Engaging and Training the Accountants of Tomorrow

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Introduction

The purpose of this report, not a full academic paper, is to review my analysis and interpretation of a small dataset which I gathered as part of preparing for speaking at Accountex London 2022.

In the last 12 months I have heard multiple leaders in our industry discuss Generation Z (Gen Z) and how their change in behaviours might have a negative impact on hiring and retaining staff going forward. Listening to panels and seminars on the topic something distinctively stuck out to me – no Gen Zs were invited to offer opinion on their own generation.

As someone born mid 90's I am a Millennial, however in the past I have been assumed to be Gen Z and frankly I would be offended by how these panels and seminars would have represented me. I am nervous that if this is the viewpoint shared with Gen Zs of how the older generations view them, they will run a mile from our industry. An issue which will only increases the impact of the "Great Resignation" being the vast number of accountants leaving professional practice and the struggle to retain staff currently in practice.

I therefore wanted to discuss the stereotypes of Gen Z (born between 1996 and 2010) and those born within a couple of years of it. This would include Gen Z's own opinions side by side with the opinions that the older generations have of them.

The data used in the presentation and report is from a survey conducted February - May 2022 and three roundtables held with 27 Gen Z employees of BHP LLP.

Stereotypes – what do generations think of themselves and each other?

Opening my survey, I asked for stereotypes of all generations currently working – including each generations' opinion on themselves. Gen Z's looked like this:

Although there are stereotypes with negative connotations, there are also some that are considered positive stereotypes such as 'tech savvy', 'care about the environment' and 'adaptable'. These positive stereotypes are largely overlooked until you need someone on hand to help you with your phone.

I also asked for stereotypes of the other generations (again to all generations including the one being asked about), Baby Boomers (born between 1946-64) had the stereotype "great pensions' but I doubt that was what came to mind when they first started working! The stereotypes of 'less tech savvy' or 'rubbish with technology' would also have not existed when they started working, as at that time they were probably the tech leaders. On reflection, we can show the issue with these stereotypes is that they are at a point in time, as the environment in which we are working in evolves over time.

Equally we can look at Generation X (born between 1965-80), the generation raising most of Generation Z – this had a mix of responses between 'hard working', 'entitled' and 'Karen'. Boiling this down though, you notice that a Baby Boomer responded that Gen X was 'rebellious'. Gen X answered that they were 'hard working' but the younger generations called them 'entitled' and 'doesn't like change'. Arguably stereotypes tell us just as much about who labels the person as the stereotype itself.

To round this off, Millennials (born between 1981-95) were the most negative about their own generation in comparison to the others with comments like 'negative', 'easily offended' and 'stressed'. Boomers were quite positive about the millennial generation with comments about being good at technology and adaptable and the Generation Z's were quite mixed with some responses reflecting the negative responses from Generation X's. I also received a lot of 'avocado toast' comments – reflecting the common joke that millennials cannot afford to get on the housing market due to spending too much on avocado on toast.

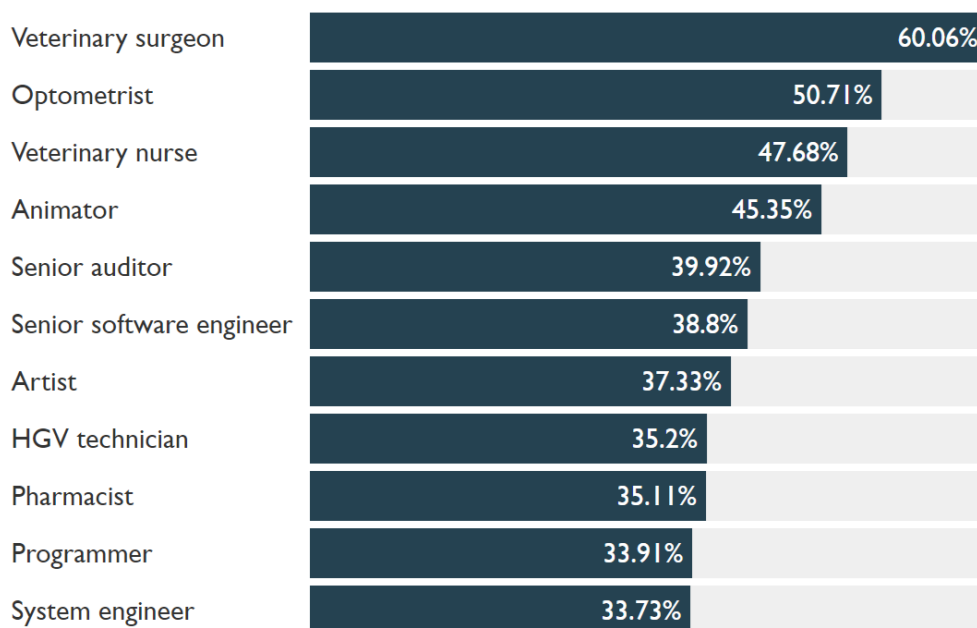The question is, is it fair to colour a whole generation with the same brush?

At the end of the day, each generation is a product of the generation which raised them and the environment in which they were raised. Are these stereotypes therefore a reflection on the people of that generation or the people who raised them, as it's all learned behaviour?

# Recruitment in accounting- so what's the problem?

The Great Resignation seems to have rocked the accounting industry as illustrated from the excerpt from The Sunday Times, 10th February 2022:

The jobs that are hardest to fill
Top 20 job titles with the highest % of roles still vacant after 60 days

Job Title	%
Veterinary surgeon	60.06%
Optometrist	50.71%
Veterinary nurse	47.68%
Animator	45.35%
Senior auditor	39.92%
Senior software engineer	38.8%
Artist	37.33%
HGV technician	35.2%
Pharmacist	35.11%
Programmer	33.91%
System engineer	33.73%

It is no surprise that Senior Auditor appears 5th on that list, in fact some people might be surprised to not see more accountancy roles on this list based on the current job market. In a survey I sent out to gather opinions for my presentation, I asked to what extent the statement - 'Hiring and retaining staff is more difficult now than it has ever previously been'. This statement was also echoed in the below sentiment:
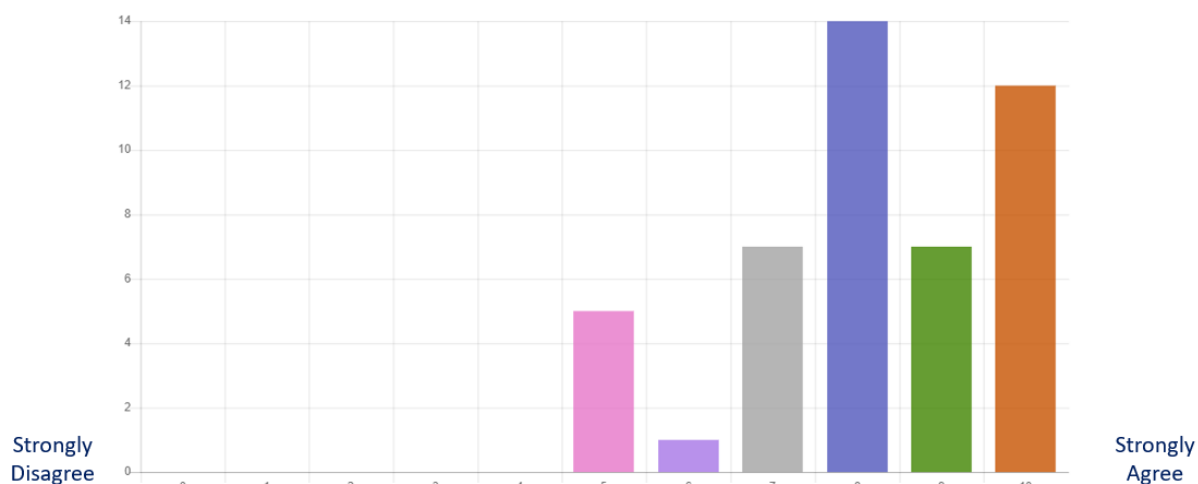
To help understand why there is such a difficulty in recruiting into the profession I explored some of the attributes of job roles and their relative importance to the different generations.

I asked in the survey for the 16 following job attributes to be ranked in order of importance when considering a role and the graphic here indicates the overall ranking based on the responses.

100% of Survey

1. Work Life Balance
2. Enjoyment of Role
3. Remuneration
4. Job Security
5. Clear Development Opportunities
6. Flexible Working
7. Wellbeing
8. Supporting Family
9. Amount of Annual Leave
10. Other Benefits
11. Inclusivity
12. Sustainability/Green Ethics
13. Social Life at Work
14. Use of Technology
15. Job Title
16. Possibility of Relocation Internationally

When we look at just the responses from the Gen Z population, we can see the responses are very similar (the graphic indicates the Gen Z responses with the differences to the overall survey responses noted in brackets). What may be a surprise is that Generation Z listed the exact same top five as 100% of the population in the same order. Why, therefore, is there the overall general perception that Generation Z are looking for something different?

Generation Z Only

1. Work Life Balance
2. Enjoyment of Role
3. Remuneration
4. Job Security
5. Clear Development Opportunities
6. Wellbeing (7)
7. Flexible Working (6)
8. Supporting Family
9. Amount of Annual Leave
10. Other Benefits
11. Social Life at Work (13)
12. Sustainability/Green Ethics
13. Inclusivity (11)
14. Use of Technology
15. Possibility of Relocation Internationally (16)
16. Job Title (15)

To further investigate these perceptions versus reality differences I asked the other generations to consider what they think Gen Z finds attractive when considering a job and compared this to the actual responses from Gen Z participants.

