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Introduction

Welcome to the 2017 Media and Entertainment People Strategy Report, a deep dive into the challenges that Media and Entertainment (M&E) companies face now and anticipate in the future as they seek to attract, develop and retain talent. The survey of HR professionals seeks to understand how companies are adapting their people strategies to respond to emerging trends and looks at the capabilities HR needs to support business transformation in a rapidly changing M&E environment.

Industry overview

The Media and entertainment (M&E) industry includes the following verticals:

- Advertising and measurement
- Broadcasting, cable networks and online video
- Cable and satellite operators and multichannel video programming distributors (MVPDs)
- Film, TV, online gaming and music
- Sports, theme parks and live events
- Publishing and information services

The M&E industry is undergoing major change at the global level. EY has seen at least three megatrends:

1. Technology is transforming the entire M&E ecosystem.
   - New technologies such as augmented reality (AR)/virtual reality (VR) and artificial intelligence (AI) have potential to create new consumer experiences and revenue streams.
   - Data is used to complement creativity to delight and engage consumers with tailored experiences, and to drive innovative advertising solutions.
   - Operational technology such as robotic process automation (RPA) and blockchain have the potential to vastly reduce costs and improve productivity.

2. Creativity, distribution and monetization have shifted from a rigid linear framework to a highly fragmented, customized model.
   - Demand for content continues to grow, but mass markets are giving way to niche content, personalized services and highly targeted brand messaging.
   - Consumers are increasingly channel-agnostic, focusing less on time and place and more on value, flexibility and the overall experience (including content discovery).
   - Data unlocks the promise of new products and go-to-market frameworks across platforms.

3. Monetization models come under pressure.
   - As consumers increasingly value access to content over ownership, M&E companies are re-evaluating offer bundling, pricing strategies and, more broadly, business models.
   - Ad-based revenue models face challenges from newly empowered consumers who can skip ads or block them (or simply don't interact with traditional ad-supported media), forcing M&E companies and ad agencies to innovate the advertising experience.

These industry trends provide many challenges and opportunities for M&E companies. To remain competitive in the marketplace, many companies are redefining their business strategy as well as their people strategy.

Executive summary

The media and entertainment industry has specific people strategy needs due to the unique nature of people the industry recruits, hires, develops and pays. This, coupled with accelerating trends in management, is redefining the media and entertainment world. In response, companies are adapting their strategies to make employee experiences more consistent with consumer experiences. To attract, develop and retain the right talent, many M&E companies are starting to think of their employees as internal customers. The purpose of the 2017 Media and Entertainment People Strategy Survey is to understand how M&E businesses are adjusting their people strategy in response to current industry trends. The survey responses highlighted the following:

1. **Globalization.** More than half of participants predicted that global expansion will be one of the primary drivers for a stronger bottom line. However, less than one-third of participating companies have been effectively responding to globalization. Globalization will have many implications for Human Resources (HR), including challenges such as expanding HR processes globally.
2. **Digitization.** While survey participants seem to be responding well to the external challenges around digitization, there seem to be many areas to further develop when it comes to internal employee digital experience. Better employee digital experiences and HR technologies can not only facilitate more efficient work execution, but also help the company create and retain a more engaged workforce.

3. **Data analytics.** As we move into the age of big data, survey participants described their current ability to capture meaningful HR data and make use of it in decision-making. The type of HR data companies typically collect is more traditional and they are not generally equipped to conduct predictive analysis based on it.

4. **Employee engagement.** Consistent with other industries\(^1\), employee engagement is among the top challenges for HR leaders, especially in an environment of uncertainty. M&E companies are now also competing with other sectors and industries that have been creatively disrupting the M&E talent landscape for top talent. This has made it even more challenging to retain top talent and create an engaged workforce.

5. **Mobility.** The majority of the companies surveyed indicated they do not have a formal mobility program. Among the ones who do, their mobility strategy is not aligned with talent strategy. More than half of the companies also indicated that they had not been tracking tax triggers for their short-term travelers, which can have regulatory implications as the companies continue to scale.

**Approach**

EY conducted the 2017 Media and Entertainment People Strategy Survey in early 2017 using an online survey delivery platform targeting chief human resources officers (54%), human resources executives (38%) and other HR leadership roles (8%). The survey includes responses from 14 participants. Not all questions were mandatory, therefore some questions may have been skipped by the participants. The views may not fully represent the collective whole that were petitioned and further data collection and discussions will be highly valuable.

All of the survey data is presented in aggregate throughout this report to maintain confidentiality of proprietary information. Some answers were multiple choice so not all charts equal 100%. This survey allows EY to build a foundation through which hypotheses of trends in the industry can be further developed and explored in a future survey.

\(^1\) US oil and gas people strategy survey, EYGM Limited, 2017
Human resources strategy

To achieve success in business transformation, M&E companies need to place additional focus on culture to address the human components of transformation. This means aligning the company’s people strategy with business transformation objectives. In order to do this, there needs to be increasingly close collaboration between the human resources function and business functions. When the HR department plays a strategic partner role within the company, positive results are expected for the company’s bottom line and business transformation initiatives. Based on the section on business transformation of the M&E People Strategy Survey, for those companies who did not think they had been effective in driving needed business transformation, their HR department has historically played only a minimal or tactical role in transformation.

Market overview

Human resources leaders had a very positive outlook on the M&E industry, with 85% of participating companies believing the economics of the industry would remain the same or improve in the coming years, despite the disruptions and challenges M&E companies currently face.

In terms of driving revenue growth, HR leaders predicted that new digital products and services (85%) and global expansion (62%) would be their top revenue drivers, followed by new pricing and bundling strategies (38%) as well as enhanced customer experiences (31%).

Among those companies who identified new digital products and services as one of their top revenue drivers, 73% believed their company was effectively responding to digitization.

In contrast, among those who identified global expansion as one of their top revenue drivers, only 38% of them believed their companies have been effectively responding to globalization. One survey participant noted that expanding the HR process globally has been one of their biggest challenges.

It is notable that new pricing strategies as well as enhanced customer experience are ranked lower on the list. As a response to the current megatrends in the industry, it appears many M&E companies are readjusting their strategies to focus on more innovative pricing strategies and ways to provide better customer experience. To support any successful business strategy change, it is critical that the company is equipped with effective business transformation capabilities, including the capability to support the people side of change.
Human resources strategic priorities

In responding to various changes in the media and entertainment industry landscape, HR must play a more strategic role to enable business transformation and innovation.

