

## COMPANY STATS

Name	Ernst & Young
Industry	Professional Services
Number of Employees	84,000 worldwide; 1,400 in Chicago
Location	Headquartered in New York City; in 130 countries
Product/Service	Audit, tax, corporate finance, transactions, enterprise risk management, online security, and other business financial services
Revenues	\$9.9 billion
Year Founded	1989 merger; Ernst & Ernst (1903) and Arthur Young (1906)
Ownership	Limited Liability Partnership
Web Address	www.eyi.com

## Using Smart Technology To Build and Sustain Learning Solutions

**Ernst & Young, a global provider of professional services**, was established in 1989 when Ernst & Ernst and Arthur Young merged. The Ernst & Young organization provides a broad array of services to help companies capture growth, improve financial performance, and manage risk. The company's 84,000 employees serve as business advisors in more than 130 countries, offering audit, tax, corporate finance, and transaction services across all industries to many leading global corporations as well as to emerging growth companies.

As a successful professional services firm, Ernst & Young has always recognized that its primary assets were its employees. While the firm has always fostered employee development, especially in job-specific technical skills, only recently has the firm begun to comprehensively offer "soft-skills" training through its "Personal Excellence" program and to strengthen its culture of continuous learning. E&Y decided to expand the range of its employee development activities

because of its global expansion, its need to add incentives to recruitment and retention, and a desire for consistent levels of skills for all employees. "We believe that our long-term competitive advantage will come from our ability to harness the skills and talents of our people in the most effective way. We never want an employee to stop growing and developing," reported Kristina Myers, Project Manager, Organization and People Effectiveness in the Chicago office. "We want it publicly known that we will put people first, because we believe this is how our clients will succeed."

### *Human Resource as Business Partner*

Reevaluating its approach to recruiting, developing, and retaining employees, corporate management elevated and globalized the company's human resources function. Formerly limited to administering benefits and overseeing compliance issues, HR is now a valued strategic business partner that consults with management, identifies needs and trends, and implements solutions. "We now have direct access to core leaders," said Myers. "We work together with management to foster a culture of learning and development."

The firm's overarching recruiting and retention philosophy is that "people will appreciate a firm that helps them add value to themselves." Discarding retention as a realistic goal, because it involves too many factors outside of the company's control. Instead, the firm tries to build a "lifelong relationship with people." Following this strategy, E&Y now maintains contact with former employees through periodic communications and alumni gatherings. "Right now, 25 percent of our experienced hires are people returning to our firm after leaving Ernst & Young. Many of these employees left where they were because they weren't challenged in their new jobs or the culture did not match that of Ernst & Young's. We expect this number to go up," explained Myers.

E&Y created the position of Chief Learning Officer (CLO) and formed a "global learning steering committee" of senior and

line management from its national and global operations to set overall learning directions and priorities and establish standards and measures of success. The CLO is responsible for both learning and culture. "Appointing a CLO really steps up the focus on training and development and assures that our efforts apply globally and have greater consistency," one HR employee explained. "It is an exciting time to be here." CLO Ray McGowen added, "A culture of continuous learning ensures that we are prepared for unknown challenges and can proactively identify opportunities and solutions for our people, our firm, and our clients in this uncertain and ever-changing business and world landscape. Learning truly does add value for all parties involved."

Partnering with Human Resources and working with a broad array of employee groups from around the firm, E&Y is creating a roadmap to help realize its new people-focused business strategy. Building on tools used in advancing gender equity and work/life balance, the group will help facilitate the creation and roll-out of new programs and initiatives in areas including career development, self and interpersonal awareness, and learning at the individual, team, and organizational levels.

