

What's Wrong with the Kids?

Coping with the newest generation in finance requires tact, patience — and restraint.

[David M. Katz](#), CFO Magazine

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WANTED: Candidate with undergraduate degree in finance/accounting. Long hours not required — come and go as you please. Spend as much time Web-surfing as you want. Work on the projects you like and refuse the rest. If you don't feel like finishing a project, your manager will gladly take it. Excellent salary and benefits; on-the-job napping encouraged.

Far-fetched? While 30 years ago no one would have posted such a ludicrous help-wanted ad, these days finance managers say they have become all too familiar with exactly this kind of employee. Consultants have even coined a name for this new breed of entitled worker: they call them millennials.

Many senior finance executives are complaining loudly about the new generation. They say they must now spend a good deal of time devising strategies to keep younger finance staffers happy and on the job. William Kurtz, CFO of San Jose, California-based semiconductor maker Novellus Systems, says he has had to focus much more attention on developing the careers of new recruits. Even then, the company has found it tough to ward off a wave of defections triggered by a resurgence of start-ups in Silicon Valley.

Blame *Fast Company*, the business magazine that championed "The Brand Called You" and similar other anthems of the dot-com heyday. Although many younger workers revised their sense of entitlement when that boom went bust, the demand for accounting talent has enabled people with such skills to maintain an attitude normally associated with velvet-rope-jumping celebrities.

Or so say their elders. Finance chiefs grumble that millennials (and their slightly older peers, the Gen Xers) are a mercurial, selfish bunch. Melissa Morales, CFO at real estate developer The MC Cos., has spent the better part of the last two years trying to staff the start-up's 15-person finance department. While granting that there are some gems in the bunch, she says few of the recent hires display the steady determination once associated with accountants. At the same time, she notes that many staff members require an excessive amount of praise. "You don't need to be recognized for *everything* you do," says Morales.

Despite those deficiencies, Morales seems most annoyed by the lack of loyalty exhibited by the millennials. "There's no investment of time or commitment to the company," she says. The finance chief notes she was particularly irked by one recent hire who spent all of 60 days on the job — then bolted to a rival. "This is not the way I was brought up," laments Morales.

If You Want Loyalty, Get a Dog

Job-hopping goes against the grain of many old-school finance executives. Then again, it's hard to blame workers in the world's greatest free-market economy for attempting to benefit from that market.

"We're such an affluent society that they just go where the money is because they want to be part of that affluence," says Michael Peters, an associate professor of accounting and information systems at Villanova University. "They chase after the buck."

Defenders of the new order point out that loyalty is a two-way street. Years of corporate downsizing and finance department right-sizing have left accountants and finance professionals young and old with a firm belief that tenure doesn't matter anymore. In fact, long-serving finance staff employees — who generally make more money than junior colleagues — are often the first to be let go when belt-tightening commences.

"I see firms quick to lay off highly qualified employees as soon as there is any sign of a downturn," says one self-described member of the millennium generation. "Yet they expect their employees to stick by them. You want loyalty, hire a cocker spaniel."

Tailgating and Fantasy Drafts

Ironically, the accounting shortage has been spawned by regulations targeting the corporate finance function. "[With Sarbanes-Oxley], we need a lot more accountants," says John Brausch, controller of Edens & Avant, an owner of retail shopping centers. "But more hiring shrinks the available pool."

On campuses, top students can hardly mistake the strong message that their services are greatly in demand. Of the 140 or so accounting majors that graduate from Villanova each year, 95 to 100 percent are sure to find jobs immediately, notes Peters.

In the current recruiting frenzy, students showing accounting aptitude are wined and dined by audit firms — sometimes as early as their sophomore year. At the University of Alabama, top accounting shops are prominent caterers of tailgate parties at Crimson Tide football games, hoping to lure possible hires. Richard Houston, a professor of accounting and director of the university's master of accountancy program, says audit firms take an intense interest in "who went where." He says the firms treat the competition for collegiate finance talent "almost like a fantasy baseball draft."

The wooing continues once graduates enter the job market. Kurtz says Novellus saw a 20 percent turnover in its approximately 100-person finance department over the last several years. The exodus roughly tracks the resurgence of start-ups and initial public offerings in Silicon Valley after years of inactivity. With projected growth rates of 50 percent or more, these fast-rising companies have been snatching accountants and future controllers from Novellus. Says Kurtz: "These people were high-potential workers. We didn't expect them to leave."

Proper Care and Handling

For insight into why promising employees move on, finance chiefs might want to consult their own résumés. In several instances recently, high-profile CFOs left after extremely short stays in top finance positions: Alvaro de Molina, for example, lasted only 18 months as CFO of Bank of America; Craig Monaghan left Sears Holdings last January after only 4 months; and in August, Steve Sordello quit as CFO of Tivo Inc. after less than a year. **A 2006 study by Crist Associates of 658 large companies put the average tenure of a Fortune 500 CFO at four-and-a-half years — not exactly a lifetime of service.**

What's more, who's to say that the old ways of running a finance department are necessarily the best? In truth, some finance chiefs may be holding on to idealized — and inaccurate — views of their early work experiences. Jay Jamrog, a senior vice president of research at the Institute for Corporate Productivity, says CFOs need "to challenge some of their assumptions about how work was done in the past."