Generation Z Only

What other generations think Gen Z want

What other generations think Gen Z want	Generation Z Only
Work Life Balance 1.	Work Life Balance
Remuneration 2.	Enjoyment of Role
Sustainability/Green Ethics 3.	Remuneration
Clear Development Opportunities 4.	Job Security
Other Benefits 5.	Clear Development Opportunities
Flexible Working 6.	Wellbeing (7)
Enjoyment of Role 7.	Flexible Working (6)
Inclusivity 8.	Supporting Family
Wellbeing 9.	Amount of Annual Leave
Job Security 10.	Other Benefits
Supporting Family 11.	Social Life at Work (13)
Amount of Annual Leave 12.	Sustainability/Green Ethics
Possibility of Relocation Internationally 13.	Inclusivity (11)
Use of Technology 14.	Use of Technology
Social Life at Work 15.	Possibility of Relocation Internationally (16)
Job Title 16.	Job Title (15)

Firstly, job security is listed as 10/16 for what older generations believe younger generations value. This seems to be an oversight, even though they didn't work through the double dip recession, other financial crisis and Covid-19 it's not to say they didn't feel or understand the effect it had on their parents growing up. The presumption that just because they did not work through these difficult times hasn't impacted Gen Z is incorrect as it seems to be having a large influence over their career decisions.

Similarly, other generations ranked sustainability and green ethics highly in terms of what they believe Gen Z find attractive. The "cares about the environment" stereotype is believed to play a factor in all of Generation Z's employment choices however this is not the case from the survey responses gathered.

The responses also indicated that there is often an interplay or trade-off between job attributes. One particular example we chose to explore was between remuneration and organisational ethics- specifically 'green ethic' credentials.

I discussed this as a roundtable with some of the Gen Z participants and they indicated this sliding scale principle.

Renumeration

Green Ethics

The job role represented by the blue arrows (low green ethics but high remuneration) would not be an attractive opportunity to Gen Z's as they are conscious to know that if a company isn't ethical in a green sense in what other ways are they ethical?

The green arrows (high green ethics but low remuneration) would also not represent the best opportunity because as much as they wish for an employer with strong green ethics, they realise in this economy they need to be paid a fair wage for their services.

The most attractive opportunity therefore sits somewhere in the middle and needs to be weighed up by the individual. For them to be able to do this at the recruitment stage, organisations need to be transparent with their green initiatives, so it is easy for individuals to see them. If these are hard to find, then you may just lose a potential candidate's interest.

So what does this mean for employers?

At present employment in the accounting industry is a sellers' market, I have heard people of all levels say it. It means candidates are being more fastidious when looking at jobs and if we can't recognise that and make our firms look attractive then no one will be hired.

All discussion I hear about marketing a firm though is aimed at clients. Why are we not having the same conversations when talking about advertising our jobs?

When you think of job advertisement as a marketing exercise you also open yourselves up to a lot more data on how Gen Zs think and their behaviour patterns. Most importantly, how long have you got their attention for?

Generation Z – Eight Seconds

Eight seconds may not seem like long, and for some people this can present a real worry, however…
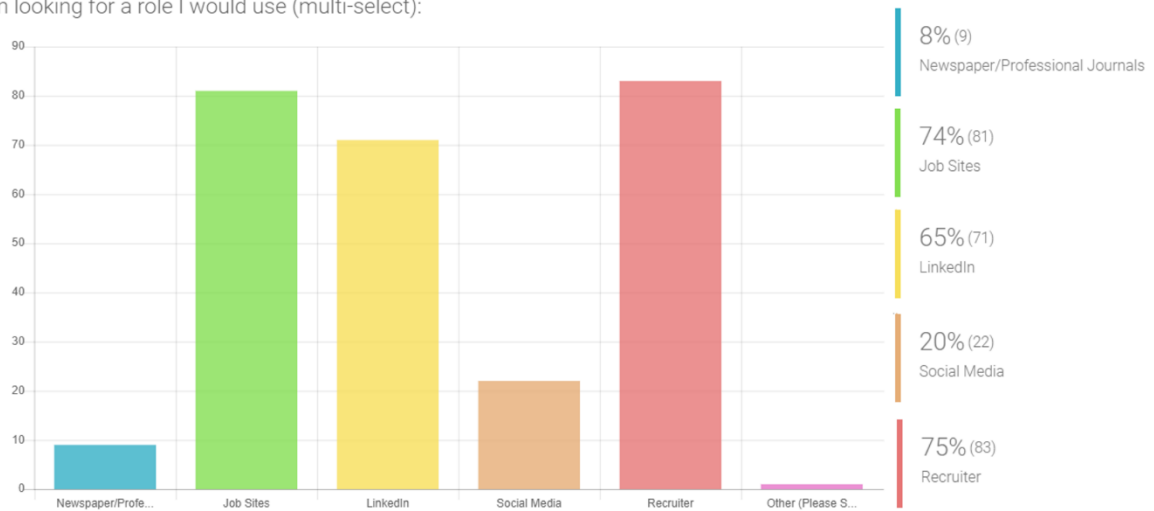
Millennials – 12 Seconds

It's not that much different.

Putting this into practice, imagine you have a great social media post on your firm's green ethics which could catch the eye of a potential candidate. How long does it take to get from that post to your careers page? More than eight seconds? More than 12 seconds? They've probably given up.

Outside of the standard generational structure you also have the Google Generation (born after 1993), which grew up without knowledge of the world pre-internet. Everything they need to know is at their fingertips, no relying on a book to find something out and certainly not visiting the second page of a google search as it was already there at the top of page 1. Arguably if you are appearing on the second page of Google, you're almost unknown – so where is your careers page if you Google it?

Is Google even the best way to interact with the candidates you are trying to attract?

When looking for a role I would use (multi-select):

- 8% (9) Newspaper/Professional Journals
- 74% (81) Job Sites
- 65% (71) LinkedIn
- 20% (22) Social Media
- 75% (83) Recruiter

From the survey I conducted it appeared that there was an even spread between job sites, LinkedIn, and recruiters and when you filter out the Gen Z answers this seems to focus on job sites and recruiters. When I discussed this with Gen Zs, it appeared that only a few of them were on LinkedIn already so they suggested this number might be higher once they were using it as much as other generations.

When speaking to Gen Zs about the use of social media (referring to personal rather than professional platforms) they said a degree of separation was preferred. They would not be on Instagram actively looking for a job, but if something caught their eye which was being done well at a firm (referring to my green ethics example earlier) then that may lead them to consider that employer for a job at another time.

On reflection, it seems best practice to look attractive on social media, have a link in your bio to the careers page, but not looking to actively recruit on social media.

Training- so what do we need to be thinking about?

The first thing to remember when providing any sort of training is that everybody learns differently. Teachers in schools and colleges are challenged more than ever to keep a full class engaged and their task of keeping all students on task is harder than ever as we understand more about learning needs.

When a new graduate or school leaver joins us from this environment, we seem to then pigeonhole them into one way of learning – whether that's putting on a webinar or saying 'follow along'.

The best place to start when considering this is the four types of learners (from my survey):

Understanding the type of learner which you are trying to engage with will not only make it easier for them to absorb the knowledge, but it will also help the wider team as the new starter's learning curve will be shorter and they will gain experience much more quickly.

Visual	12%
Auditory	5%
Reading and Writing	16%
Kinesthetic	55%
Not Sure	13%

From my survey responses the majority of people learn by doing but when you analyse the figures on a more granular level you also see that a trend of younger learners sits in this category.

In my survey, I also then asked questions around training approach to see if I could understand what resonated best with different types of learners:

I take information in well when attending a lecture.
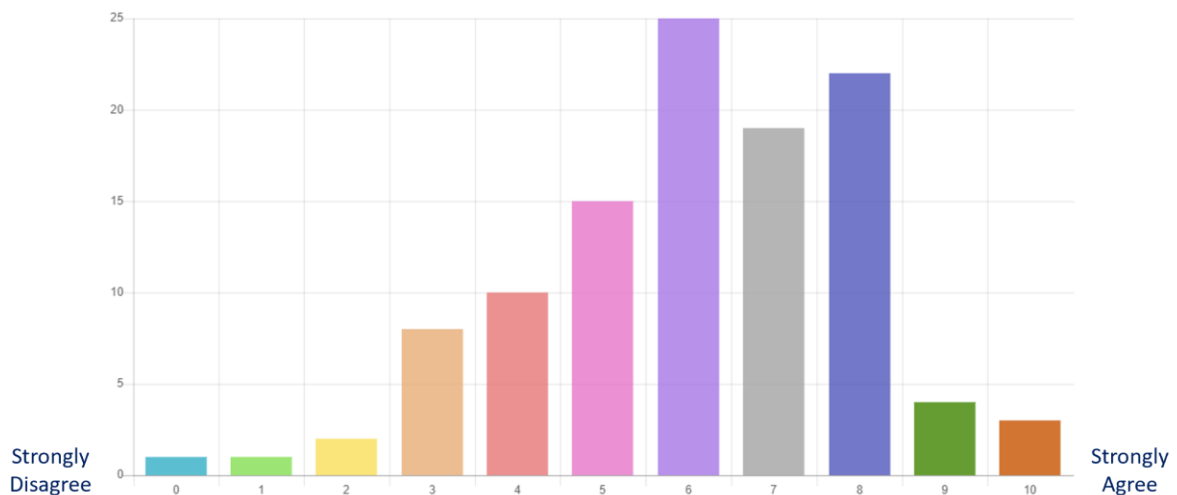
We can see from the above that most participants respond well to lecture learning with most of the disagree responses given by kinaesthetic learners. I wonder though, if this wasn't such a common form of learning which is the norm in most forms of in higher education (and therefore the format of delivery most students are familiar with), would the results be more mixed?

I learn better when the information is provided in short bursts.