With regard to human resources priorities for the next 18 months, the leading response was “increase alignment of HR strategy with business strategy,” with 67% of respondents selecting this initiative as a high priority. It is important to note that M&E companies should have a consistent approach to realign their HR strategy as the business strategy continuously evolves to keep up with the external environment. While 58% of respondents recognized organization restructuring as their second-highest priority (along with talent strategy and development), the business transformation section of the survey found that organization design is most respondents’ weakest HR capability. Other priorities included implementing and optimizing HR self-service, optimizing shared services, and fostering diversity and inclusiveness.

### High priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase alignment of HR strategy with business strategy</td>
<td>67%</td>
</tr>
<tr>
<td>2. Talent strategy and development</td>
<td>58%</td>
</tr>
<tr>
<td>3. Implement and optimize HR self-service</td>
<td>30%</td>
</tr>
<tr>
<td>4. Optimize shared services</td>
<td>30%</td>
</tr>
<tr>
<td>5. Diversity and inclusiveness</td>
<td>15%</td>
</tr>
</tbody>
</table>

There were also several initiatives that media and entertainment companies do not view as high priorities. For example, all participating companies viewed pay parity only as a medium or low priority. In addition, only 9% of companies believed it was a high priority to bring back services previously outsourced to a vendor, and only 18% of companies selected “outsource HR operations functions” as a high priority.

### Low priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pay parity</td>
<td>0%</td>
</tr>
<tr>
<td>2. Bring back services previously outsourced to a vendor</td>
<td>9%</td>
</tr>
<tr>
<td>3. Outsource HR operations functions</td>
<td>18%</td>
</tr>
</tbody>
</table>

### Human resources operating expense

Half of participating companies indicated that less than 1% of overall operating expense is spent on human resources, and 30% of companies spent more than 2% of their overall operating expense on human resources. According to the Society for Human Resource Management’s 2016 Human Capital Benchmarking Report, HR expense makes up 15% of operating expense on average across all industries, with a median of 2%. Based on this data, the ratio of HR expense to operating expense for the majority of M&E companies surveyed was below the median.

Another common metric is the HR expense to revenue ratio, which may help provide further industry specific insight.

### What percentage of your organization’s operating expense is spent on HR?

- 0%-0.5%: 15%
- 0.51%-1.0%: 10%
- 1.01%-1.5%: 10%
- 1.51%-2.0%: 20%
- > 2.0%: 7%

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Business transformation

Business transformation for any company is complex, costly and is often derailed by unforeseen complications. For M&E companies, these transformations are compounded by the creative culture that drives their business.

Business transformation initiatives

Of the executives surveyed, 69% agreed or strongly agreed their companies are effectively driving needed business transformation and innovation. This was consistent with responses to the question, “How successful have transformational change programs been in the past?” to which all survey respondents replied that some or many change programs in their companies had met or exceeded expectations. This would suggest that survey respondents believe their current change programs are at least somewhat effective at driving business transformation. While these results suggest a positive overall outlook, the following sections discuss the HR organization’s role in enabling business transformation.

My company is effectively driving needed business transformation and innovation.

How successful have transformational change programs been in the past?

- Major change programs typically meet or exceed expectations.
- Many major change programs meet or exceed expectations, but some fail or do not deliver expected results.
- Some major change programs meet or exceed expectations, but many fail or do not deliver expected results.
- Major change programs typically fail or do not deliver expected results.
Role of human resources in business transformation

Among all the chief human resources officers (CHROs) and HR executives surveyed, 54% indicated that HR plays a significant role in business transformation, 31% said it plays a moderate role and another 15% said its role is minimal.

Which of the answers below best describes the role of HR in business transformation in your company?

- HR has a significant role in business transformation (54%)
- HR has a moderate role in business transformation (31%)
- HR has a minimal role in business transformation (15%)
- HR has no role in business transformation (0%)

As defined by Development Dimensions International (DDI), an alliance partner with EY in the leadership development area, there are three potential roles that HR can play in the business:

- **Reactor:** Traditionally, HR has played the role of reactor, ensuring compliance with policies and practices, and responding to business needs by providing tools and systems when asked.
- **Partner:** Currently, the majority of HR departments play the role of business partner, openly exchanging information with the business about current issues, and collaboratively working toward mutual goals.
- **Anticipator:** In the future, the HR department will play the role of an anticipator who takes part in strategic planning, uses data to predict talent gaps in advance and provides insights about how talent relates to business goals.

In EY’s professional experience, most HR organizations play the role of reactor or partner when it comes to supporting business transformations. HR is generally brought into strategic conversations at the tail end to help develop a tactical action plan that operationalizes a strategic plan. According to survey respondents, HR is currently playing this role very well. It could be that survey respondents believe that their HR organizations provide the tactical support required to enable successful business transformation. However, in order to advance business transformations for the organization and effectively respond to environmental changes, it will be imperative for HR organizations to soon start playing the role of anticipator.

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Human resources capabilities to support business transformation

The survey participants rated their capabilities to support business transformation from strongest to weakest. The strongest capabilities included talent sourcing and development, as well as strategically aligned employee compensation and benefit programs; in both areas, 58% of respondents indicated they were strong or somewhat strong. The weakest capabilities for the survey participants included organizational structure and job design, HR data analytics, communications and organizational change management — all critical if HR is to support strategic business transformations. All these areas of low capability suggest some level of conflict with the responses in previous sections.

The majority of participating companies indicated they are effectively driving business transformation, and more than half believe HR is playing a meaningful role; yet in these areas critical to enabling change and transformation, respondents rated themselves as having low capabilities.

Based on these results, it can be inferred that participating companies are strong or somewhat strong in the traditional, tactical HR capabilities required to support an organization. However, these capabilities will not be sufficient in the future as the industry progresses and continues to face new challenges.

Please rate the strength of the following HR services to support business transformation in your company.

<table>
<thead>
<tr>
<th>Service</th>
<th>Strong</th>
<th>Somewhat strong</th>
<th>Neither weak or strong</th>
<th>Somewhat weak</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategically aligned employee compensation and benefit programs</td>
<td>33%</td>
<td>25%</td>
<td>17%</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>Talent sourcing and development</td>
<td>25%</td>
<td>33%</td>
<td>25%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Leadership development and alignment programs</td>
<td>25%</td>
<td>25%</td>
<td>8%</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>Culturally aligned performance management processes</td>
<td>25%</td>
<td>25%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Enabling HR technology integrations and improvements</td>
<td>33%</td>
<td>17%</td>
<td>8%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>Learning solutions and training content development and delivery</td>
<td>17%</td>
<td>25%</td>
<td>17%</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>Employee retention policies and programs</td>
<td>25%</td>
<td>17%</td>
<td>17%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>Communications campaigns for all levels of employees</td>
<td>8%</td>
<td>42%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Providing digital platforms for employee engagement and collaboration</td>
<td>25%</td>
<td>8%</td>
<td>17%</td>
<td>33%</td>
<td>17%</td>
</tr>
<tr>
<td>Organizational change management</td>
<td>8%</td>
<td>33%</td>
<td>17%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>HR data analytics</td>
<td>25%</td>
<td>33%</td>
<td>25%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Organizational structure and job design</td>
<td>33%</td>
<td>25%</td>
<td>25%</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>
Human resources technology

