and in the near future.

Employers need to develop and deliver a transparent career proposition to retain Generation Y finance professionals. Career pathway frameworks should be established and the organisation should consider establishing formal secondment programmes to provide career opportunities beyond traditional finance boundaries for individuals seeking broader career paths.

A key determinant of retention success is the strength of relationships that Generation Y finance professionals hold with their manager and colleagues. Remuneration is important for retention, but should be seen as part of a much wider retention proposition based on career development.

## CASE STUDY

### KPMG Pakistan

#### AN EMERGING MARKET PERSPECTIVE

KPMG in Pakistan is represented by KPMG Taseer Hadi & Company, the Pakistan member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. It was set up in 1969, and with 27 partners and seven directors and more than 800 professional staff, is one of the leading firms of accountants in Pakistan, with offices in Karachi, Lahore and Islamabad.

KPMG urges its people to be dynamic, flexible, innovative and creative, competitive, and to think globally. These are a few of the important core values of KPMG which we also see in our Generation Y employees. We see Generation Y as extremely creative and progressive, adapting to change quickly. In particular we also see Generation Y as being technologically savvy and team-oriented. This latter quality is particularly important in the accountancy profession. We take a multidisciplinary, industry-driven approach. Often our employees will be working with colleagues from other areas to address challenging, complex issues, developing a deep understanding of a particular industry area. We see Generation Y as being particularly strong in team-based work.

#### Goal-driven

We also see Generation Y finance professionals as achievement-oriented. In KPMG they are ambitious and confident, and interested in seeking new challenges and opportunities. They are well suited for our work because in the audit profession individuals are required to work as team members on engagements with tight deadlines. Our audit teams often work independently at remote locations with direct exposure to senior client management. However, sometimes we see Generation Y members lacking patience; they can be easily demotivated if results are not to their expectation or not happening quickly. They continuously challenge and question.

Because Generation Y individuals are achievement-oriented, they demand more and more challenges. They are most likely to leave the organisation if they feel they have limited career advancement opportunities. It is absolutely key to their engagement. They tend to see themselves climbing up the career ladder faster than previous generations. They demand diversity in their career experiences and for this they want to get experience in different departments and industries.

In KPMG’s experience, money matters much less to this generation of finance professionals. What they really want is recognition for the work they do, being assigned challenging and difficult tasks, having work delegated to them and being empowered. The power to make decisions makes them feel they are part of an organisation. They appreciate interaction with the most senior people in KPMG.

#### Meeting the retention challenge in an emerging market

Generation Y professionals are the future of our organisation, particularly in an emerging market like Pakistan. There are a number of key measures we take to ensure they want to stay in our business:

We identify exceptional performers from this generation across our business and offer them fast-track promotions.

We are specific about the career paths available. They are well defined and transparent, so both KPMG and the employee understand how they can progress their career. Specifically, this is because we understand the key milestones as part of the career routes available. It means for the top roles they are clear on what they need to do to get to partner level.

We provide opportunities for global experience, particularly in other emerging markets and more mature markets. Through KPMG’s global mobility programme, we make global opportunities available, in which qualified employees can take on international assignments. There are also opportunities to go on secondment to a client or other organisations. We recognise we live in a global economy and international experience is an increasingly important quality. KPMG’s rotational assignment and global mobility programmes are designed to offer our employees optimal exposure to different working methods, client environments and different cultures. By taking these types of assignments, they are also able to bring back a wealth of experience to the market.

We offer as much work-life flexibility as we possibly can. It can be a challenge for our people, but it is important for them, and KPMG recognises this. We are constantly looking for ways to improve our employees’ work experience, as well as provide opportunities for them to manage their personal lives and build a great career. Some of the ways we achieve this are to offer flexible working arrangements and other support such as remote working. Our remote working options enable KPMG people to work on the move, or from another location such as a client office or even from home. Flexible working options vary according to location but may include part-time work, flexitime, job sharing, compressed work week, telecommuting, career breaks and unpaid leave. Many highly successful KPMG people choose flexible working so they can spend more time with their family or develop other interests.

By doing all of this, we believe KPMG is well placed to offer Generation Y finance professionals the careers they want within our organisation. In an emerging market like Pakistan, they have many career options available. We know they are the future of our business, so we are prepared to invest in them, and, critically, give them the breadth of career experiences they want.

## Conclusion

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**This survey has focused on the youngest generation in the finance profession today, Generation Y. The report has sought to understand and outline how the aspirations and traits of Generation Y shape what employers need to do to successfully attract, develop and retain the newest talent in the profession. A number of key findings have emerged from this study.**

At the heart of the story of Generation Y in finance is the idea of dynamic career progression. Generation Y finance professionals want interesting and exciting careers, either inside finance or, increasingly, beyond mainstream finance roles, using their valuable finance skills in a different capacity in the wider business environment. The career paths they want are ambitious, fluid and continuously evolving. For employers, the career development proposition is key to attracting, developing and retaining this generation of finance professionals.

Generation Y finance professionals actively seek out those organisations that can meet their career development aspirations, so it is imperative for organisations to ensure they understand what career paths are available, and communicate these clearly to prospective employees. Money is important to this generation, so remuneration needs to be pitched competitively as part of a wider attraction proposition. Job security also matters, which may be an outcome of the economic downturn, so those employers that can demonstrate a stable recruitment environment and a longer-term proposition will be well served. Broadly, lifestyle factors are more important than contractual factors in attracting this generation through the front door of the organisation; the organisation's brand, and the values it represents are also key.

In developing Generation Y finance professionals, experiential learning is critical. However, to deliver the requisite skills and realise the full benefit, opportunities for experiential learning need to be provided in a considered and formal manner; for example, by establishing secondment programmes and rotational activities. Experiential learning, combined with face-to-face learning interventions, underpins effective career development. Many other learning interventions are also rated by this generation, although e-learning, a learning medium most often associated with this generation, appears to have less traction. The overall message is that organisations need to deliver a range of learning interventions to leverage Generation Y skills.

Ultimately, employers want to ensure they can successfully retain Generation Y finance professionals in line with their strategic and operational requirements either inside core finance roles, or in their capacity as broader business professionals. Successful retention means a better return on training investment and lower recruitment costs. The skills and experience that Generation Y employees develop at the organisation are invaluable, and not immediately replaceable. Poor retention costs money, but it also means a significant loss of knowledge for the organisation. Though our survey suggests that most Generation Y finance professionals are content in their role, there are major retention issues with almost one-third of survey respondents wanting to leave their organisation at the present time. The major concern centres on career development, with 50% suggesting they do not currently receive sufficient career opportunities. The key to retention of this generation is a compelling career proposition that accommodates the dynamic nature of careers that Generation Y prizes, but which also satisfies the employer's strategic workforce plan and what it requires of its finance-trained staff.

This is an uber-confident generation that wants to be committed to organisations but it appears to be prepared to walk away if the career promise is not being delivered. Generation Y is a demanding generation to manage, but for employers that can offer great and interesting careers, it contains a wealth of untapped talent waiting to be unleashed.



