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Is Generation Y using accountancy as a finishing school rather than a finishing post? **Annie Makoff** looks at how firms can offer them something they want to aspire to for the long-term

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Is making partner still the aspirational goal it has historically been? Do younger entrants to the accountancy profession look at partners approaching retirement whom over the course of their lifetimes have enjoyed and accumulated much greater housing, financial wealth and pension entitlement than they can ever hope to receive and think, what have I got in common with these people? Do I want to work in this type of environment?

According to Nadim Choudhury, head of careers and employability at the London Institute of Banking and Finance, the current generation of students view accountancy as a “finishing school” rather than a destination. They look at younger partners juggling management duties and long hours and think, no thank you, I’ll do a few years at a Big Four firm and then move into banking.

Choudhury works in a rival sector vying to attract bright young things, so he probably would say that. But Fiona Hotston Moore is partner head of forensic accounting at Ensors, and she identifies a different bugbear. Senior partners, she says, are retiring later and “blocking career progression” for the next generation.

No wonder the heads of younger potential employees are being turned. Which begs an important question: does the partnership model have a problem?

If it is to remain aspirational, the partnership model needs to adapt, says Gilly Lord, partner, head of regulatory affairs at PwC. “If we were to look back over the last 20 years at how partnerships have grown and behaved, that wouldn’t continue to be aspirational for the people coming in today.” But Lord maintains that the sense of ownership a partnership brings is what makes the model so meaningful. “I don’t just work here, I own a little bit,” she explains. “It ties you in. As partners, we see ourselves as equal - you behave in a particular way.”

Lord predicts a future where professionals will want more fluidity around the way they work. While some may aspire to the partnership route, others may prefer to work more flexibly, working for several companies in an experienced interim capacity rather than staying with one employer for the duration.

Generation Y already demands something more from a career, declares Carl Reader, director at Dennis and Turnbull Chartered Accountants. While there’s a general understanding that accountancy firms typically trade time for money, “it’s not all about money. People want to feel they are giving back in some way, they want the benefit of work-life balance and the extras around the job as opposed to just the cash,” he says.

He thinks younger accountants may see the current crop of partners trying to juggle leadership duties with the more technical accountancy work and get put off. “In most businesses, the director isn’t expected to do the technical work. The owner of Dulux paint doesn’t mix paint, but in accountancy partnerships,



partners all do the accountancy work,” he explains. “It’s an extra risk that a lot of youngsters don’t really want. They see partners working all hours God sends and they think, ‘I don’t want this’.”

According to Reader, the partnership model is broken - and not just because of the blurred boundaries between leadership and accountancy work. Each partner, he says, is effectively running their own business, centred on their particular clients and personal motivations, which will invariably be at odds with their peers’. “There is a joke that partners will have a meeting about buying a pack of paperclips,” he says. “Partners are always trying to get one up on each other, so actually, the old school partnership is uncomfortable for everyone involved.”

### **INTEGRITY INTEGRAL**

Rory Kennedy, partner and head of rural estates at Chiene & Tait Chartered Accountants, disagrees. Having worked with Chiene & Tait initially as a client, he was struck by the firm’s values, which were similar to his own. “Personal integrity is considered an important attribute and is displayed from the top down. Ultimately, a firm’s culture is set by the example of those who lead it.”

That’s why role models are so important for the young accountant, says Lord. There is a real need for young professionals to relate in some way to those leading. As well as more female partners - Lord says just 18% of partners are women - there is also an imperative to provide a more family-friendly, socially aware environment. “We’ve moved a long way from the stereotype of public school, Oxbridge-educated, white men. You can’t be what you don’t see: people joining the firm need to look at partners and think, ‘they have the same education or background as me, it’s not just a different club’.”

Yet Hotston Moore says cronyism within the partnership process may continue to deter young people. Partners are often chosen based on popularity rather than merit, or whether a person is the least threat to the status quo, she says. “There is a big political influence on who gets through.” Yes, says Lord, but most firms have done huge amounts of work to squeeze it out. Informal sponsorship, for example, makes the partnership admission process more disciplined and structured.

Nobody could accuse Perrys Chartered Accountants of cronyism, says 26-year-old Craig Harman, a partner at the firm. Having joined straight after A-levels and gaining his ACA qualification there, Harman quickly established himself as the firm’s tax specialist and was subsequently made partner. He recalls: “I wanted to work my way up as quickly as

possible. I didn’t have much in the way of supervision. I really enjoyed getting out and meeting clients, and that’s not something you tend to do when you’re training.”