Strongly Disagree — Strongly Agree
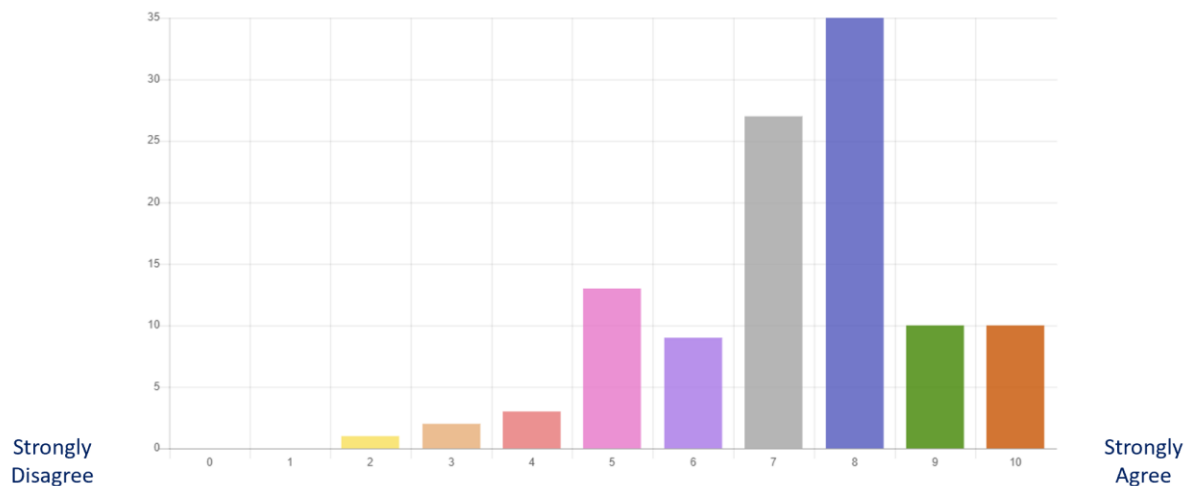
Learning in short bursts was something which also had a strong trend towards agree, maybe it's our diminishing attention spans or perhaps our love of going and getting a cuppa in between. Either way, this is something which I think traditional training struggles with as to create these bursts, people assume you need to either split up training across several small sessions or offer a lot of breaks. But I suggest from my own experience that this is not the case.

If I am covering two and a half hours of training with additional time for questions that can be a three hour afternoon and can be quite overwhelming for someone on their first day. This training is delivered remotely which also adds the additional challenges of being stuck to your chair/desk while it is ongoing. If I start to see them glaze over, normally at the 15-20 minute mark, then I will just simply take a side step and ask them a simple question such as 'what's the weather like where you are?' and let that develop into 30 seconds of conversation. I then follow this up with a rhetorical question, 'where were we?'

This does two things. Firstly, it prompts a response from them, keeps them alert and awake going forward. Secondly, the beauty of a rhetorical question is as much as you don't need an answer out loud the trainee will answer in their heads. It is often then I will get questions from who I am training as this simple moment will show them if they are picking it up or not. At this juncture, I have had trainees ask to start again with them possibly taking notes rather than following along, some ask if they can repeat back to me what we have done so far and some confidently actually answer out loud. How they respond means I can gauge how they are finding the content or the pace.

I prefer to learn at my own pace.

Strongly Disagree / Strongly Agree
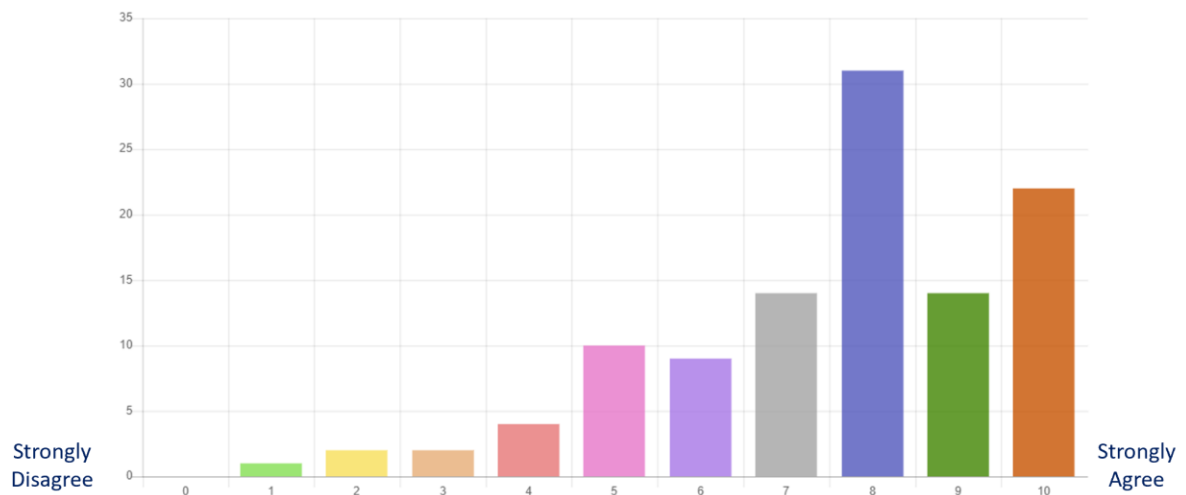
A strong inclination towards agree here, but often it is not the learner controlling the pace in this setting. Hence why a small question about the weather can influence how much someone can take away from training. It creates a conversation with the aim to make them feel more comfortable asking me questions or to repeat myself.

This check in can also mean they are more engaged for the rest of the afternoon as we have been able to identify the best way to train them. This will mean fewer 'check ins' are needed going forward for an effective but efficient afternoon.

Feeling involved in a lesson/lecture helps to keep me engaged.

Strongly Disagree / Strongly Agree
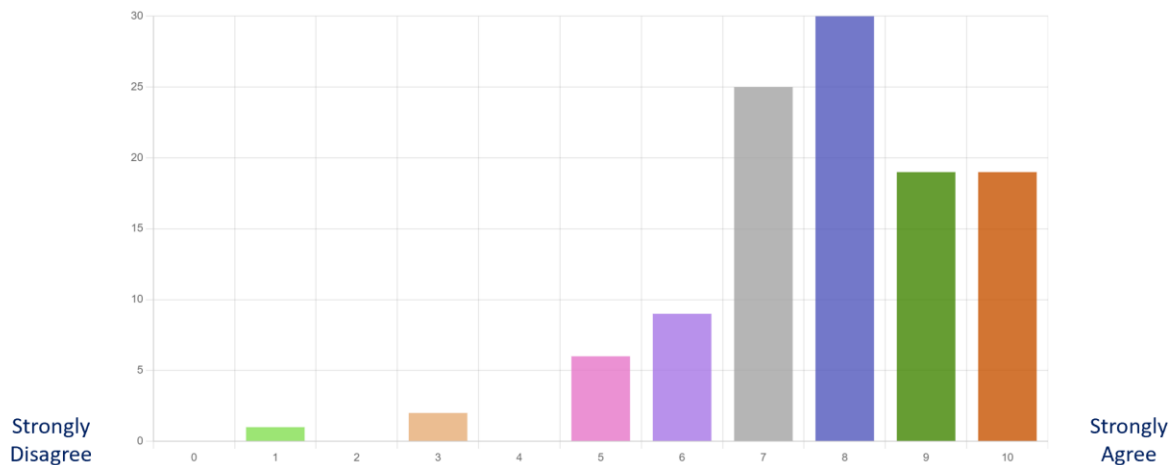
The question to help break up training can also help the feeling of involvement. I find the more you can get someone responding to you early on, the more honest they will be later when asking if they want to go through anything else again or have any questions.

When learning something new, I like to attempt it myself first rather than have someone walk me through it.
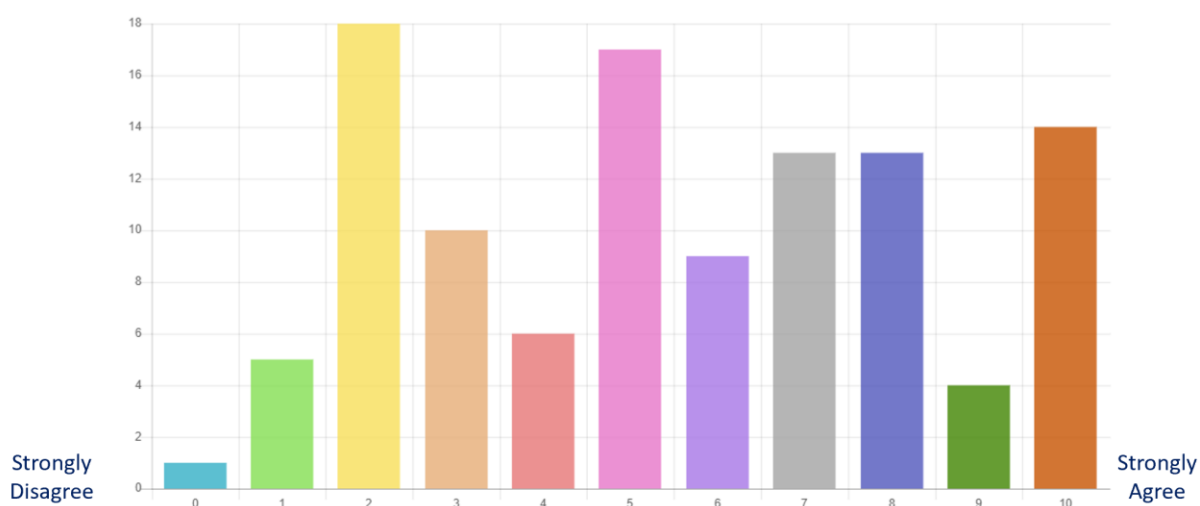
The graphic above shows a mixed response to learners wanting to try something first. When drilling down into the data, kinaesthetic learners trended towards 'agree' whereas visual and auditory learners trended toward 'disagree'. Attempting to train someone in this way who will not benefit from it may have a negative effect as if they attempt it incorrectly before being shown, they may remember only what they did first time.

When training, I rarely ask staff to try something themselves before I show them how to do it unless I have been through a similar process with them before and use a linkage training technique to try and utilise skills already learned.

Overall, it's hard to link a specific training technique to a learner type. Auditory learners take information best when told it, but could you explain a trial balance to them where they have no prior knowledge without a visual aid?