The EY Media and Entertainment CFO Survey discussed the growth of digital talent within M&E as a priority to foster growth for companies. While M&E companies have since made strides in digital experiences for their external consumers, it is now time for these organizations to shift their focus inward to improve the same experiences for their internal customers. The HR technology landscape has undergone a shift in recent years, with new products and technology beginning to change the environment and the way organizations think about how HR technology will support broader business initiatives. This, combined with the M&E industry’s unique needs in terms of talent sourcing, recruiting, development and pay, poses even more specific technology requirements to keep up with today’s internal customer needs. Despite the development of new cloud-based systems, the HR systems landscape lacks a product that provides world-class functionality across all areas of HR. There has also been an increasing focus on two new areas of HR technology – the internal customer’s digital experience and HR data analytics.

Human resources technologies

Technology is closing the efficiency gap by helping companies operate better, faster and cheaper. Of the respondents investing in automation, more than half are focusing on employee self-service and onboarding tools to simplify some transactional activities. While the companies sampled are not planning major investments in automation or “bots” in the next three years, EY’s experience shows that most companies are doing their due diligence to determine whether these technologies would support the strategic objectives of their business. Automation is a powerful tool to help complete HR transactional tasks, and there is a coming wave of automation and chatbots that will permeate HR across industries. This form of automation will pull HR away from transactional tasks and elevate its ability to support business transformation initiatives in a more strategic capacity, which, as mentioned in the section on business transformation, will be an absolute necessity in the near future. In EY’s experience, the greatest HR technology investment seen in M&E companies is in core HR and employee data management technology. It is interesting to note that payroll was lower on the list due to M&E’s unique challenges in managing studio-type populations. Specifically, payroll for M&E companies is unique in comparison to other industries and not generally easy to handle through commercially available payroll solutions. It could be that the survey respondents have yet to see a payroll solution worthy of investment, which has been an ongoing challenge for this industry in particular; however, continuous investment in these areas will be necessary to meet high-priority talent strategic initiatives.

Please select areas where your company plans to invest in HR automation in the next three years.

Employee digital experience

For the first time ever, four generations coexist in the workforce and they all want the same digital experience at work that they can get at home. Organizations need to prepare for the eventual future where technology will shift the cultural norm from work-life balance to work-life integration. HR organizations should be striving to provide the work-life integration that employees are asking for, from how they view and receive pay to how they socialize with each other.

Employees across generations are trained to embrace and, more importantly, expect technology. Although survey respondents indicated a general level of effectiveness in enabling customer digitalization, it is very much a different story when it comes to the internal employee digital experience. Challenges in this area exist across industries and functions; however, one might expect the M&E employee digital experience to be strong due to the

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4 It's showtime! Digital drives the agenda, data delivers the insights, EYGM Limited, 2014.
industry’s visible strides and partnerships in this area. Many M&E companies have digital offerings and many tech companies are publishing content and generating revenue through advertising. However, it seems M&E employees are not experiencing the benefits of that digital advancement. Out of three employee digital experience areas, survey respondents felt that their firm was meeting expectations only in one area – employee administration processes. In the other two areas, employee engagement and work execution, more than 80% of respondents indicated that their employee digital experience did not meet or only partially met expectations. It is important to note that the drive for employee engagement should not only go through dedicated collaboration or communication tools, but should permeate the entire employee digital experience philosophy. Technology does not make people social – we have always been social. At a leading US-based M&E company, particular attention was given to ensuring that initiatives to enable administrative and work execution tasks were not just allowing employees to better interact with technology, but also enabling their interaction with each other.

Furthermore, as many employees are avid consumers of digital technologies and services in their personal lives, they frequently compare their personal digital experience with their digital experience at work. More than 55% of respondents indicated the employee digital experience at work could not meet the same expectations as employees’ personal digital experience. One approach we have seen implemented at a global M&E company to evaluate and address the disparity is the creation of “digital personas,” tying disparate employee experiences across functions together into one immersive experience, and tailoring the personas to the needs and wants of employees across generational groups.

On a scale of 1-5, to what extent is the application of digital tools meeting employee digital experience expectations at your company in the areas below?

<table>
<thead>
<tr>
<th>Employee administrative processes (e.g., onboarding, benefits management, performance management, meeting room reservations)</th>
<th>9%</th>
<th>45%</th>
<th>9%</th>
<th>27%</th>
<th>9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement (e.g., collaboration, communication, crowdsourcing)</td>
<td>18%</td>
<td>55%</td>
<td>27%</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Work execution (e.g., digital workflow tools/enablers, mobility)</td>
<td>9%</td>
<td>9%</td>
<td>45%</td>
<td>---</td>
<td>36%</td>
</tr>
<tr>
<td>Digital work experience that meets the same standards, criteria and expectations of employees’ digital personal-life experience (e.g., multi-device continuity, communication style and speed, recommended content based on behavior and preference)</td>
<td>9%</td>
<td>27%</td>
<td>55%</td>
<td>---</td>
<td>9%</td>
</tr>
</tbody>
</table>

0 20 40 60 80 100

Exceeding Meeting Partly meeting Not meeting No digital tools
Data analytics

Traditional process-driven organizations are now being disrupted by “2.0 organizations” of the information age. These organizations use data as a strategic asset and build entire business models around leveraging insights to deliver exceptional products and services. Traditional organizations, on the other hand, tend to be process-based and see the data they generate as a secondary byproduct.

What’s different today? The stakes are higher than ever. In an era of widespread business disruption, leaders aren’t using advanced analytics to simply improve existing activities — the strategic use of data is transforming traditional process-driven organizations to help them become more competitive, increase revenues and profits, reduce risk, and undertake new initiatives.

What about less mature organizations that aren’t using advanced HR analytics to deliver exceptional products and services? Global executives who understand the full value of advanced HR analytics are making it a core element in their business strategies and using it as a competitive differentiator. That’s why they’re embedding analytics throughout their enterprises, beyond traditional pockets like marketing and sales departments. “There’s a growing recognition that analytics can be applied in all parts of the business, if not to completely reinvent the business,” says Chris Mazzei, Chief Analytics Officer and Emerging Technology Leader at EY. “And while many companies started HR analytics initiatives to improve current processes, they’re now expanding to rethink what they sell, how they sell it, who they sell it to, and how to differentiate themselves from their competition.”

