



# Talent Management for the Future of Work

Niamh O'Beirne,  
Partner, People  
Advisory Services, EY  
Ireland looks at key  
considerations for  
attracting, retaining  
and developing talent  
and how this could  
impact governments  
and the public sector.

As disruptive technologies and radical demographic changes in the workforce transform the world of work, businesses need to adapt or face losing their competitive advantage. With the 'war for talent' - the global competition to attract and retain the best people - becoming ever more intensive, this changing world of work has significant implications for how organisations attract, retain and develop talent. At EY, we have been supporting our clients in addressing a number of key challenges that disruption is bringing to their talent management approach to ensure that they are prepared for the future of work.

## The changing workforce

By 2025, millennials – typically described as those born in the 1980s and 1990s – will make up 75% of the workforce. Dealing with the different expectations and demands of this new generation of workers is one of the main emerging challenges in attracting and retaining talent. With 58% of millennials leaving their job within the first three years, employers need to move beyond traditional approaches if they want to retain their millennial workforce.

While there is of course variance in what millennials value in an employer, as a general trend it has been consistently found that millennials are driven less by financial incentives than their predecessors, and more by purpose. Millennials want to work for organisations whose mission and values are aligned to their own personal values, with social impact and ethical conduct cited amongst the most highly desirable traits millennials look for when considering a prospective employer.

This has multiple implications for employers in attracting and retaining talent. Firstly, organisations need to pay particular consideration to their own values, ensuring that these are appropriate to the workforce they intend to attract, enacted in how they operate their business, and clearly communicated to both existing and prospective employees. Secondly, employers will need to make more of an effort to get to know their employees and their personal values and goals. Millennials expect to be treated as individuals and may move elsewhere if they are not treated in this way by their employer. Finally, as the incentivising power of financial rewards diminishes, organisations will need to look to alternative methods of trumping their competitors in the war for talent. With research indicating that millennials place high value on job flexibility, offering flexible working arrangements is one such alternative.

As well as the emergence of a new generation of workers, workforce demographics are being impacted by globalisation with more and more companies operating in diverse global regions. In order to adapt to this change, organisations must ensure that cultural differences are understood and incorporated into their talent management processes. For example, it has been noted that in an Asian culture employees typically do not want to stand out from the crowd, which can result in less favourable performance ratings in Western talent management systems.

Managing talent in a culturally diverse workforce requires understanding and dealing with hundreds of cultural issues. Failure to address this may not only cause organisations to lose out in the war for talent, but could also bring legal and reputational difficulties.

However, we are not only seeing a shift in who makes up the workforce, but also in the terms upon which they work. One of the most significant changes in the workplace today is the emergence of the gig economy, in which individuals contract with employers on a temporary basis. The contingent workforce – employees working on a non-permanent basis – has grown significantly in recent years, with 66% growth noted in the US in the past decade. This trend, which is expected to accelerate into the future, will require organisations who embrace the gig economy to rethink how they manage talent. Rather than recruiting for permanent positions, designing long-term development plans and implementing retention strategies, when it comes to the gig economy organisations will need to ensure they have access to contingent talent pools, have the capability to identify the most talented contractors, and are an attractive prospect for short-term workers. This may require organisations to adopt new technologies such as talent databases, and to rethink how they advertise positions and compensate workers.

