What do They Want?

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Listening is the first step to getting — and keeping — Millennial accountants

Even as accounting and finance programs at colleges nationwide accept record numbers of prospective students, hiring managers at public accounting firms and CFOs in industry claim that hiring a quality young professional in 2015 can still be difficult, due in part to the number of responsibilities that young people are expected to tackle as the older generation — Baby Boomers — starts to retire. It's this "water, water everywhere" dilemma that faces the future of the industry at the moment, but the answer to hiring and retaining young talent might be simpler than you think.

In an earlier article ("Meet the future of the accounting profession," June 2015), we delved into the unique position that Millennials occupy demographically and professionally in accounting, and why it's critical for the profession to understand how they're different from previous generations, and to recognize how their expectations, desires and skills are different from their predecessors'.

The best way to bridge that generational gap is communication. What do Millennials want and need? Where do most young professionals plan on going over the course of their career? If you hold a managerial position in a firm and have asked these questions yourself, it may be time to stop asking and start listening in order to ensure a successful transition into the future of your business.

WHERE THEY'RE HEADING

If there's one thing that entry-level Millennials have in common in 2015, it's the plethora of options that await them outside university walls. As the dearth of young talent in many firms leaves students with many options to consider, they are in a unique position among recent grads of any profession to immediately home in on their desired career path.

And yet, tradition still looms large in the profession, with the Big Four remaining the go-to options (at least right out of school) for recent grads. According to a 2015 study from Bloomberg, using a survey from Universum polling more than 240,000 business students around the world on where they would most like to work, PwC, EY, KPMG and Deloitte ranked No. 2, No. 3, No. 5 and No. 6, respectively, out of 50 companies. (Google was No. 1.) And while a job straight out of school is certainly a driving factor at such firms, there are other factors to consider on why these names remain a popular option.

"It carries a wonderful brand name," said Jennifer Wilson, co-founder and partner of ConvergenceCoaching, a national leadership and marketing consulting firm. "If you have [them] on your resume, that opens doors in both public and private industry, as well as finance departments. The combo of really structured training and development [is] something special."

To boot, the largest firms have done their homework on appealing more to young candidates. “The Big Four have done a great job positioning themselves to attract Millennials,” said Jeff Phillips, chief executive officer and co-founder of Accountingfly, an accounting job board and recruiting network. “They’ve aligned their values to mirror those of students. Our own internal survey of students showed that it’s appealing to them when employers demonstrate dedication to community service. I held a panel with Millennials recently and one hire chose the Big Four just because of their dedication to service. All four have stepped up their game on this topic.”

And while these firms have an excellent grasp on attracting students, they can still see a significant turnover rate with Millennials, especially in their first three years on the job. The simple fact is that Millennials’ long-term goals dictate their career paths in 2015. The Big Four might have what young people want at first — name recognition and a world-class experience — but what Millennials want isn’t just to be a part of the biggest and best anymore; it’s to adhere to their own personal vision.

THE ONCE AND FUTURE MILLENNIAL A common gap between higher-ups and the younger generation seems to be a lack of understanding of the goals and desires of Millennials. Misjudgment and miscommunication with young people can lead to unnecessary barriers inside a firm — or worse, outright turnover.

According to the 2015 EY Global Generations Survey, which polled 9,700 full-time workers across eight countries on work-life challenges, 78 percent of Millennials in the U.S. cited “minimal wage growth” for quitting, just ahead of lack of advancement opportunities (75 percent) and excessive overtime (72 percent). The other top-five reasons for taking an early exit included a “work environment that doesn’t encourage teamwork” (66 percent) and a boss who disallows a flexible work schedule (66 percent).

“We can’t run firms how we used to,” said Wilson. “The two big areas that need to change is to stay close to our young people — to understand what motivates them — and [to also] notice when they’re ready to progress.”

“One of the things firms must do is say, ‘If you are a high performer, you will have certain advantages,’ [via] salary or a path to partnership,” added Phillips. “Communicate that in job postings and interviews. If somebody’s a star, you have to have the courage to promote them. If not, they will find an opportunity where they’re [being] challenged.”

The numbers back this struggle up. In CEB’s 2014 Global Labor Market Survey of approximately 18,000 professionals, Millennials were 11 percent more likely than their older peers to list “future career opportunity” as their top value, as well as “development opportunity” (6 percent gap) and “growth rate” (5 percent gap). Interestingly, Millennials were less likely to list retirement benefits and compensation among their top concerns. So why is there such an emphasis on growth and the future? It could be because Millennials aren’t progressing fast enough.

“We’re trying to keep [young people] on a 12-14-year path to partner,” Wilson said. “It can’t take that long. Our business can’t wait for them. They’re too talented and capable, too fast and efficient, to be put on a traditional track. We put them on the 'turtle track' — they're cheetahs, for crying out loud, and we wonder why they're restless. They're better than people in the firm and need to leapfrog. [Managers] don't want to risk it on young upstarts when they have 14-year people. Young people don't know that — it doesn't take them long to realize it's going to take forever. It's going to take letting go of some old norms."

GO WITH THE FLOW

The best option for upper management, then, is to listen to these Millennial needs. It's important to realize that a firm doesn't have to completely overhaul their business to accommodate Millennials; they simply have to recognize the differences in front of them, accept them, and choose to work with, and not around, them.

"Millennials are going to investigate other career opportunities whether any of us like it or not," said Phillips. "Focus on keeping as many as you can, but also focus on winning back those who leave to see if the grass is greener. Help them identify their own strengths and career interests, and accommodate those interests if you can't make it work. Offer flexible work arrangements that communicate trust to young employees. Set up an alumni network and continue to cultivate a relationship. Young people want to identify their career path and want to be developed."

"Change the feedback system; it's equally important to have [Millennials] give us feedback," Wilson said. "Our typical system of once-a-year reviews, where they just listen to feedback, is not enough of an interaction to know them. Take a step every month, every year, and your people will be ecstatic."