As a result, HR leaders are opening their minds — and their checkbooks — to capitalize on opportunities created by the explosion of data and sophisticated analytics at a time of rapidly decreasing computer and storage costs. According to the survey, over half of respondents (63%) tracked HR metric and leveraged some descriptive data or historical data to facilitate decision-making. One of the participating companies noted in the survey that “having the right benchmarks for HR just for the media industry” has been one of the company’s biggest challenges.

Despite the increasing emphasis on analytics in HR today, a significant number of companies do not leverage data to make decisions. In fact, 36% of respondents indicated they only had basic HR metrics in place, and these data did not factor heavily into business decisions. Notably, none of the respondents had any predictive data capabilities. These results are consistent with EY’s experience that HR analytics is an area where the M&E industry is lagging behind peers in other industries such as technology and life sciences. Analytics is often seen as less important, with M&E companies preferring to focus on greater challenges in other core HR activities and managing the issues that come from the varied nature of the M&E employee population.

Have you employed HR analytics to make smarter HR and people decisions?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have some basic HR metrics, but they don't factor heavily into business decisions.</td>
<td>36%</td>
</tr>
<tr>
<td>We track HR metrics and leverage these metrics for decision-making purposes.</td>
<td>36%</td>
</tr>
<tr>
<td>We track HR metrics and apply descriptive analytics, pulling insights out of historical data, to facilitate our decision-making.</td>
<td>27%</td>
</tr>
<tr>
<td>We track HR metrics and apply predictive and/or prescriptive analytics, forecasting future possibilities and options, to better inform our decision-making.</td>
<td>0%</td>
</tr>
</tbody>
</table>

In terms of the areas where HR analytics were applied, the top choices were headcount (82%), culture/diversity (73%) and retention (73%), some of the more traditional areas where basic HR data are being collected and analyzed.

What are some of the areas where HR analytics are currently being applied?

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount</td>
<td>82</td>
</tr>
<tr>
<td>Retention</td>
<td>73</td>
</tr>
<tr>
<td>Culture/diversity</td>
<td>73</td>
</tr>
<tr>
<td>Recruiting</td>
<td>64</td>
</tr>
<tr>
<td>Compensation</td>
<td>55</td>
</tr>
<tr>
<td>Workforce analysis</td>
<td>55</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>36</td>
</tr>
<tr>
<td>Staffing/performance/productivity</td>
<td>27</td>
</tr>
<tr>
<td>Recruitment source analysis</td>
<td>27</td>
</tr>
<tr>
<td>Succession planning</td>
<td>27</td>
</tr>
<tr>
<td>Development</td>
<td>18</td>
</tr>
<tr>
<td>Health/safety/sustainability</td>
<td>18</td>
</tr>
<tr>
<td>Productivity</td>
<td>9</td>
</tr>
<tr>
<td>Talent supply and demand</td>
<td>9</td>
</tr>
<tr>
<td>Capabilities</td>
<td>0</td>
</tr>
</tbody>
</table>

In terms of the tools and methods necessary to enable HR analytics, 55% of respondents utilized manual processes. These findings could suggest that organizations lack the skilled talent necessary to use more powerful HR analytic tools, lack the technical and leadership support for a mature analytics function, or lack both, leading these organizations to still rely on antiquated methods to leverage their data. Forty-five percent of respondents use ERP systems to power their analytics capabilities, while others also leveraged some type of analytics platform, ad hoc and bolt-on reporting tools, or homegrown system. Nine percent of the respondents also use a third-party aggregator to facilitate HR analytics. A critical question to ask is why – is it because these companies value simplicity, or because they lack the knowledge and capabilities to employ more sophisticated methods? In either case, these survey results point to the need for companies to shift their methods toward efficiency and reliability in order to leverage their data to the fullest.

Tools currently used for HR analytics

- Manual process (e.g., spreadsheets) 55%
- Enterprise resource planning 36%
- Ad hoc and bolt-on reporting tools 36%
- Homegrown system 36%
- Analytics platform 36%
- Third-party aggregator 9%

Payroll operations

Media and entertainment’s specific payroll needs stem from the different types of employees that the industry manages. For example, hourly employees who work variable schedules, and third-party vendors such as cast and crew, each have unique payroll requirements. In addition, M&E talent may often work for multiple entities within one organization (e.g., camera operators serving two different entities within the same broadcasting company). Further, residual payments are a significant payroll complexity that M&E companies manage. The various services provided by payroll, although common across all industries, have unique needs that need to be considered for M&E, as part of their overall people strategy.

While 45% of participating respondents currently use a hybrid approach to payroll, 27% of respondents indicated that their payroll operations have been fully outsourced. Another 27% have their payroll operations in-house. Due to the complexity of payroll processes involved in M&E, it is rare to find organizations that have fully outsourced their payroll processes. Future iterations of this survey will hope to better define the many factors behind companies electing a full in-house versus hybrid approach to their payroll strategy.
Which of the following best describes how your payroll operation is currently serviced?

- Fully outsourced: 27%
- In-house: 27%
- Hybrid: 45%

Finding the right talent and resources globally to support payroll operations is the biggest challenge facing survey respondents in payroll operations. Based on EY experience, the industry has been unwilling or unable to commit the required funding to find and hire effective executive leadership in the global payroll space. Successful global payroll leadership requires a full understanding of – among other drivers – the M&E company’s internal customer needs, the implications of a highly unionized workforce, and the trends of globalization impacting the industry today.

It is not surprising that legislative compliance and administration costs are the top two issues faced by survey respondents, with 50% of companies indicating that they are high priorities. While this result is industry agnostic, it is even more apparent in M&E. Payroll is a process that manages exceptions, which means it is difficult to automate for lower cost. With a highly unionized population, a high turnover rate, hourly workers, and varying state regulations, it is no surprise that administration costs are a critical issue faced by survey respondents. M&E companies constantly face legislative compliance issues because they need to manage cross-border taxation and state regulations as a result of the mobile nature of their employees’ work. In addition, companies must also consider legislative compliance when increasing their footprint worldwide. These complexities can be managed if organizations are willing to commit the additional resources.

What issues do you currently face related to global payroll?