Otherwise, I think there are other observations which we can make about learner types. As a case study, I have isolated the University of Arkansas'[1] list of characteristics for Auditory Learners:

- Talks to self aloud
- Enjoys talking
- Easily distracted
- Has difficulty with written directions
- Likes to be read to
- Memorizes sequentially
- Enjoys music
- Whispers to self while reading
- Distracted by noise
- Hums or sings
- Outgoing by nature
- Enjoys listening activities

Imagining an office environment, someone easily distracted by noise and whispers to themselves while reading would struggle to work as efficiently as they could.

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[1] https://success.uark.edu/get-help/student-resources/learning-styles-characteristics.php

Arguably could understanding the type of learner you're employing therefore assist in working out who the most successful WFH employees would be at an early stage?

Personally, I am an auditory learner, and it often shocks people when I say I am a people person who works better at home. However, what makes me an auditory learner makes me an effective WFH employee including the fact that I am always more likely to call someone for clarification. The perception of a barrier is that staff will not pick up the phone or make a call, thus isolating themselves working from home.

Remote Training

Being fully remote, I offer all my training remotely. However, when identified as necessary I will set up training to be done in person. When discussing training in our industry though, many see an in person setting as the default option, often asking staff to travel to one office to deliver or participate in training.

I can see the benefits of both remote and in person training.

In person, you can establish more of a connection with the office environment which you are learning in so on the job training works particularly well here. Where I have invited a group of people to a training session in a meeting room, however, what I see is a herd mentality. I have established already there are four types of learners, so why in a room training 15 people as soon as one person starts writing notes does everyone else start doing the same? Equally, why when I say 'follow along if it helps' does one person lead the way opening their laptop then so does everyone suddenly follow their example?

Remote Training
Software training
School leavers & graduates initial training
Technical training
Updates to training
Training with a buddy
Teaching a new skill
Client specific training
Client phone call
Client meeting experience
Office Learning

I prefer to do larger training sessions remotely because everyone looking at the screen is focused on me and can't necessarily see who is making notes, following along or purely watching/listening. Therefore, the individual will make their own choice on how to learn, and often I will see people change it up as I change topic as some people don't purely learn one way.

Visibility on staff in the office makes office learning essential for soft skills such as phone calls and meetings. Just being in the vicinity of a phone call can be an experience for 'learning by osmosis' – good or bad. Or similarly, having a team sat together in an audit room means all team members can

hear the questions being raised and the coaching provided. While it may not be directly relevant to them on that particular engagement, what they hear may help them on future engagements.

Visibility is also walking into a meeting and seeing a trainee for who it would be a good idea to attend and asking them to step away from what they are doing to do so. How many zoom meetings did trainees get invited to for experience? Probably a lot less, not because they couldn't but because between halting work and clicking 'Join Zoom meeting' there isn't that visibility (for the senior team member) to think about who else could join – even on mute with camera off.

The words I often see when discussing remote training vs office learning are 'barrier' and 'approachable'.

Barriers are believed to exist when training/working remotely however after a global pandemic there is no better time to believe that remote working/training is a possibility. Young staff joining are extremely good with messaging/calling their friends, so when you introduce Teams or Slack (the social media of the office) this is second nature to them. Arguably they may feel more comfortable sending a message than approaching someone in the office. Barriers are only seen by staff if the leaders of an organisation perceive them to be there. Teams and Slack even have the benefit of signalling when someone is available or too busy to answer, meaning a new team member can easily find someone who has time to help and won't feel as though they are disturbing them.

Approachability is often linked to office learning, being that you can just stick your head up and ask the room. Early in your career there is so much pressure to be getting it right I would be surprised if everyone we have entering the workplace would feel comfortable doing this. Equally looking across the room to gauge who has time for a question and who is busy can be difficult, or at least harder than looking at a status!

Effective Training

The way I see it effective training consists of 5 things:

- Tailored
- Right environment
- Consistent to how others work
- Timely
- Relevance

I have covered tailored and right environment earlier in my report.

Consistent to how others work seems straight forward until you consider all the variations staff may complete a task across the firm. This is why we have a central training approach and notes to use, it means that bad habits are seldom picked up and actually it gives more junior staff the confidence to say 'I do it this way because…'. I do then get questions from more senior staff about our approach which helps standardise our methodologies further. To get to a culture like this takes time however is worth investing in as it enables collaboration across teams and offices knowing everyone is singing from the same hymn sheet.

Timely and relevance are often taken too simply. Someone starts, they get trained:
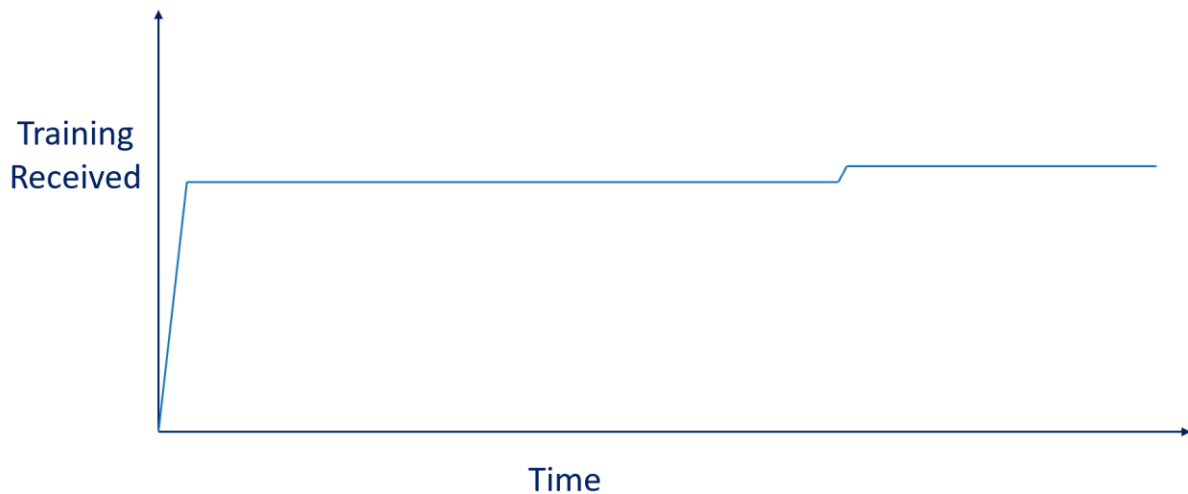
Training would happen very early on with only updates for ISA/SORP changes. This was all well and good when we used one software for most things but as choice increases and so does specialisms then the training requirement goes up as well.

At BHP, a member of our audit team may use up to 5 specialist software applications during a job (not including Microsoft suite) and then an accounts team member may use an additional 3 pieces software to this as well with some crossover. If someone was new to audit and accounts would often mean requiring an introduction to 8 pieces of software on day 1 which would be overwhelming for me to deliver, let alone the staff member to take in. This is also before you take into account the other inductions that person will have on that day.

Option 1: deliver all training at induction

We would try and streamline as much as possible and keep it simple. However, following such an introductory session often I would have the staff member message and say 'I have been here 10 weeks, I haven't used X and I can't remember how and I am down to use it next week'. I then need to decide if the right solution is an additional training session, or I point them to the notes depending on what time I had to spare.

Option 2: the 'levelling up' approach
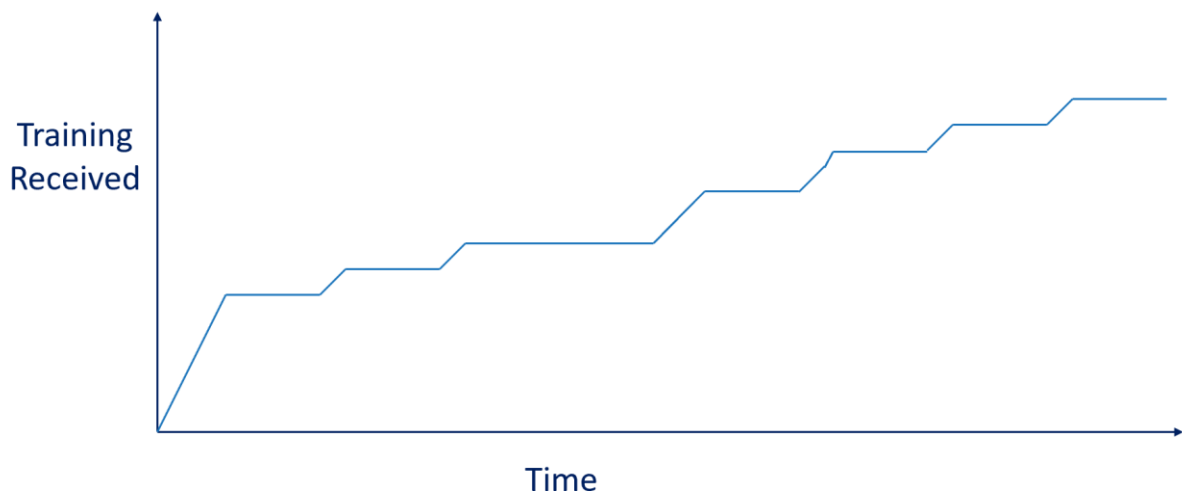
Reviewing the jobs in the first few weeks of someone joining means we will try and select at most 3 software applications which they will need to use in their first 4 weeks and cover these to a high degree. For example, if they are doing charity audits, they will be given software training on charity accounts, audit working papers and data analytics. This training will be tailored to the level they are coming in at and will at most take an afternoon to cover.

After that it is then an open invitation to the individual and their line manager to review jobs which are coming up in their diary and book in for anything else they may need in advance of these jobs.

Ongoing Support

We have also ensured ongoing support is:

- Provided in different mediums
- Accessible ASAP
- Easily findable/searchable
- Requests are responded to quickly
- Support is on hand

Different mediums support different types of learners, and often I will get requests for different types of support materials which I try to push out as quickly as possible (especially during a new rollout). Remembering that we are dealing with the Google generation, we need to ensure this is all located in an easily searchable place so they can find what they need quickly. Finally, knowing support is on hand and having a name to a face is really comforting – I trained them, and I will be answering the tickets. Often software tickets start with 'Hi Maisie' as they are so certain it's me who is behind the ticketing system.