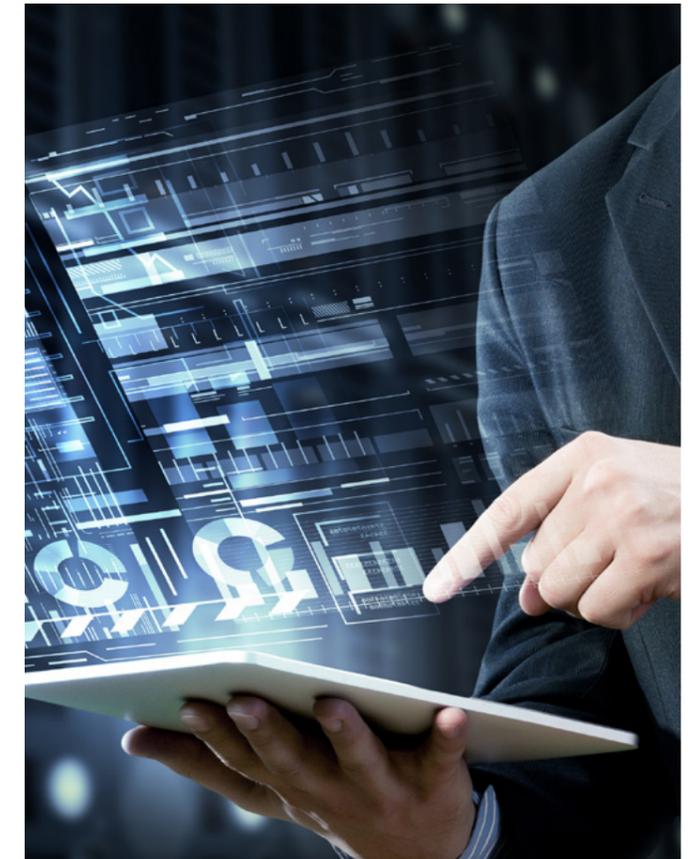


## The impact of technology

With technological advances disrupting the world of work, advances in intelligent automation and big data and analytics present significant opportunities for organisations who embrace the digital revolution. Intelligent automation can be utilised in numerous areas within talent management processes. For example, by helping our clients to replace manual processing of job applications with automation, we have been able to significantly enhance the speed with which they can respond to applicants, while eliminating processing errors. In an increasingly competitive recruitment environment, the time saved through automation of processes could make the difference between a job offer being accepted and the candidate accepting a more timely offer elsewhere. In addition to this, through reducing the need for employees to spend their time on repetitive, manual processing, they can be redeployed to focus their efforts on more strategic, value-add work, enabling them to achieve their potential and consequently enhancing retention of talent.

Added to this, the emerging capability of utilising technology to gather and analyse huge swathes of data presents new opportunities in talent management. Although still in its infancy, we have begun to see the potential of big data and analytics in talent management. One example we have seen at EY involved a natural resources client who used big data to identify that employees over five foot ten inches were more likely to be involved in accidents in their particular field of work and thus adjusted the training and development programmes for these employees to increase the emphasis on accident prevention. The same principle can be applied to almost any component of training and development in identifying training needs and tracking development of talent, and of course to other areas of talent management. The potential for big data analytics to provide insights into the factors underpinning recruitment success, retention rates, motivation, and leadership potential is extremely exciting and could give significant competitive advantage to employers who use such tools.

With rapid change brought about by technology and shifting demographics impacting all aspects of how businesses operate, it is clear that organisations cannot afford to stick to established procedures in how they attract, retain and develop talent. A new generation of workers is bringing a new set of values and expectations to the workforce, reshaping employers' approaches to motivation and reward. Added to this, increased cultural diversity means employers need to move beyond traditional performance management processes, which can be biased against minorities. Finally, rapid developments in technology present opportunities for significant efficiencies and enhancements in performance management processes which, if not seized upon, could deal a decisive blow in the war for talent.



## EY Contact



**Niamh O'Beirne**

*Partner, Performance & Talent,  
People Advisory Services, EY Ireland*

✉ [niamh.obeirne@ie.ey.com](mailto:niamh.obeirne@ie.ey.com)

## 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 organisation 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 organisation, please visit [ey.com](http://ey.com).

© 2017 Ernst & Young. Published in Ireland. All Rights Reserved.

39355.indd 08/17. Artwork by the BSC (Ireland)

ED None

The Irish firm Ernst & Young is a member practice of Ernst & Young Global Limited. It is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business in the Republic of Ireland.

Ernst & Young, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

[ey.com](http://ey.com)