

# Gen Z: Accounting for the future

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A new decade is upon us, and with it, a new generation of young and skilled workers will be flocking to the workplace at full speed ahead. And this generation is not one to be underestimated.

Studies have shown that Generation Z – which generally refers to those born in 1995 and beyond – is ambitious, tenacious, pragmatic and everything in between.

Just this week, EY urged that “as Gen Z begins to enter the workforce and flex its newfound spending power, connecting with them is critical”. The Big Four firm said the group was “an extremely diverse, independent and proactive generation”, one that was “savvy”, “perfectionist” and crucial to future employers.

The dawn of Gen Z is simply inevitable. Indeed, it has already arrived. According to ACCA, this generation will make up roughly 24% of the global workforce by the end of 2020. So what can the accountancy sector do to support, attract and adapt for this new demographic of talent? Below are some of the views from industry insiders on how it can evolve and adapt for a new era.

## Who is Generation Z?

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Before we jump down the rabbit hole, it's important to understand just who, exactly, *are* Generation Z. What do they bring to the table? And how can older generations understand and adapt to the changing needs of a new one?

A recent Kronos study revealed that 32% of Gen Z respondents believed they were the hardest-working generation, while Accenture revealed that recent graduates were three times more likely to stay with their first employer for five or more years if they feel their skills are “fully utilised with challenging, meaningful work”. For such a hardworking and dedicated workforce, it is crucial that employers can understand this new dawn of talent.

“Generation Z brings an entrepreneurial approach and spirit to the workplace, which means that Gen Z employees value freedom and often choose to work quite independently”, says Matt Crook, managing director at Wolters Kluwer Tax and Accounting UK. “What this means is that, even in a large company, individuals have greater ability to shape their roles to be what they want to be and define their own opportunities while still acting as valued team members.”

“The once-coveted corner office and killer job title are no longer the ultimate status symbol to the Gen Z,” says Kelly Feehan, service director at CABA. “Businesses are now having to fundamentally rethink and restructure their offering to reflect this.” With this in mind, in what other ways can employers rethink their approach to this new generation?

Feehan looks to research CABA undertook in 2017, where it found that 43% of 16-24 year olds worried about not being taken seriously because of their age. “This younger workforce needs to be confident that their abilities aren’t being misjudged and they aren’t being labelled simply as ‘young’,” she says.

“Our research shows that the majority of young accountants also worry about a lack of clarity around their progression. One way that employers can address this is by cultivating an entrepreneurial mentality within the company, encouraging employees to feed in their ideas on things like technology pilots, sustainability initiatives and employee benefits packets.”

She explains by giving employees the opportunity to help shape the future of the business, employers can motivate and support their teams.

“Employers don’t need to invest in quirky apps or ephemeral social media”, says Caroline Adair, CEO of Leadership Through Sport and Business. “Young people can see through gimmicks. Genuine talent will seek you out, and you need to be receptive, welcoming, and encouraging. Most of all, be open and authentic – you’re seeking to identify bright talent who you’ll invest in for years to come – so let young people experience your values in practice, and treat them as respected members of your team.”

## **Ethics**

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Amongst industry insiders, there seems to be a general consensus that a culture of strong company ethics top of Gen Z’ers list of priorities. Chris Biggs, the managing director of Theta Financial Reporting, is particularly passionate about nurturing this new generation of the accountancy world. He is quick to highlight the importance of ethics amongst young workers in the new decade.

“The rise of movements such as Extinction Rebellion,” he says, “and the increased scrutiny of climate change has meant that young people are more concerned than ever with the ethics of the company they work for, alongside the social impact of the business.

“Companies will have to make a concerted effort to mention projects that make a difference to the environment that they are involved in as well as emphasising Corporate Social Responsibility.”

“We’re talking about a generation acutely aware of ethical dimensions”, adds Adair. “They are likely to value sound ethical practice highly, and will intuitively see the consequences of unethical business decisions as far more than reputational risk.”

And with this question of community and ethics rises another: that of inclusivity and diversity. According to a 2018 Pew Research Center study, Generation Z is more favourably disposed to racial and ethnic diversity than any prior generation, so it goes without saying that companies should champion this same diversity. “The ability to be oneself is near the top of the list of priorities for the younger generations”, adds Biggs. “Promoting a culture of inclusivity and diversity will help to make your firm an attractive place to work for both the short and long term”.

## **Flexibility**

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Flexibility is another major factor that employers should consider. Research has shown that Generation Z values a healthy work and life balance, and trusts employers who allow for some flexibility in their day-to-day working lives. The Gen Z study by Kronos revealed that one in four Gen Z’ers would work harder and stay longer at a company that supports flexible schedules, and this is something that Biggs also sees amongst his work with younger generations.

“The majority of Generation Z are seeking flexibility to pursue personal interests, be able to travel and ultimately have a family while continuing their career”, says Biggs. “This is also a key consideration in looking after their mental health and helping to close the gender pay gap. Offering the ability to work part time or around child-care commitments and offering mental health days will help meet this demand.” Feeham agrees, adding: “Generation Z are less prepared to make the sacrifices of previous generations as typically, they view their own wellbeing and mental health as the ultimate bottom line.”