Harman describes the partnership structure at the firm as solid: a “healthy mix of ages” from senior partners approaching retirement through to those several decades away from it. “It means we have the right level of partners coming through beneath that,” he says.

But Choudhury insists that experiences like Harman’s are unusual. In his view, students are acutely aware that their chances of becoming a partner are “quite limited”, particularly because partnerships are seen as exclusively for the most talented accountants. Worse, they no longer offer the job security they once did.

Significant financial pressure on younger accountants and “stagnant wages” in all but the Big Four accountancy firms don’t help, adds Reader. As a result, he says, the younger generation are moving away from practice towards in-house careers. But this generates its own problems.

“It is bad for both sides. Business needs in-house accountants, absolutely, but practice needs them too. You can carve out your own role, you can build your own client base and develop expertise in the industry in lots of ways. But for the in-house accountant, although wages are higher, it’s a very rigid structure. You move from financial assistant to accountant to controller and at the top, there’s only one financial director, so you’re having to wait for succession.”

So if there’s a sense that young people are not aspiring to become partners in the same way as they once were, what can be done? Hotston Moore cites the franchise ownership model as an interesting development. Providing the individual has enough capital, they can start immediately: “It’s a viable alternative,” she explains. “The opportunities are very different from traditional partnerships. And even though partnerships have a better security of income, we are seeing more franchisors springing up and becoming larger.”

And the profession must play to the characteristics and aspirations of generation Y, or millennials, if it wants to attract them for the long-term, says Choudhury.



## “We need to show boys and girls from a range of backgrounds that becoming partner is possible”

As 24-year-old Nadia Mensah, senior associate at PwC, explains, she was looking for a career in an industry that reflected her values and interests. Following a six-week placement at PwC, which led to a graduate role and then further promotions, Mensah says she wanted to look back on her career and know that she had made a difference: “I’m really passionate about people, diversity and helping individuals from under-represented backgrounds progress in their career and education,” she explains. “I would love to continue doing this alongside any roles I choose to do.”

Mentoring, she says, was key to helping her achieve her goals: she had the confidence to aspire to her current role. So that’s one discernible way to entice and engage young people and disabuse them of any notion that a long-term career in accountancy is not for them.

### MAKE THE TRANSITION

ICAEW runs a leadership programme called Developing Leadership in Practice (DLiP) to help prepare those about to embark on the partnership admission process. Focusing on interpersonal, leadership and commercial skills in addition to coaching sessions, the programme helps individuals understand what the partnership role entails and how to successfully make the transition.

Mentoring usually takes place in a confidential environment and helps the individual find solutions by considering different perspectives, explains Sharron Gunn, ICAEW’s commercial executive director. Interestingly, reverse mentoring, whereby a senior employee or partner is paired with a junior employee who drives the agenda, is one of the biggest trends right now.

“Anyone can learn and develop at any stage of their career,” Gunn continues. “Essentially, reverse mentoring is about sharing insight and building relationships, which is key to working in a professional services firm, no matter how junior or senior you are.”

PwC’s Lord is a fan. She is currently reverse mentored by a young man in his 20s, who she says “has a very different life experience” to her, and her boss is being mentored by a devout Muslim in her 20s. Although the reverse mentoring programme has only been going for nine months, its participants are reaping the rewards. “Typically the junior person drives the agenda,” explains Lord. “They challenge the mentee to think about new things, changing social attitudes, new technology. They challenge us to embrace a new perspective.”

It’s as much about the human perspective as anything else: “It’s massively important to increase the level of understanding of people in the organisation. There is, after all, more demand for humanity in the workplace. For people joining the partnership profession today, they are asking, ‘what is the personal element I can bring?’ They really want to embrace the human side.”

Young accountants want to join organisations that reflect their own values and morals, agrees Choudhury. And role models are “key” to raising the aspirations of young people entering the profession, says Gunn. “We need to show boys and girls from a range of backgrounds that becoming a partner is possible and something they absolutely can aspire to,” she says. “Dispelling myths about the skills and background required to enter the profession is driven by role models at the top. That makes a real difference to those entering.” ■

