



In an era of disruption, is your talent value chain a weak link?

Without a holistic workforce strategy, your transformation or transaction may fall short of its potential.

■ ■ ■
The better the question. The better the answer.
The better the world works.



EY

Building a better
working world

Strengthening your talent value chain

With so many disruptive forces to confront as quickly as possible, companies must constantly re-evaluate their strategies to gain or maintain an edge in the market. In this competitive struggle, it can be easy to lose sight of how transactions and transformations require new approaches for your most important asset: the people who put your plans into action.

It takes significant time and funding to source, retain and engage your workers. Despite making significant changes to stay

competitive, companies often follow talent strategies founded on the past, rather than equipped for the future.

Right now, coffee shops double as offices. Bots have become coworkers. Millennials, with different career expectations and needs, are increasingly a dominant force in the workplace. Automation is creating new efficiencies, and data-driven software offers new insights into what should be done, by who, and where.

To get the most out of your transformation or transaction, and the people who are the lifeblood of your organization, you need a holistic people strategy, pairing advances in technology with a fresh look about organizational structures, workspaces, workforce experiences, purpose and culture – what we think of as the talent value chain. For continuous improvement – and continued success – how does your company utilize each link in that value chain?

Responding to the new world of work

Thinking about your business objectives in terms of structures, culture and technology can help you shape your efforts to capture the full value of your transaction or transformation. By asking yourself the questions below, you can get a feel for how to effectively deploy talent, align your workers' skills with what's needed in the future, and equip yourself with new tools, such as machine learning, to improve performance.

1. Structures: organizational design, talent alignment and governance

Leading companies shape an organization's structure and hone talent capabilities that deliver on the business strategy, with HR activities offering measurable support. But, too often, in the wake of a transformation or a transaction, organizational structures are no longer clearly defined and are misaligned with new business goals. Maybe – and understandably – a company has been focused more on rethinking customer-facing activities instead of the employee

operating environment. But, as one example of a potential pitfall, having workers in new locations requires aligned tax, legal and other functions to address regulatory requirements efficiently. Consider:

- ▶ *Is your top talent still operating in the markets delivering your growth? Sometimes, legacy mature markets are hubs for personnel when opportunities are elsewhere.*
- ▶ *What organizational restructuring is needed to deliver on business objectives? How are you developing talent and leadership to align with the growth prospects of your organization? Your hierarchy can drive or inhibit the innovation needed for your business to thrive, so it deserves attention after a transaction or transformation.*
- ▶ *After you've changed your company, should you also change the way you source talent? For instance, the gig economy could hold promise for you.*

2. Culture: teaming, performance and purpose

Recruiting job candidates takes time, money and effort, and, after a transformation or a transaction, your employees may feel unsettled or unclear about their place in the company, or its overall direction and purpose. It's always important to plug talent gaps and retrain, upskill and reskill your workers. And, as your company repositions itself through transformations and transactions and pursues business in new markets, these issues gain greater importance. Keeping your professionals engaged with a clearly defined purpose has a bottom-line impact: business units in the top quartile of employee engagement are 22% more profitable compared with those units in the bottom quartile. Think about these questions:

- ▶ *How are you managing and enabling your teams working across borders and virtually? Mobility poses complex challenges yet can be crucial in a globalized world. And, a workforce that is increasingly tilting toward millennials prizes flexible working.*
- ▶ *How is your organizational purpose leading your workforce culture in a potentially tumultuous time? Purpose gives your professionals extra motivation.*
- ▶ *How are you measuring engagement and using this to inform your workforce strategy? Metrics can be developed through feedback from surveys and anonymous channels.*





3. Technology

After a transaction, too many companies labor under misaligned or outdated systems stitched together, and the fallout can be measured in inefficiencies and delays. If they're not considered holistically, transformations involving new technology can create new problems as you try to solve others. On the flip side, your ability to capitalize on your changes can be hindered if your technology remains substandard – for instance, in terms of recruiting and retention, **millennials are the most likely age group to quit their jobs because of outdated tools, with 82% citing this factor** as one that influences their choice of employer. Meanwhile, new workforce tools include software that tracks employee movements

needed for day-to-day operations in your changed company, data-driven platforms that allow you to operate more on evidence than assumptions, and planning environments that help you see the impact of planned future states. Some crucial questions to consider:

- ▶ *What tools are you using to uncover or sharpen workplace efficiencies as your company changes?* For example, **workplace analytics** sheds light on areas of potential and concern.
- ▶ *Can you capitalize on advances from the Fourth Industrial Revolution, such as machine learning and robotic process automation?* **Our future is likely to be a coordination and collaboration between people and software.**

- ▶ *How is your HR function being optimized? Is it using mobile-enabled apps?* HR functions **can do a lot more to support changing business strategies** if they're equipped with smart analytics and mobile capabilities. And automation can reduce costs.

Considering the questions above can get you to think more holistically about linking business objectives with people strategies. Your employees are your business: how well it connects with customers, turns strategies into reality and sparks innovation. Whether you're embarking on a transaction or transformation or have already completed one, strengthening each link in your labor value chain demands a holistic approach driven by an optimized organizational design and analytical insights.

How EY can help

Future of Work is part of EY's holistic model that looks at both the hardware (operating model) and software (operating environment) of an organization to align for success, using a suite of tools to drive transparency, visibility and performance across the talent value chain. We help companies address complex issues relating to organizational transformation or transactions, covering employee life cycles from end to end, effective talent deployment and mobility, how to gain value from evolving and virtual workforces,

and the changing role of HR. By holistically examining the process, technology and people issues with a technology-enabled and data-driven approach, we help organizations seize a competitive workforce advantage.

As part of those efforts, our **Organization and Talent Planning** professionals offer a method for collecting and curating the data necessary to map your organization and drive the talent selection process using the EY Organization and Talent Hub, our proprietary technology

platform, which pulls an organization's data into a secure environment, providing access to crucial statistics before and after a transaction or transformation occurs. It offers the granularity necessary for planning the new organization and selecting and retaining talent, while tracking workforce movements needed for day-to-day operations.

If you'd like the assistance of an independent advisor, **reach out to us.**

About People Advisory Services

The world continues to change with developments in globalization, demographics, technology and regulation. These disruptive forces require organizations to change rapidly – and they need their people to be agile and adaptable to that change. At the same time, it's getting harder to source, manage, motivate and retain talent while controlling costs. EY's People Advisory Services can help you gain a competitive advantage by providing the impactful people, HR and organizational alignment at critical business crossroads. By focusing on the key operating model and operating environment and issues facing today's organizations, EY offers services designed to lead companies through complex organizational transactions, transformations, and global workforce and mobile talent challenges.

People Advisory Services contacts

George Brooks

EY Americas People Advisory Services Leader

+1 212 773 8237



Liz Fealy

EY Americas People Advisory Services Ecosystems Leader

+1 212 773 3743



Tony Steadman

EY Americas People Advisory Services Transformation Leader

+1 212 773 4424



EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2018 Ernst & Young LLP.

All Rights Reserved.

EYG no. 00186-181GbI

1801-2541635

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