- Legislative compliance: 50% High, 33% Medium, 17% Low
- Administration cost: 50% High, 33% Medium, 17% Low
- Management reporting: 40% High, 40% Medium, 20% Low
- Audits, information requests and remediation: 33% High, 50% Medium, 17% Low
- None: 33% High, 50% Medium, 17% Low
- Organizational consistency in payroll processes: 29% High, 57% Medium, 14% Low
- Recordkeeping: 29% High, 57% Medium, 14% Low
- Finding the right global payroll talent and resources: 20% High, 80% Low
- Regional capability: 17% High, 33% Medium, 50% Low
- Managing mobile employees: 17% High, 50% Medium, 33% Low
- Pay parity: 40% High, 60% Low
Talent management

Talent management has traditionally been defined as all processes that relate to the employee life cycle: talent acquisition, onboarding, learning and development, performance management, reward, and separation. Employee culture and employee engagement are critical, and are linked to employee productivity and turnover. We are now seeing a shift in traditional talent management activities. While these activities are still fundamental, the focus is now on improving the overall employee experience rather than just optimizing individual activities. In order to do this, organizations must consider their employees as internal customers and take the time to better understand their needs. In EY’s experience, if “employee advocacy” is not owned and driven by HR, engagement initiatives are de-prioritized relative to other talent activities. While these decisions may result in short-term cost savings, long-term strategic implications related to employee productivity and satisfaction may arise.

Talent management challenges

The top talent management challenge media and entertainment companies face is engaging their employees appropriately. Technology companies such as Facebook and Google are having a large impact on M&E employees’ expectations. Survey results show that 73% of respondents believe ineffective talent mobility

What talent management challenges do you currently face?

![Graph showing the most and least common challenges in talent management.](image-url)
and career path planning (e.g., cross-functional, upward mobility) is highly challenging for talent management. Additionally, 50% ranked lack of employee satisfaction and ineffective performance management practices as two other highly challenging areas. As highlighted in the section on Human Resources technology, the employee digital experience in the M&E industry specifically is lacking. This means M&E companies now need to compete for talent with the likes of Facebook and Google, while their current employees now also expect a workplace similar to that of such tech companies. EY M&E’s *Internet of Things: Human-machine interactions that unlock possibilities* report discusses the need for M&E companies to develop competencies and a culture that fosters agile, closed-loop innovation to evolve products. The report also stresses the need to develop capabilities to improve the customer experience in real time while collecting feedback in order to evolve products and services based on changing customer preferences.\(^6\)

While M&E companies have come a long way in addressing these needs for the external customer, the focus should now move internally towards employee populations.

Survey respondents recognized that individual employee satisfaction/engagement is a relatively significant challenge in their organization. However, 60% noted that overcoming restrictive labor contracts, pay parity, and ineffective global mobility initiatives were their least common challenges.

**Talent priorities**

Survey respondents’ top talent challenges align with their business priorities. For example, 64% of respondents believe that career path opportunities are the key HR priority in attracting and retaining top talent. In addition, 64% of respondents indicated that company

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**What are the key HR priorities to attract and retain top talent?**

<table>
<thead>
<tr>
<th>Priority</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company culture</td>
<td>64%</td>
<td>27%</td>
<td>9%</td>
</tr>
<tr>
<td>Career path opportunities</td>
<td>64%</td>
<td>36%</td>
<td>9%</td>
</tr>
<tr>
<td>Company’s branding as an attractive employer</td>
<td>64%</td>
<td>9%</td>
<td>27%</td>
</tr>
<tr>
<td>Robust leadership development</td>
<td>60%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Diversity and inclusiveness</td>
<td>60%</td>
<td>30%</td>
<td>10%</td>
</tr>
<tr>
<td>Company mission and purpose</td>
<td>55%</td>
<td>27%</td>
<td>18%</td>
</tr>
<tr>
<td>Attractive benefits</td>
<td>45%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Attractive and equitable compensation</td>
<td>40%</td>
<td>50%</td>
<td>10%</td>
</tr>
<tr>
<td>Learning opportunities</td>
<td>40%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Global capabilities and mobility opportunities</td>
<td>40%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Leverage social media</td>
<td>36%</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Leverage analytics to evaluate talent potential</td>
<td>30%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Formal mentoring program</td>
<td>9%</td>
<td>73%</td>
<td>18%</td>
</tr>
<tr>
<td>Flexible working arrangements</td>
<td>9%</td>
<td>27%</td>
<td>64%</td>
</tr>
</tbody>
</table>

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\(^6\) M&E – Internet of Things: Human-machine interactions that unlock possibilities.
Culture and branding are other high priorities. This shows that M&E companies understand their major challenges and prioritize those over others. Furthermore, both challenges and priorities reveal that companies value the cultural fit of an employee or candidate more highly than traditional levers — only 30% of respondents cited lack of adequate technical talent with the right skill sets as a major challenge, while 45% of respondents indicated attractive benefits as a key HR priority.

**Learning and development capabilities**

Learning and development (L&D) is a key component in the success of talent management — with a range of capabilities and company effectiveness (as compared to an ideal state) demonstrated by respondents to the M&E People Strategy Survey.

In general, survey respondents ranked their company’s current learning and development capabilities to be effective in traditional

---

<table>
<thead>
<tr>
<th>Activity</th>
<th>Very effective</th>
<th>Effective</th>
<th>Neither effective nor ineffective</th>
<th>Ineffective</th>
<th>Very ineffective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering effective training</td>
<td>9%</td>
<td>55%</td>
<td>27%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Identifying training needs</td>
<td>9%</td>
<td>55%</td>
<td>18%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Developing learning and training strategy</td>
<td>9%</td>
<td>55%</td>
<td>18%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Developing training curriculum</td>
<td>9%</td>
<td>55%</td>
<td>9%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Training evaluation</td>
<td>9%</td>
<td>36%</td>
<td>36%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Developing training content</td>
<td>10%</td>
<td>40%</td>
<td>20%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Web-based training development and delivery</td>
<td>18%</td>
<td>18%</td>
<td>27%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Providing “self-service” learning options</td>
<td>18%</td>
<td>9%</td>
<td>36%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Training sustainability management</td>
<td>18%</td>
<td>64%</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactive and collaborative learning</td>
<td>20%</td>
<td>50%</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile learning</td>
<td>9%</td>
<td>9%</td>
<td>27%</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Gamification</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Agile-based training methods</td>
<td>10%</td>
<td>40%</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge management platform</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

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Ineffective/very ineffective

Very effective/effective
L&D areas and lacking in more “cutting-edge” and interactive areas. For example, respondents ranked their companies to be very effective at training development and delivery, but much less effective at interactive/collaborative learning and mobile learning. This aligns to the results found in the HR technology section, in which 55% or more of the survey respondents said digital tools were either nonexistent or, at best, only partly met expectations for employee engagement and work execution.

To further illustrate this point, companies ranked themselves to be effective in core L&D activities such as developing the L&D strategy, identifying training needs, and developing the training curriculum. On the other hand, the areas of gamification, mobile learning, and agile-based training methods showed the greatest room for improvement. Respondents indicated their companies were less effective in these areas than in traditional L&D areas.