Altogether, we have found that staff feel more comfortable earlier on, therefore we receive fewer questions, and they get to take ownership over their own progression.

Finally, never say no to training. A no to training is a no to progression and will be viewed as a ceiling by the younger generation. This links back to 'clear development opportunities' being listed 5th by Gen Zs when looking at attractiveness of job attributes.

Progression

Circling back to what Generation Zs want from their employer, clear development opportunities came in 5th.

1. **Work Life Balance**
2. **Enjoyment of Role**
3. **Remuneration**
4. **Job Security**
5. **Clear Development Opportunities**

This may be a surprise though as the stereotypes listed 'lazy', 'entitled' and 'need handholding' which wouldn't necessarily suggest individuals who are keen to progress in the workplace. On the flip side, Generation Z and all future generations will have to be highly ambitious as they are not only trying to outpace their peers but also the ever-improving automation set to replace certain roles in the industry.

During my roundtables it is worth mentioning the Gen Zs did not dispute the stereotypes listed for them from my survey. They recognised some of the traits in their peers who have chosen careers with less opportunity for progression as well as some traits in themselves.

Speaking to one of the roundtables I held on the subject, the Gen Zs all agreed:

Generation Zs going for roles in accountancy are intrinsically ambitious, anxious to progress and eager to put in the hard work.

This means when hiring Gen Zs you need to leave these stereotypes at the door. You cannot group who is turning up to interview with the rest of their generation as they represent the most ambitious. If you don't put aside these preconceptions, you may miss out on great candidates.

One quote from one of the Gen Zs which stood out was:

'There is a pressure to keep progressing. A pressure to stay ahead.'

Once they are in the door and under a training contract it was pointed out that pressure on progression was coming from two places. Firstly, it comes from senior members of the team who are seeking to "fast track" or speed up the learning curve and therefore the experience level of junior staff in order to fill in the gaps the Great Resignation has left. The second source is the new highly ambitious staff coming in as their juniors. There seems to be a fear of someone effectively overtaking you in progression because you haven't kept up with the demands of the job.

The answer to this is it is never too early to have a conversation around progression as if there is any doubt about a staff member's future at your firm, the likelihood is they won't see a future and will be tempted for opportunities elsewhere when presented.

As part of the survey, I also asked about leaving and changing jobs. The most popular response for leaving a previous employer was career progression:

What is the reason you left your previous employment (multi-select)?
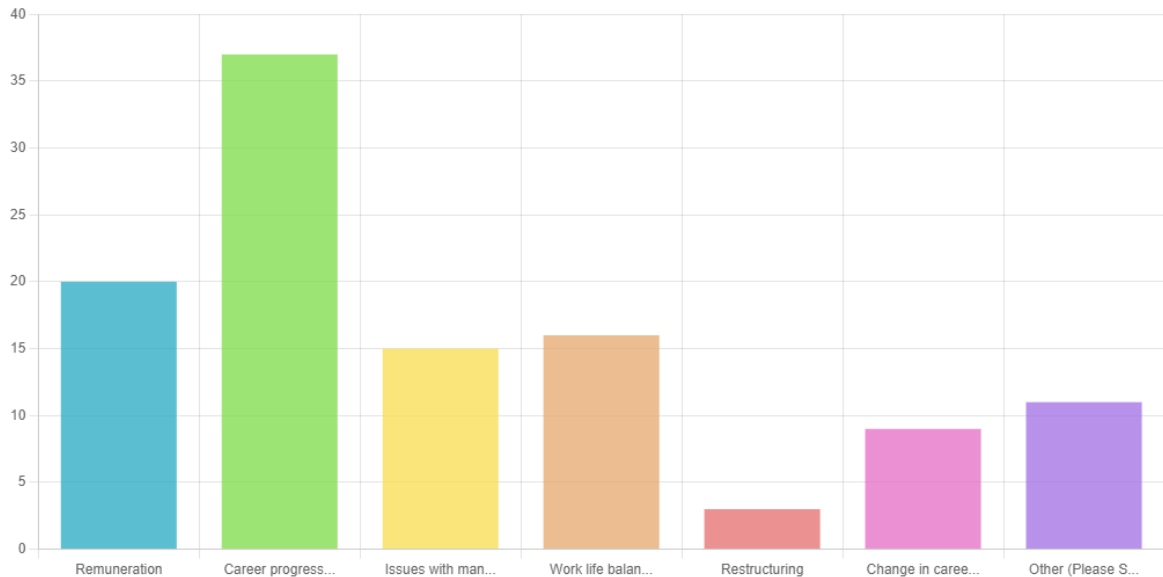
Reasons under 'Other' include location, redundancy, lack of care for employees, change in expectation of working hours and feeling unappreciated.

See the Retaining section of my report for more stats from the leavers part of the survey.

As part of my survey, I asked the following:

What are you most excited about in your career?

Moving into a leadership position   Qualifying

Progression   Learning more
Endless possibilities   Bigger Responsibilities
Progressing   Development Opportunities
Learn new things   Career Progression

I received 43 responses to this open ended (non-mandatory) question. Gen Z alone made up 29 of those responses, over double the responses from the other 3 generations combined. As an optional questions, it shows they are much more vocal about what they want and it's our job to listen to them and ensure we are offering them the right opportunities (linking back to attractiveness of job attributes).

As you can see, most of the responses are about progression. By not allowing staff to progress and see the next step, you could therefore be taking the excitement out of their role and their enjoyment of it (number 2 on job attributes for staff).

On the other side of this, I asked about future worries:

## What worries you about the future of your career?

Pension pot growth Being held back Exams

Losing work-life balance Not receiving fair pay

Economic downturn Not adapting fast enough Wrong career choice

Automation replacing humans Money when looking at childcare

Firms inability to hire Older generations blocking progression

Getting bored in the same role Getting stuck in audit

Becoming redundant

This was a bit more mixed, on both the answer side and the generational side as it was a lot more even when looking at who had chosen to answer the question. A few highlighted blockers on progression as something which worried them, however more cited financial worries as the main issue going forward.

Salaries

Everyone in the industry has one, but we don't discuss it openly. It is something which has often confused me, the notion that it is just something unspoken of, especially when the consensus agrees with me:

Employees should be able to discuss their salaries openly.
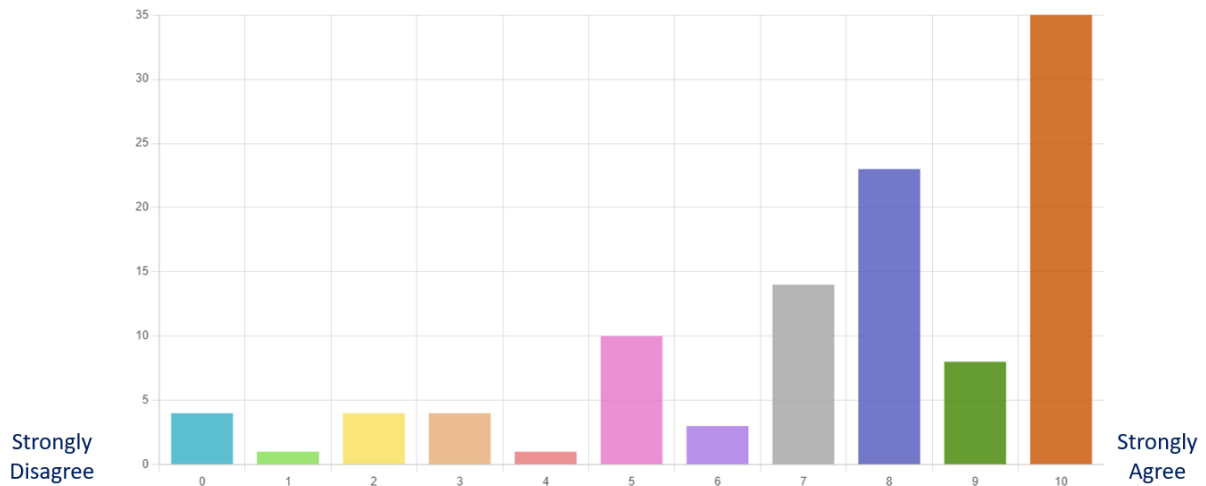
It all starts at the recruitment stage where a 'competitive salary' is offered and not a set figure or at least a salary banding. What's it competing against? Others in the industry? My bills, online shopping addiction and need to go on holiday?

Even so, when presenting 3 job adverts to the Gen Zs at a roundtable (see Appendix 1) the majority said they would most likely apply for the job advertised under job advert 2. It has a title to grab their attention, the clear offer of a qualification and most importantly a salary banding. Some even said they would be willing to overlook the cheesy line at the end because of it!