Accenture also found that Gen Z graduates’ top concern is work-life balance, so much so that nearly 62% of new graduates would choose a “fun, positive social atmosphere at work over salary”. “Now, the younger workforce expects more from their workplaces than just being ‘wellbeing neutral’ and want their jobs to have an actively positive impact on their wider wellbeing”, agrees Feehan.

“And it’s clear that this issue is only going to become more significant as Generation Z, who aren’t prepared to sacrifice their physical or mental health on the altar of work, make up more of the workforce. Employers must therefore place a clear focus on workplace wellbeing packages and more flexible working options.”

Adair took a slightly different view to the issue of flexible working. She noted that some young people simply want the “structure” of core hours, and believes that flexibility is more desirable amongst employees in their 30s and 40s. “Don’t assume that because young people are digital-savvy they automatically want to learn through online methods – they want to ask questions of a human tutor and have a real person reassure them that they have mastered a technical skill.”

Crook, however, believes employers should “completely” adapt their flexibility. “However, flexibility doesn’t just mean the obvious, such as flexible working hours or the ability to work from home. Sometimes it means allowing employees to achieve charity work goals during working hours, or to perhaps explore other third sector-based initiatives.” And this flexibility is a two-way street. According to [Accenture’s study](#), 83% of Gen Z graduates would be willing to relocate to another city for work, while 57% would consider working on evenings or weekends. It seems, then, that employers and employees alike can mutually benefit from flexible working options.

## Technology

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While it’s clear that flexibility is high on the agenda, in what other ways can employers adapt their own company culture for the next generation? Crook argues that alongside the need to adopt flexible working, employers should also keep abreast of the changes in technology. “We need to continue to make sure the technology we adopt in the workplace is aligned with the automation expectations of Gen Z. This isn’t a generation that’s scared of robots.”

“They fully expect automation to be put in place to take on mundane and tedious tasks so that they can spend more time on providing niche, value-added services”, he adds. “This is reflected across many industries, and we see it every day in the accountancy profession where our customers are transforming at a rapid pace, abandoning age old processes and experiencing a shift in mindsets.”

“We’re talking about the first generation which is digital by default”, adds Adair. “Some employers may wish to capitalise on Generation Z’s digital proficiency by challenging them to suggest improvements to business processes once they’ve learned the ropes.”

## Honesty

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Biggs, meanwhile stresses that “honesty” about the culture of your business is the overall key to attracting and retaining talent, “especially for younger people”. He adds: “Ensuring job roles and employer profiles are accurate to the reality of the situation will

prevent awkward situations down the line and promote trust between employees and employers.”

Indeed, in EY's recently published Gen Z research, the accountancy firm said that Gen Z have “strong personalities and values, making it hard to gain their loyalty”. It revealed that 67% of Gen Z respondents said that people cannot be trusted.

“With the disposable nature of the current society, loyalty may seem like a lower priority to Gen Z, causing a greater challenge for companies. Transparency will help companies gain Gen Z's trust and provide them with a platform to remain authentic, connected and fulfilled, and therefore, more aligned with their values”, said the firm.

## **Education**

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The burden of change does not lie solely on the shoulders of employers. Before Gen Z takes its first precarious steps into the workforce, should more be done in education to prepare Gen Z'ers for their future career in accounting?

“Yes”, says Adair. “In the past few years, employers have transformed how they recruit – there is more use of psychometric testing and strength-based interviewing. Many young people transitioning directly to professional work from school are not familiar with or prepared for these recruitment processes and more needs to be done whilst in education.”

“We need to prepare students for entry into an industry that is experiencing remarkable change”, agrees Crook. “Gen Z will see the shift from compliance-heavy practices to practices focused purely on new services to accelerate growth. Automation tools will be there to unlock time and drive efficiency, and Gen Z will be the first that will have real-time visibility of data in order to manage all client data in one place. It's essential that we prepare them for this evolution.”

“Looking ahead, accountancy and finance is being disrupted by developments in technology – increasing automation is shifting the balance of skills and attributes that candidates will need to forge a lasting career. Educators need to be ahead of the curve.” concludes Adair.

## **Final thoughts**

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So, what would be our insiders' final advice for employers looking to appeal to Generation Z? “Don't be put off by Gen Z asking for exactly what it wants”, says Crook. “It may seem alien to older generations, but the reality is that Gen Z has grown up against a media backdrop of young Zuckerberg characters who have experienced tremendous success. Chances are, if you can reconcile this and provide them with the work/life balance they need, you'll find that your talent pool will increase exponentially.”

“Treat this new generation of workers as individuals, not a label”, adds Adair. “Don’t feel that you need to be awesomely exciting or risk losing their attention – a young person who is truly interested in working for you will value you taking the time to be open and authentic, to welcome them and encourage them.”

“The way businesses operate and what they offer to their employees is going to have to undergo a fundamental shift in the next decade or so”, concludes Briggs. “This is as true of accountancy as it is of the wider world of work. Generation Z has a set of values, motivations and skills that have changed along with the world we live in and employers will need to adapt to ensure they attract the talent that exists.”