Interestingly, providing self-service learning options drew a large disparity, with respondents considering their companies to be either very effective or ineffective. Another contested area was web-based training development and delivery, with high percentages ranking this capability as being either very effective or ineffective. Both these items have high responses on both extremes of the spectrum and warrant greater analysis and inspection.

Conversely, respondents agreed their capabilities could use most improvement in the area of knowledge management platforms. This sentiment appears in line with current trends among other industries, as well.

Cybersecurity

How are cyber threats impacting media and entertainment?

The right cybersecurity workforce is essential to meet and mitigate current and future threats. Technology and process standards have improved organizational effectiveness but the future lies with a well-constructed approach around talent. According to the EY Global Information Security Survey 2016-2017, 86% of respondents did...
not believe their information security fully meets its organizational needs, and 55% stated careless employees are one of the highest areas of vulnerability.

Cybersecurity should be top of mind for M&E companies due to the following emerging themes:

1. Delivery disruptions
   ▶ Streaming is gaining momentum as a means for businesses to distribute content as users increasingly migrate to viewing content “on demand” and through their mobile devices.
   ▶ Distributed denial of service (DDoS) campaigns are likely to increase in frequency due to streams’ sensitivity to interruption.
   ▶ Inability to access online content delivery systems during “prime” hours, such as during a high-profile premier or a national holiday, results in increased customer frustration and negative reputational impact over social media.
   ▶ Attackers have combined cyber and physical disruptions in “swatting” attacks, in which threat actors have police raid a streamer’s house by calling in a fake bomb threat or hostage situation.

2. Cloud Infrastructure
   ▶ Threat actors use cloud infrastructures to host malware and botnets, as well as for their command and control communications, in an effort to disguise their traffic between victims and cloud-based services.
   ▶ Malware campaigns continue to take advantage of multiple cloud-based applications to target their victims.

3. Use of attacks in concert with political operations
   ▶ Politically motivated threat actors are increasingly leveraging cyberattacks against opposition institutions, including media.
   ▶ Politically motivated threat actors may also increasingly targeting media institutions, even without an ideological motivation, for the purpose of reaching as large an audience as possible.

4. Botnet activity
   ▶ Click fraud, defined as artificially inflating view counts and drive traffic to media sites for the purpose of increasing revenue, is greatly facilitated by the use of automated botnets.
   ▶ Threat actors are increasingly delivering ransomware to botnet victims or using botnets to promote their own political agendas.
   ▶ Media and entertainment companies must be cognizant of the rise of botnets as they impact advertising partners and artificially manipulate the popularity of content.

Impacts of cyberattacks to M&E companies include:

1. Increased scrutiny from federal regulators and stakeholders, which could result in a loss of sponsorship

2. Loss of:
   ▶ Revenue (content leaked ahead of schedule resulting in loss of business and decreased market share, advertising income impact, service downtime, and loss of customer confidence)
   ▶ Digital assets (customer lists, customer card payment information, personally identifiable information (PII), employee lists, and third-party/partner lists)
   ▶ Business models and intellectual property (market research, competitive analyses, draft content and release schedules)

3. Operational and service interruptions
   ▶ Disruption to digital content and product delivery
   ▶ Cost to remediate and lost revenue due to downtime

4. Legal issues, investigations, litigation and lawsuits

5. Cost of fraud and identity-monitoring services when personal information is stolen

6. Defamation of branding

Remediation costs incurred due to cyberattacks have run companies in the M&E industry up to $80 million per occurrence.
Technology and process standards may have helped defend organizations in the past, but ultimately, it is the people dimension and how leaders allocate individual resources against their cyber threats that will safeguard the organization and its business imperatives. More than half (54%) of the respondents to this survey believed they have been effectively increasing focus on data privacy and security within their companies. However, the responses of companies that include cybersecurity as part of a talent strategy are not consistent with this response. Of the participating companies, 45% believe that cybersecurity is an important factor but have not included it as part of their talent strategy. Even more concerning, 27% do not believe that cybersecurity should be a factor in their talent strategy.

Survey respondents (27%) indicated communication of enhancements in data protection policies and practices and creating a culture of cybersecurity awareness were the top areas of focus for their HR departments. Items of lesser importance to participating M&E companies included creating policies for data protection, training on system upgrades for data protection, and supporting sourcing and recruiting of cyber talent (18%).

Having a thorough cybersecurity strategy will be necessary in the near future to avoid a blind spot in anticipating and identifying attacks. Having capable resources to support the cybersecurity strategy will be the game changer for organizations that realize this early. As EY’s report Cybersecurity through the people lens states, “Cybersecurity professionals are in high demand, and as companies continue to identify their needs and capability requirements, the war for talent will only get more acute. HR and organizations need to determine nuanced ways to attract and retain their cyber talent that goes beyond the paycheck. Additionally, HR should consider innovative ways to develop its own pipeline for talent, supported by the board and endorsed by organizational leaders. An innovative approach includes an organization disengaging from the talent competition altogether and using internal programs to create capabilities in-house across a workforce that already exists (i.e., upskilling or cross-functional training).”

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What role does your HR department play related to cybersecurity requirements?

- Communication of enhancements in data protection policies and practices: 27%
- Create culture of cybersecurity awareness: 27%
- Creation and/or update of office policies for data protection: 18%
- Training on system upgrades for data protection: 18%
- Support sourcing and recruiting of cyber talent: 18%
- Create performance and reward incentives for embedding cyber compliance: 0%
- Other: 9%

* Cybersecurity through the people lens, EYGM Limited, 2017.
Rewards and benefits

Current-state perquisite and planned updates

Survey respondents helped paint a picture of the current employee benefit offerings landscape, which goes hand in hand with attracting top talent and keeping an engaged workforce. Rewards and benefits trends appear to be linked with attracting and keeping varying employee segments, including various generations, minorities, and high performers, engaged.

The most common programs currently offered:
1. Mobile devices
2. Nutritional and well-being services
3. Paid maternity leave
4. Paid paternity leave
5. On-site physical health classes

In addition to traditional employee benefit offerings, perquisites ("perks") are often used in attracting top talent and keeping an engaged workforce.

The least prevalent programs currently offered:
1. Concierge services
2. Student loan reimbursement
3. On-site primary school and day care
4. Unlimited sick days/"cafeteria" benefits/free meals

The list of least prevalent programs currently offered contains a mixture of program benefits that are either emerging or uncommon. While survey respondents have no plans to remove any of the listed employee benefits currently offered, areas where respondents plan to expand programs include concierge services, student loan reimbursements, food and drink subsidies, and on-site physical health classes.
Employee engagement and work/life balance programs

Employee engagement is a key talent management priority. The methods of building employee engagement and offering work/life balance are often tailored to different generations. For example, mentoring is a high priority for the millennial workforce – respondents are all either currently offering mentoring (56%) or planning to offer it (44%). To be most effective, the messaging around mentoring should encourage the mentee’s role in owning the mentor/mentee relationship.