Job adverts should display a salary range on them.
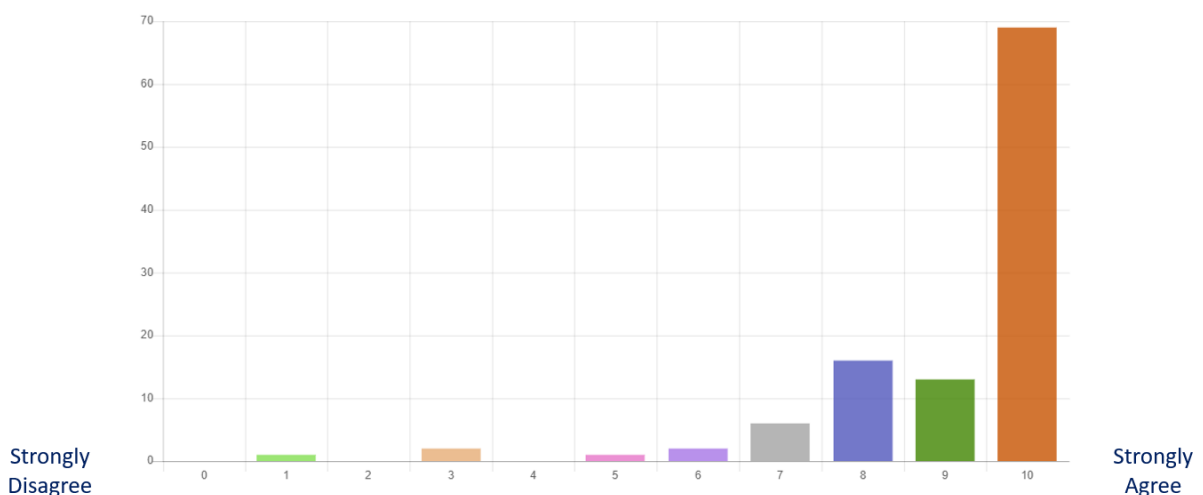
So why is it we are still not seeing salaries being offered on job adverts?
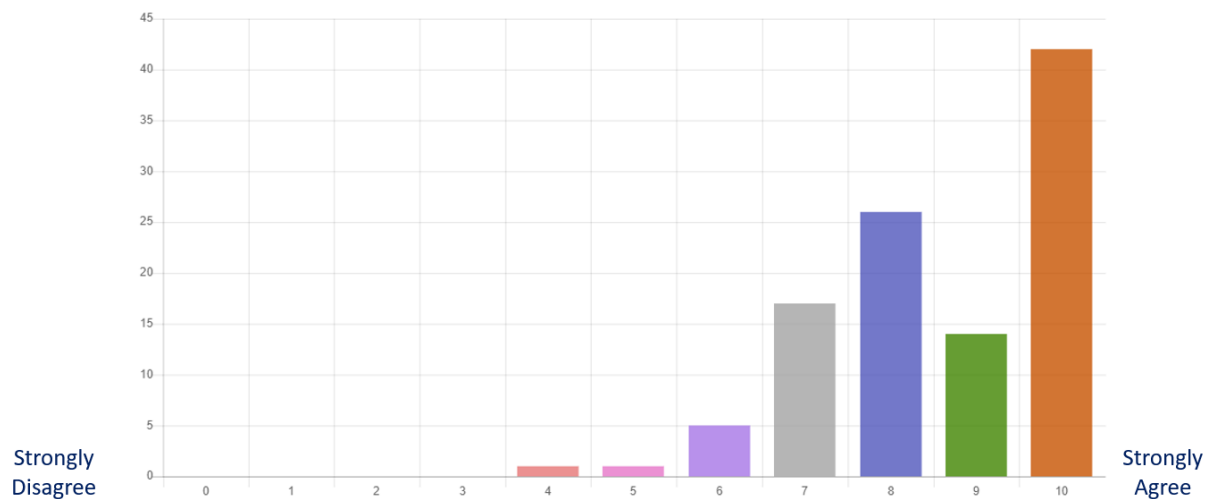
On the week of me pulling together the survey it was reported that the Bank of England Governor was advising workers to not ask for big pay rises. That is all well and good when you are earning £575,338[2] in remuneration and benefits, however for our young and ambitious new hires this isn't acceptable.

As I type this now, inflation is stated at 9% - is 9% a big pay rise against previous measures? Is a pay rise which does not at least match this effectively a pay cut? The BoE Governor has also now been reported as saying high earners should 'think and reflect' before seeking pay rises – so then what is a high earner to someone on his salary?

This is a report on young accountants in the workplace rather than a political pamphlet, but our young staff are more aware than ever after living through a double-dip recession, the impact of COVID and the current cost of living crisis. This is also before considering the rise in university fees which were not incurred by Boomers and Gen X. We would be naïve to not acknowledge they have constant access to the news and their understanding of how it will impact them directly.

I will also refer back to the worries about future careers where a Gen Z stipulated they were worried about 'not getting pay rises in line with what I should be earning'. If the bare minimum is to be in line with inflation – will the industry keep up?
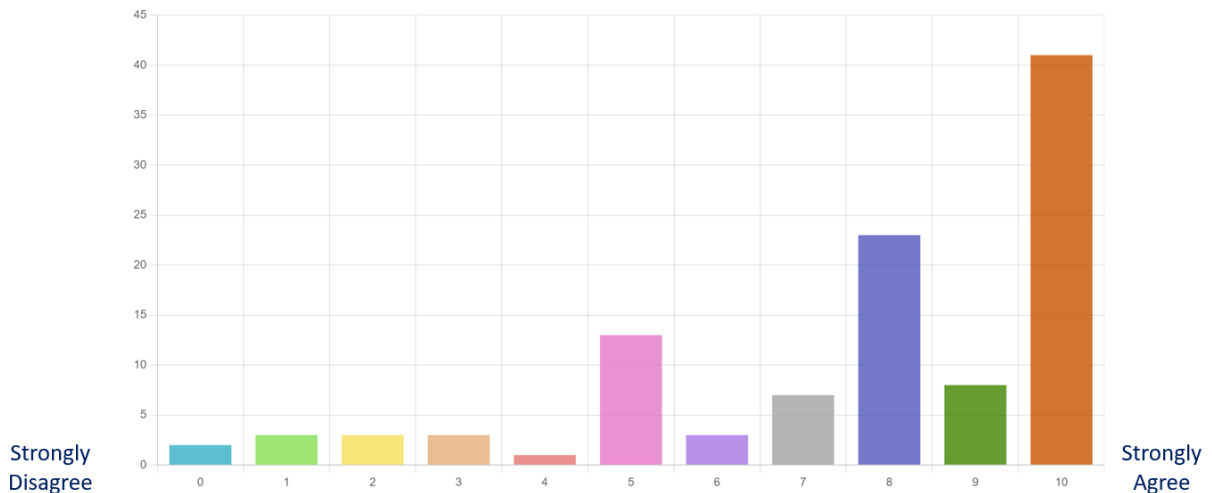

Employees should be able to approach their employer for a payrise.

Speaks for itself.

[2] https://www.theguardian.com/business/2022/feb/04/bank-of-england-boss-calls-for-wage-restraint-to-help-control-inflation

Companies should publish salary bandings internally for all employees to view.

Strongly Disagree (left axis label) ... **Strongly Agree** (right axis label)

For our staff progressing though there is then the question: Should there be visibility on salary bandings as they progress through promotions at a training level? Interestingly it was the younger generations who disagreed with this strongly, however as you can see the overall majority was in favour of such transparency.

Firms seem tentative to offer this transparency to staff, usually because they are reluctant to deal with the questions it might raise. You will see two types of questions: why? And how?

"Why" questions are defensive. Why am I not earning X? Why is so and so on more than me? Usually, this type of individual has an entitlement to what they think they deserve, and at present how many of us are assuming our Gen Z staff will react that way reflecting on the stereotypes highlighted earlier?

"How" questions are productive and progressive. How do I earn more in my banding? How do I reach the next level? This reveals your proactive staff who will come to you for opportunities to progress. It's having faith that the staff you have hired make it a safe environment to open you up to those questions – and hopefully you may end up getting staff upskilled more quickly in the process!

The fear of the why questions is possibly holding firms back because they are hard to answer and justify when someone is unwilling to hear the answer and there is the trepidation of finding out how many 'why' rather than 'how' people you have. Would it not be a relief to release that information and settle an expectation gap when it comes to exam passes, promotions and salaries?

I am informed that the Big 4 and some mid-tier firms do publish salary bandings with clear factors that explain progression through the bands. Does this make them more attractive employers? Does this create a culture of transparent progression which Gen Zs find attractive?

<u>Appraisals and Reviews</u>

Unfortunately, I didn't have time to speak about this at Accountex - 45 minutes only covers so much - however I wanted to share the data from the survey that I collected.

Firstly, it is extremely clear that the relationship between staff members and their line managers is highly important.

How important do you view the relationship between a member of staff and their Line Manager?

Strongly Disagree ... **Strongly Agree**
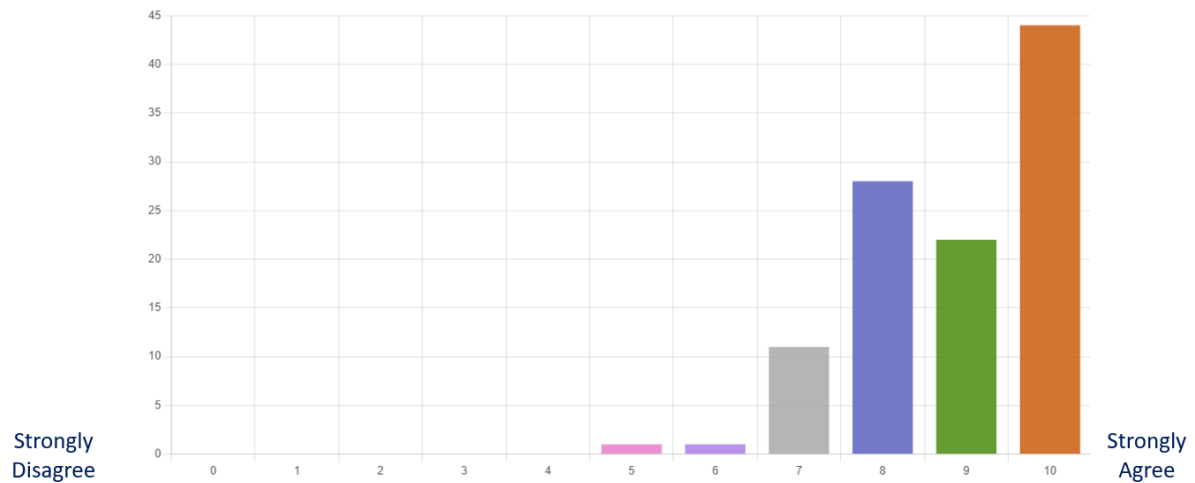
This person is not only day-to-day support but is also the pathway to progression for younger staff and their first potential contact with professional mentoring, so if they feel their relationship isn't a positive one this may have an impact on how they view their future progression.