Such reflection can have unexpected benefits. Brausch of Edens & Avant recalls that rigid chain-of-command structures were much more prevalent when he was starting his career. But the millennium group's preference for a more casual workplace has led, in some instances, to a more relaxed style of communications between employer and employee. "Twenty-five years ago, would I go talk to the CFO right out of college?" asks Brausch. "Probably not. But that happens every day today."

Kurtz, too, says he now has one-on-one talks with new finance hires about their career objectives and educational needs. "By providing a clear path of development," he says, "we've seen we can have a better rate of retention." To mark that path, Novellus has installed a two-year training program for the eight or so new finance and accounting graduates it hires each year. Each participant is assigned a mentor for two years. In their second year, the employees spend two six-month periods working in different disciplines, such as financial-planning analysis or treasury.

After completing the training program, employees are again promoted. Sporting three promotions in two years, employees can see a definite progression in their career. "It becomes clear to people that they'll be developed," says Kurtz.

Other CFOs have gone so far as to restructure their departments to appeal to the new breed of employee. At The MC Cos., Morales has split her 15-person finance staff into two levels. At the entry level: accounting associates, who are responsible for basic tasks such as handling accounts payable and receivable and reconciling accounts. More-senior general accountants, who perform higher-level tasks, report to the controller and director of finance. The new structure, Morales says, "gives people the ability to work toward promotion."

Morales has also made changes aimed at stressing a team approach. For instance, she has blurred the lines between the company's three activities — property development, construction, and management. Previously an employee was slotted into one of those areas. "Now," she says, "everyone does a little bit of everything."

Finance executives say that kind of rotation appeals to millennials. "In the past, people were more content to dig deep and get those 10-plus years of experience and become an expert in a field," says Mary D. Hall, a divisional CFO for the chemicals and fibers group of Eastman Chemical. "But younger workers seem to really want variety. They want to be generalists."

Apparently they want a lot of attention, too. "Younger employees want feedback at the touch of a button today," Jamrog says. "If you don't answer their E-mails and give them some positive reinforcement, you just dissed them."

And if they feel dissed, they may walk. In fact, some observers say millennials are less willing than previous generations of workers to endure prickly situations. The University of Alabama's Houston says that he often hears from former students, toiling away during the first weeks of their first audit jobs in small hotels in remote outposts in the Southeast. Based on the experience of a single grim week, they might well decide to change jobs. "People nowadays are just more likely to focus on 'I hate this. If I go across the street, things will be better.'"

Still, some CFOs have come to appreciate the talents that most millennials bring to their jobs. Many are more technologically adroit than their bosses. At Edens & Avant, for example, Brausch says he was looking for a way to

shorten the budgeting process. One of the biggest challenges, however, was streamlining the company's budgeting for cost reimbursements for such things as snow removal and insurance costs. Those payments are set forth in the various leases of the company's 2,300 tenants, which range from Stop & Shop and Target outlets to smaller retail stores.

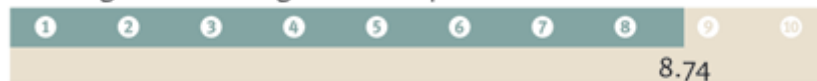
Would the company have to create 2,300 different invoices to be loaded by a hired administrator? Brausch figured such an enormous job could take 10 weeks to complete. Then one of his finance managers, a millennial who is a whiz at Excel, created a macro in two hours that could handle the entire job. Says the veteran finance chief, "It was miraculous to watch."

David M. Katz is deputy editor of CFO.com.

WHAT CAN YOU DO FOR ME?

What millennials most value on the job
(on a scale of 1 to 10)

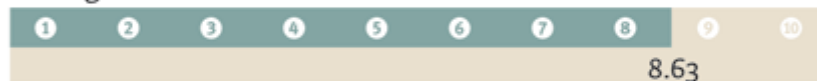
Working with a manager I can respect



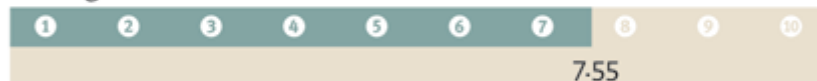
Working with people I enjoy



Having a work/life balance



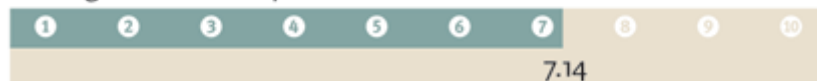
Having a shorter commute



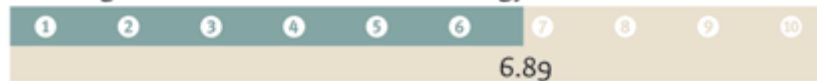
Working for a socially responsible company



Having a nice office space



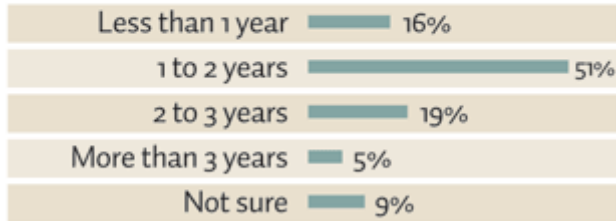
Working with state-of-the-art technology



Source: Robert Half International

FAST TRACKS

How long millennials expect to have to “pay their dues”:



MAKING TRACKS

How long millennial employees expect to stay in their current positions:



Source: Robert Half International