The results below show that key offerings to drive employee engagement within survey respondents’ companies include casual dress code, employee recognition programs, and ability to volunteer for community service on company time. Just as interesting are the programs that respondents are not currently offering but would consider offering, including mentoring and employee’s ability to donate paid time off to other employees in need. These employee engagement areas founded in social connection and responsibility appear to be becoming more prevalent across industries.

The results in the chart below show companies are enhancing work/life balance through employing temporary and contractual workers, teleworking and telecommuting, and offering unpaid sabbaticals. The high percentage of respondents offering telework and telecommuting is surprising in the M&E industry, where remote workers are less prevalent than in other industries. Further research would be required to determine what types of employees are using this benefit and how often within this industry. While a small percentage of respondents reported their companies are considering offering unpaid sabbaticals, companies typically only offer this item in locations where it is legally required, such as the Long Service Leave in Australia. This may be a perk that will change in the future to increase retention among an ever more mobile workforce.

### Employee engagement

<table>
<thead>
<tr>
<th>Service</th>
<th>Currently offered</th>
<th>Planning to offer or would consider offering</th>
<th>No plans to offer</th>
<th>Offered but planning to remove</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual dress code</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee recognition programs</td>
<td>89%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to do volunteer community service on company time</td>
<td>80%</td>
<td>10%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Employee assistance programs (EAPs)</td>
<td>70%</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentoring</td>
<td>56%</td>
<td>44%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward commuter benefits to employees who use “green” transportation (e.g., bike, walk, carpool, public transportation)</td>
<td>50%</td>
<td>40%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Employees’ ability to donate paid time off to other employees in need</td>
<td>11%</td>
<td>33%</td>
<td>56%</td>
<td></td>
</tr>
</tbody>
</table>

### Work/life balance

<table>
<thead>
<tr>
<th>Service</th>
<th>Currently offered</th>
<th>Planning to offer or would consider offering</th>
<th>No plans to offer</th>
<th>Offered but planning to remove</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employ temporary and contractual workers</td>
<td>89%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telework and telecommuting</td>
<td>70%</td>
<td>20%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Offering sabbaticals (unpaid)</td>
<td>44%</td>
<td>11%</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Offer compressed workweek by working longer hours on fewer days</td>
<td>40%</td>
<td>60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offer vacation leave policy that grants vacation in advance, with no accrual needed</td>
<td>40%</td>
<td>10%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Offering part-time and furlough options</td>
<td>33%</td>
<td>11%</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>Offering sabbaticals (paid)</td>
<td>13%</td>
<td>88%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Companies are becoming more aggressive in their efforts to expand their global footprint and maximize revenue, and survey respondents are no exception: 62% believe the primary drivers of revenue growth over the next several years for their organizations will be global expansion. Increased corporate activity across the globe raises the importance of aligning mobility programs with the overall HR/people strategy. As companies move into new markets and establish their presence on new fronts, the ability to deploy resources in an efficient, cost-effective manner becomes increasingly vital.

To what extent is your company’s global mobility program aligned to your HR/people strategy (i.e., linked to succession planning and/or leadership development program)?

<table>
<thead>
<tr>
<th>Alignment with HR/People Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A – we do not have a mobility program</td>
<td>55%</td>
</tr>
<tr>
<td>The mobility program is not aligned with our HR/people strategy</td>
<td>27%</td>
</tr>
<tr>
<td>The mobility program is minimally aligned with our HR/people strategy</td>
<td>9%</td>
</tr>
<tr>
<td>The mobility program is moderately aligned with our HR/people strategy</td>
<td>9%</td>
</tr>
<tr>
<td>The mobility program is significantly aligned with our HR/people strategy</td>
<td>0%</td>
</tr>
</tbody>
</table>

Deploying and managing a mobile workforce is a key success factor for any global company. As companies seek to develop and expand their global footprint, key decisions must be made in the midst of a variety of factors. Economic uncertainty, market volatility and a dynamic regulatory environment are challenges that must be addressed. All these factors and many others combine to create pressure, and mobility functions need to react. Most M&E companies have a reach that can or does expand to all corners of the globe. These companies should be aware of any people-related issues in the locales they visit. Failure to do so could result in fines and penalties that might cripple or potentially diminish the company’s value. For example, Company A is a US based company in the business of movie production. For one of their movies, they had to cast scenes overseas and more than 250 people were involved in this particular production traveling from the US to their overseas location without any considerations of the mobility requirements. The overseas location had a requirement for expat tax of US$1,000 per person for services rendered, so Company A was assessed a minimum fee of US$250,000 as a form of penalties.

Infrastructure and policy

Of survey respondents, 55% do not currently have a mobility program in place. Considering the global expansion goals of many respondents, this figure illustrates the need for companies to establish and develop programs that can meet the needs of their mobile workforce. Since M&E companies tend to have a traveling workforce, implementing a mobility program is vital to enable minimal disruption as the workforce moves from location to location.

Developing and establishing a mobility program is a critical component of any global mobility operation, but ensuring the mobility program aligns with the organization’s HR/people strategy is equally vital. Yet, 27% of respondents say their mobility program is not aligned with their HR/people strategy, and 18% indicate their mobility program is moderately or minimally aligned with their HR/people strategy.

The results mentioned above highlight the importance of having a designated mobility team in place, with the expertise necessary to develop and implement sound policies and processes. Interestingly, the EY 2015-2016 Global Mobility Effectiveness Survey found that “more than 20% of respondents handle global mobility duties in addition to primary day-to-day responsibilities such as payroll, tax, remuneration or generalized human resources functions. And while the majority of respondents feel their global mobility team is at least functioning effectively, almost 50% say they are understaffed.”

Today, more than ever, organizations need dedicated and knowledgeable global mobility resources in-house. It’s paramount for organizations to be able to tap resources capable of addressing their mobile workforce needs.

Not only is establishing a mobility policy key, but ensuring mobility policies are being followed is also essential. The EY 2015-2016 Global Mobility Effectiveness Survey found policies are “frequently overlooked or are not properly applied when decisions have to be made to deploy individuals quickly.” Exceptions are made in order to reduce expense (such practices often increase costs instead by trying to circumvent the processes that were designed to create
cost-efficiency); personal deals are made between management and candidates; processes and sign-offs are arduous or there is a lack of serious thought given to talent management and true candidate selection. Connecting these dots and mandating user-friendly processes is critical to thinking more strategically around global mobility.