An employee should be able to speak to their Line Manager on an ad hoc basis, and not wait for a calendared review.

Strongly Disagree ... **Strongly Agree**
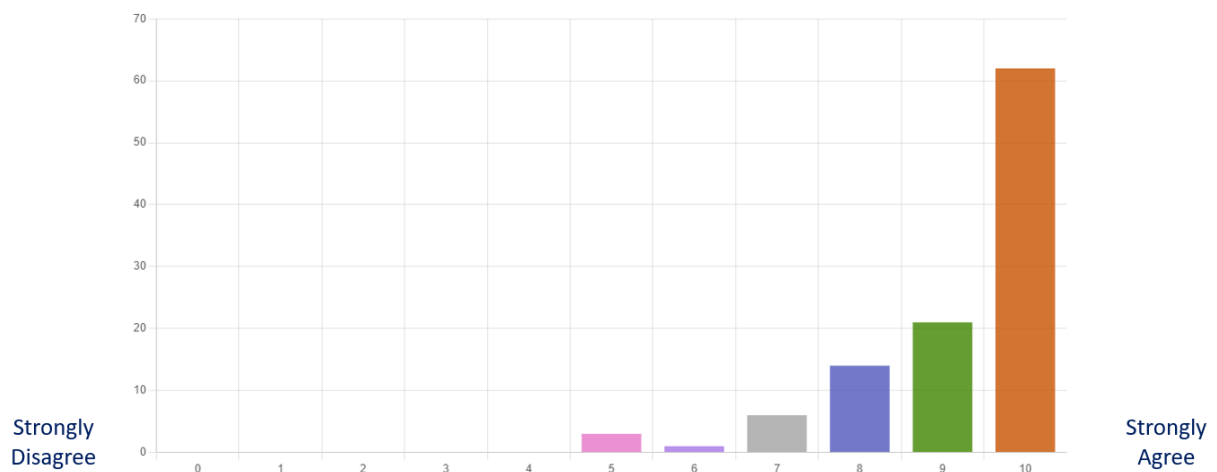
On balance though, it seems that to keep everyone happy you need to be ensuring staff are liaising with their line manager on both a structured and ad hoc model:

I would prefer a structured review model rather than ad hoc feedback.
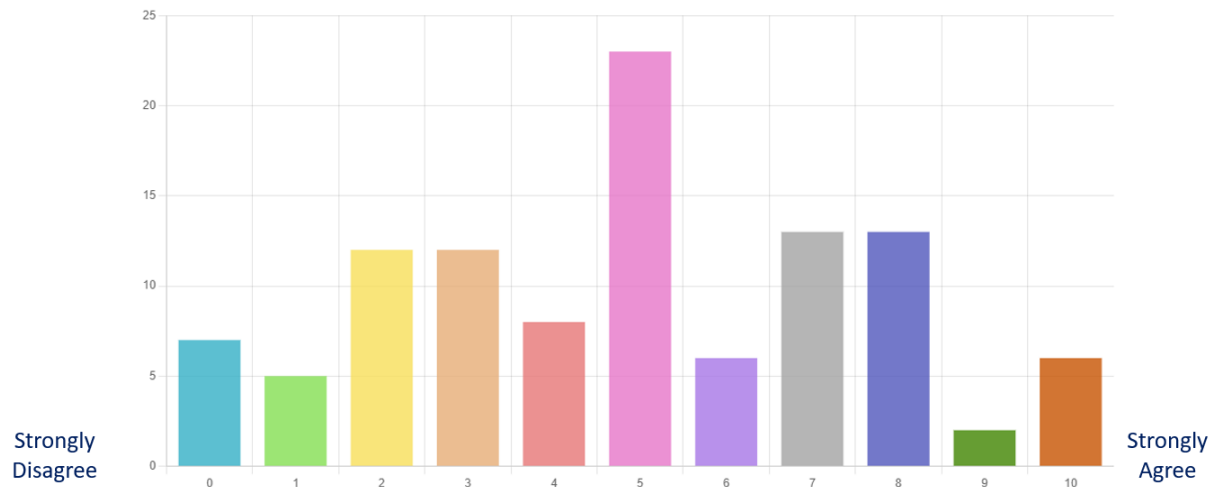

60% of the survey suggested that structured reviews should be every quarter (Annually 6%, 6 monthly 18%, monthly 16%). This allows for the feedback to be timely, but not so often that it would replace the ad hoc conversations.

In the same way there are types of learners, we should consider that people fall into categories with how they prefer to receive and respond to feedback.

Retention

With all training firms, one of the biggest worries is the investment of getting a trainee through their studies only to see them leave once qualified.

I am concerned about training staff only to see them leave once qualified as they had no intention of staying in practice.
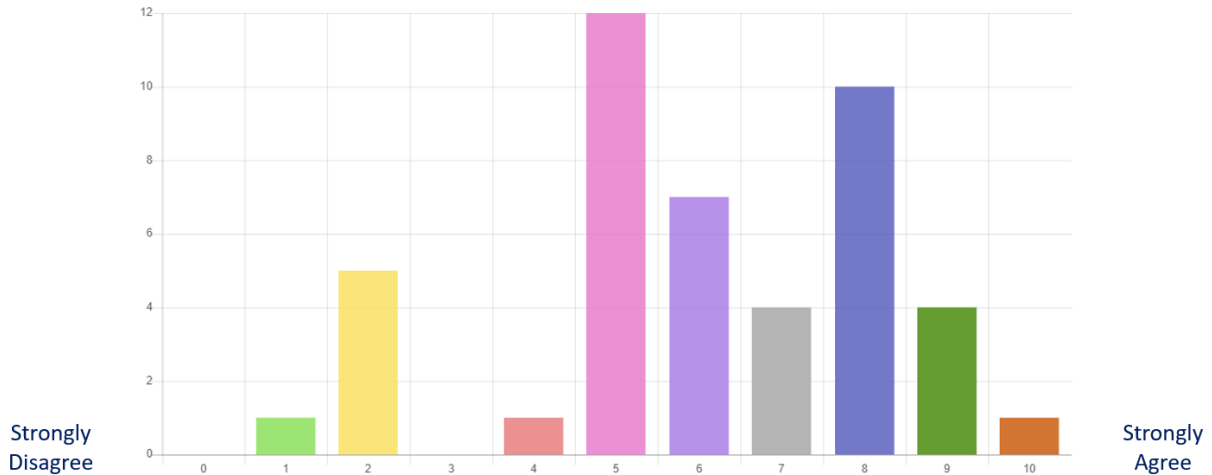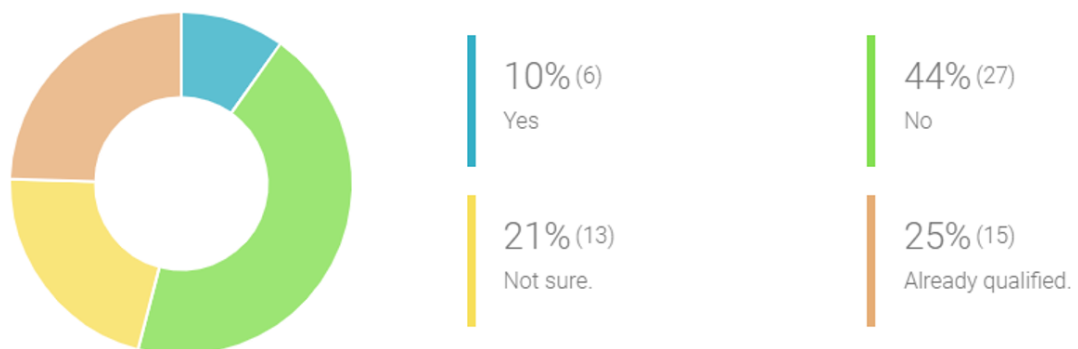
(Question only asked to those who have been working >10 years)

This is an ever-growing concern especially with hiring younger staff. As the market for jobs is so rife a newly qualified accountant has a flurry of opportunities waiting for them, some offering more money, better benefits, or even improved flexibility. They can afford to be picky, especially with the number of jobs outside of accountancy which will value the qualification as well.

Generation Z stereotyped as 'not loyal' and wanting 'instant gratification' will also fuel the dread around losing staff at such a crucial crossroads in their careers. The responses to the question below again work to dispel these preconceptions of Gen Z.

I intend to leave my current position once qualified.

10% (6) Yes

44% (27) No

21% (13) Not sure.

25% (15) Already qualified.

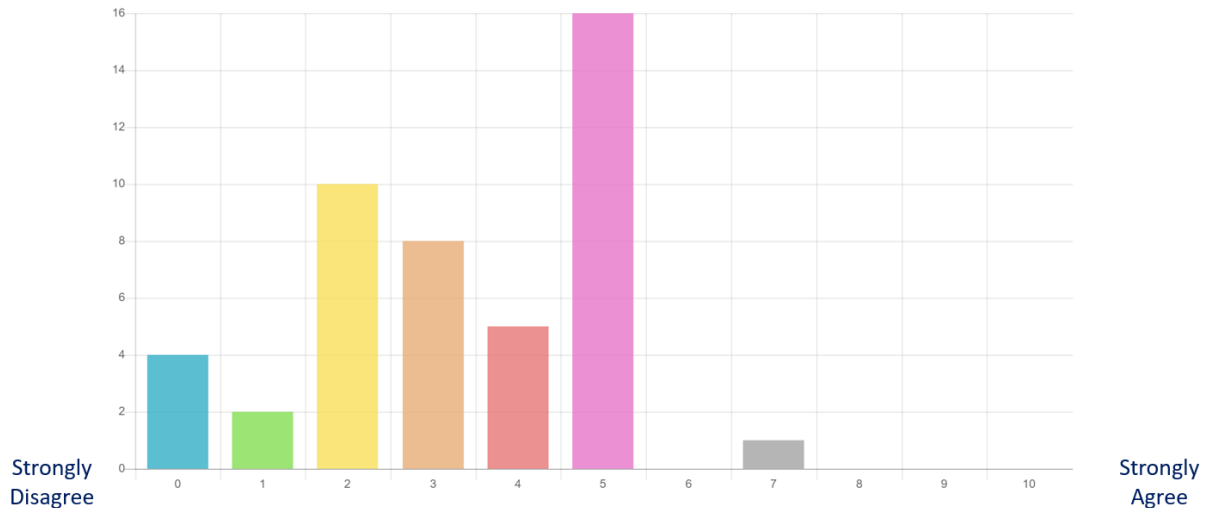*(Question only asked to those who have been working <10 years)*

From the question above I was expecting a higher percentage of the younger generation would be unsure about if they were choosing to leave or stay after qualifying. This is due other answers given by Gen Zs in the survey relating to uncertainty about staying in the industry long term and the other

career paths accountancy qualifications can lead to. However, it's the task of the firm to make those individuals sure of their future career path and that it satisfies their ambitions.

As mentioned in the Appraisals and Review portion of my report, the best action you can take is to have these conversations early. Make them feel involved.

The worst thing you can do is start making assumptions about what they are willing to work for:

The younger generation's work ethic is better than previous generations.

Strongly Disagree ... Strongly Agree

(Question only asked to those who have been working >10 years)

This is a dangerous mindset to have when speaking to the younger generation. By limiting what you think their work ethic is, you are limiting where you can foresee them going.

So what do Gen Z think?

Better at high output in a short amount of time

More aware of burnout – more likely to pace themselves

Different work patterns suit different people

How to measure work ethic is really the question here.

Presenteeism is what the Gen Zs believe the older generation are measuring this on.

They feel they could have just as productive a day working a few hours when they are most efficient, some of them even referenced the 4-day working week being trialled.

Mental health concerns played a large part in this conversation, saying working themselves all hours of the day was likely to have a negative effect. It was even mentioned during these conversations about how they had become aware of people around them who had been adversely affected by a bad working pattern. This has led them to pace themselves and be more vocal about when they have had too much on.

Finally circling back to presenteeism, working the same hours is not going to work for everyone equally. Some said that the commute at standard office hours put them off, some preferred a lie in

and wanted a later start and, even though not parents themselves, understood that being able to move your hours around would be beneficial for working parents.

Gen Z think that the older generation perceive Gen Z's view on the future of work as 'laziness' and that Gen Z are not as keen to be part of the workforce, when in fact Gen Z are just as committed but are much more aware of how work impacts other areas of their lives. It appears to be a 'work to live' and not a 'live to work' mentality after all.

I explored the 'loyalty' character trait in a bit more detail given how crucial it is to retention.

I posed the following question but only to those participants who have been working >10 years:

The younger generation is as loyal to employers as previous generations.

Strongly Disagree — Strongly Agree
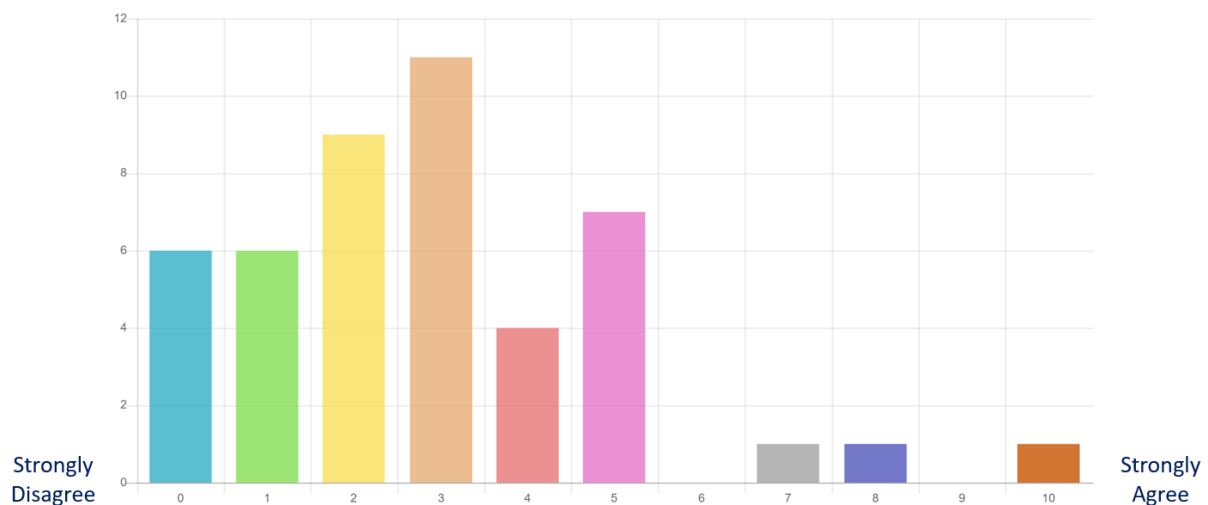
Having seen such a negative response, I explored this further with Gen Z participants.

So what do Gen Z think?

Better connected to other people

Easier to find employment opportunities

Their 'disloyalty' is from their environment

Overall, Gen Z believe that they are as loyal as the previous generations but what has changed is the environment in which they are working. This can be demonstrated by the proverb 'the grass is always greener on the other side of the fence'.

Is the grass greener over there?

It used to be there was a limited number of employers in the area who would offer a role which would sit within your remit and be at your level. Not only were you limited by location, but there was no working from home, and you were limited by how much you could find out without the internet at hand. This made the job market very inaccessible.

Now there are plenty of employers within reach. A large number of options for one job role within a city centre and due to remote working you need not even travel to the office.
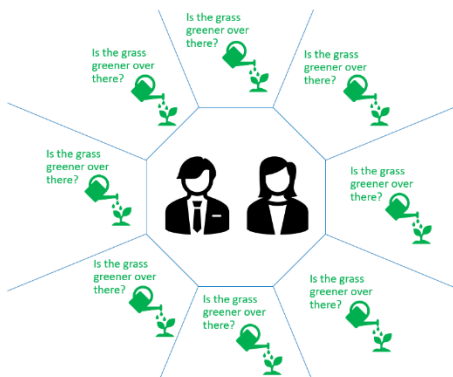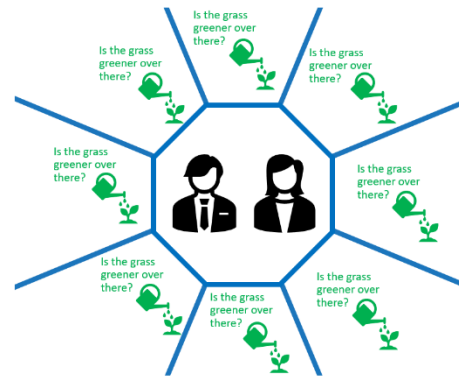
Not only are there more employers available to candidates, but the accessibility to these roles is also easier than ever before. From Glassdoor to LinkedIn, the internet provides masses of information on potential employers and their strengths and weaknesses. Candidates can now even gauge if they would fit into an organisation from their social media before even speaking to someone working there. With platforms like LinkedIn offering a messenger function as well it gives them a direct line of communication to those already working there if they wanted to get in touch.

In short, the grass is always greener on the other side of the fence is more relevant than ever. But there are more fences to look over into more fields. Those fences are shorter than they were before. And there are people in those fields waiting to help people over the fence.

The best advice is to make sure your grass is the greenest so no one is tempted to look over the fence.

Counter Offers- what works and what doesn't?

To round off my survey, I asked the > 10-year workers to rank counter offer strategies in order of attractiveness from a younger employee's point of view. I also asked the <10 years working group to do the same.

What older generations think Gen Z want

Generation Z Only

What older generations think Gen Z want		Generation Z Only
Increase in pay above new offer	1.	Increase in pay above new offer
Improved work life balance/WFH	2.	Improved work life balance/WFH
Better benefits	3.	Better benefits
Progression plan	4.	Increase in pay the same as new offer
Promotion	5.	Progression plan
Increase in pay the same as new offer	6.	More holiday
More holiday	7.	Promotion
Retention bonus	8.	Retention bonus
More training	9.	More training

Interestingly this time the perception and reality for the top 3 counter offer strategies were identical.

The top 3 were spot on, showing that in the first instance we would be offering the right incentive to stay to get a most likely positive outcome.

'Increase in pay the same as new offer' links back to the worry of 'not receiving fair pay' and potentially if they were, as they believed, receiving fair pay they would not be looking to leave further supporting the idea of an open salary banding. Therefore, I think this sits higher on the Generation Z's opinion on it rather than the older generations view of it.

Overall Conclusion

In conclusion, Generation Z is not dissimilar to any of the generations which came before, however it is only perceived to be due to the large shift in how we do things thanks to ever-improving technologies. However, if we choose to continue to label Gen Zs under some of the stereotypes being assigned to them and continue to bring in our (often inaccurate) preconceptions about what they want and how they will behave, we may end up driving them away from our industry instead of harnessing the capabilities of the most tech-savvy generation so far.

The best thing we can do is keep Gen Z engaged. Early conversations about progression with it being a continual discussion, openness about salary in reflection of this, opportunities to take part in green initiatives and charitable activities as well as a healthy social atmosphere to round off an enjoyable work experience.

And if you're not doing that? You'll fall behind, as the accountants of tomorrow are only getting younger.

Appendix 1 – Example Job Adverts

1. We are happy to be recruiting for new positions in our graduate scheme and are looking for applicants with an interest to pursue a career in accounting, audit, or tax. We have exciting opportunities to progress in line with gaining a professional qualification on top of being paid a competitive salary.

2. GRADUATE SCHEME POSITIONS

Hiring for audit, accounts, and tax for an exciting opportunity to kickstart your career. Earn a nationally recognised qualification while being paid (£18k-£22k depending on entry level) and join part of a forward-thinking team. We can't wait to have you on board.

3. Finishing Uni this year? Looking for a great career opportunity?

We currently have graduate scheme positions in our accounts, audit, and tax departments. Feel free to get in touch if you think this could be the right fit to start your career.