Growing compliance risks and a dynamic regulatory environment remain key issues for mobility professionals. Our 2015-16 Global Mobility Effectiveness Survey found that of the survey respondents, “nearly 58% listed compliance and regulation as their biggest challenges in managing their mobility programs, while 74.5% are seeking greater insight into understanding and managing global compliance risks.” Internal controls is one measure used to mitigate risk and exposure. However, with all the compliance areas to keep track of, such as “personal income tax, payroll withholdings, social security, immigration, employment law and corporate tax,” the opportunity for error is significant. These areas of concern are all heightened with global firms, and many M&E companies have a global reach. Without a strategic global mobility practice in place, M&E companies may get hit with compliance fines.

Short-term business travelers

EY’s current and past survey results indicate that short-term business travel issues have the highest mobility risk rating. Forty-four percent of M&E People Strategy Survey respondents do not have a formal short-term business traveler policy in place. The second most common concern, noted by 33% of respondents, was managing payroll reporting obligations related to cross-border travel. Moreover, 56% of participating companies indicated that they did not track any travel tax triggers for their short-term assignees. Short-term business travel, which is common, is defined as being on assignment for under 12 months. The majority of M&E business travelers fall in the short-term bracket. But the statistics show the survey respondents are having trouble putting a short-term traveler strategy in place. If companies are unable or unwilling to build a global mobility practice, their bottom line will certainly be affected. Keeping in mind the complexity of these challenges and the immediate need to address them, it’s easy to see why global mobility professionals are spread thin and under increased pressure to deliver value.

Short-term business travelers generate risks to the company related to income tax, payroll withholdings, social security, immigration, employment law, corporate tax and the actual activity of the individual traveling; therefore, there is no standard solution for managing short-term business traveler risks. Instead there is room for companies to again consider the value of data and data analytics within all aspects of their organization. Business expense systems, travel agent reporting, and employee-provided calendar information are examples of data subsets that can help bring more certainty to the short-term business traveler risk management process and ease administrative burdens of collecting and maintaining traveler data. It is nearly impossible to track all of these aspects without a global mobility practice in place.

What are your biggest challenges when it comes to managing your short-term business traveler population?

- No formal short-term business traveler policy in place: 44%
- No significant challenges: 44%
- Managing payroll reporting obligations related to cross-border travel: 33%
- Identification of individuals participating in cross-border travel: 22%
- Tracking of workdays for affected individuals: 11%
- Managing compliance: 11%
- Other: 0%

How do you obtain travel data to determine whether an employee has triggered a tax obligation?

- Do not track travel tax triggers: 56%
- Travel providers: 22%
- Directly from the employee (i.e., travel calendar): 11%
- Time and expense systems: 11%
- Other: 0%
This report dives deep into the human component M&E companies need to consider as they address current and future challenges that their organizations will face. EY is helping our media and entertainment clients address the following questions as they look to optimize, grow and protect their organizations going forward:

**Grow**
- As we continue to enhance external customer experience, how do we maintain engagement with our internal employee experience?
- How do we attract, hire, grow and retain the right talent to positively contribute to our bottom line through innovative solutions?
- How do we harness the power of data to gain insight on not only the behaviors of external customers, but also from our employees?

**Optimize**
- How do we leverage new technologies to streamline and automate business processes while improving productivity?
- As our organization continues to scale, how do we continue to align our people strategy with the business strategy?

**Protect**
- How do we remain competitive with creative disruptions from non-traditional competitors and technology firms and win the war for talent?
- As data confidentiality becomes increasingly important, are we updating, communicating and training our people on protecting our systems and data?
- As we expand at the global level, do we have a robust mobility program that can help us remain compliant with associated tax requirements?

As the focus on the internal customer continues to increase in order to attract, develop and retain the right talent, it will be necessary for M&E human resource functions to form a strategic partnership with all functions within their companies. HR organizations will need to develop and align the people strategy that best fits the business’ overall objectives. In order to do this, HR must be at the table with all other functions providing input into strategic conversations that drive business transformations. This may require HR to transform some of their own capabilities to stay current with or ahead of business needs.
Appendix

Demographic information

In which industry subsector(s) does your organization conduct business?

- Advertising and measurement: 60%
- Broadcasting, cable networks, and online video: 40%
- Cable and satellite operators and MVPDs: 40%
- Film, TV, online gaming, and music: 40%
- Sports, theme parks, and live events: 20%
- Publishing and information services: 0%

What is your organization's full-time employee (FTE) global headcount?

- 0–499: 11%
- 500–999: 11%
- 1,000–4,999: 11%
- 5,000–9,999: 11%
- 10,000–19,999: 44%

In how many countries does your organization have operations?

- 0–5: 10%
- 6–10: 10%
- 11–30: 20%
- 31–50: 60%
- More than 50: 0%

Approximately what percentage of your organization's headcount is employed in the United States?

- 0%–9%: 0%
- 10%–19%: 11%
- 20%–39%: 11%
- 40%–59%: 11%
- 60%–79%: 11%
- 80%–99%: 11%
- 90%–100%: 56%

In which industry subsector(s) does your organization conduct business?

- Advertising and measurement: 60%
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- Sports, theme parks, and live events: 20%
- Publishing and information services: 0%

Approximately what percentage of your organization's headcount is employed in the United States?

- 0%–9%: 0%
- 10%–19%: 11%
- 20%–39%: 11%
- 40%–59%: 11%
- 60%–79%: 11%
- 80%–99%: 11%
- 90%–100%: 56%
What is your organization's contingent workforce global headcount?

- 0–499: 22%
- 500–999: 11%
- 1,000–4,999: 67%
- 5,000–9,999: 11%
- 10,000–19,999: 11%
- More than 20,000: 11%
- Don’t know: 11%

What was your organization's total global annual sales revenue for the most recent fiscal year?

- Less than US $250m: 44%
- US $251m to US $999m: 44%
- US $1b to US $19b: 11%
- More than US $19b: 11%
- Not permitted to answer: 11%

Methodology

The survey data was collected by EY’s customer feedback and reporting team (CF&R), which focuses on collecting and analyzing feedback using surveys, focus groups and interview methods. The Media & Entertainment People Strategy Survey was administered by CF&R through an online platform. The survey data was then collected by CF&R for initial results analysis.

Ernst & Young LLP contact information

For questions or feedback, please contact us at globalmediaentertainmentsurvey@ey.com

Sayed Sadjady
Principal
New York
+1 202 441 5764
sayed.sadjady@ey.com

Charles Goldwasser
Principal
Los Angeles
+1 818 355 3443
charlie.goldwasser@ey.com
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