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### *Employee Learning Supports Business Goals*

Ernst & Young implemented the Balanced Scorecard approach in 2000. This performance management tool tracks the drivers of Ernst & Young's future activities including operational excellence, customer satisfaction, people needs, and financial

results. HR activities have an impact on each one, but can most directly affect the needs of its people, including recruiting, retaining, and diversity. The BSC translates Ernst & Young's strategy into a set of strategic objectives and tangible measures, viewed from these four perspectives. It then assigns targets, accountabilities, and initiatives to each measure. Learning measures are included within the balanced scorecard process, and an evaluation of progress toward these measures is reported quarterly to key Ernst & Young executives. In addition, what E&Y describes as "learning system and priorities" are mapped to the balanced scorecard to assure that learning remains aligned with strategy.

Each service line within Ernst & Young creates learning maps that guide professionals to the appropriate curriculum based on the goals of the service line. In addition, the performance management process incorporates a recommended learning plan for the upcoming year based on the individual's goals.

### *Strategic Use of Technology*

The firm has invested heavily in developing high quality, customized internal learning activities and adopting state-of-the-art learning technologies. Over 500 programs (more than 4,000 training hours) are offered in such areas as technical skills, leadership development, teamwork, and interpersonal skills. Recently linked to the firm's core lines of business, the curriculum integrates the best of instructor-led and Web-based learning. Of the 4,000 training hours, 1,600 are Web-based, which is a dramatic increase from the 150 hours offered only two years ago.

It was HR that decided to expand Web-based learning: "Let's get learning out there in the most appropriate way we can. Fit it into employee schedules. Be flexible. Web-based programs are also great 'refreshers' for employees," said McGowen. Employees report that because Web-based courses can

be accessed at any time, learning is now easier to fit into their schedules. And because the courses are composed of self-paced components, employees can learn at their own pace. They are especially pleased that much of the technical training is available through Web-based delivery, so they can access just-in-time, bite-sized knowledge. "The knowledge system has often come to my rescue, helping me brush up on some technical skills just before a client meeting," reported one employee. E&Y recently adopted a new server farm that can handle a million transactions, so that now tens of thousands of people can log on simultaneously.

But HR staff believes that Web-based training can never totally replace the classroom. In the classroom, peers can learn from each other and build important relationships, and trainees can practice newly acquired skills with one another. Using sports coaching as an analogy, the CLO noted that it works to use the Web or books to convey ideas and theories, "but if you want to change behavior and teach new skills, you need an instructor or a situation where you can practice the techniques and receive feedback." Primarily, experienced internal staff delivers E&Y's classroom training.

To select the best delivery method, HR assesses the learning content, the audience, and the expected level of performance. HR staff have studied adult learning styles and learned from trial-and-error, employee feedback, and analyzing results. For example, test scores of employees have exhibited that foundational knowledge is best learned through Web-enabled technologies.

As of the first half of this fiscal year, 20 percent of all learning was done online. This includes Web-based learning and desktop channel learning. The percentage is slightly higher for staff/senior consultants. It is also higher for new hires primarily because many of the entry programs that are focused on helping new hires become job-ready provide

technical and methodological learning that uses online learning to support building foundational knowledge.

Central to all of the company's programs is the "Learning Connection," a Web-based, one-stop shop, tailored to business units and countries, that helps employees:

*"At Ernst & Young, we recruit the best people and ensure that they are provided with every opportunity to achieve their personal and professional potential. To do this, we must support a culture of continuous learning where people can develop their talents and apply their knowledge and skills. This enables Ernst & Young to provide its clients the highest level of service available in the market and allows our firm to achieve its strategic objectives.*

*Our people, their ability to learn quickly, and our culture of continuous learning are what make Ernst & Young one of the best firms in the world and first choice for the world's best companies."*

*Ray McGowen, Chief Learning Officer,  
Ernst & Young*

- ◆ Register for all courses and purchase books
- ◆ Access online courses
- ◆ Search and browse for learning modules
- ◆ Identify, via "learning maps," courses needed to further their careers
- ◆ Access tools for managing Continuing Professional Education (CPE) requirements and compliance

Employees also learn informally from mentoring, cross-training, and on-the-job experience. One employee believes, "Up to 70 percent of our learning takes place on the job." Employees particularly value opportunities to rotate job assignments, so they can gain exposure to many functions and units of the company before deciding upon a specialty.

In addition to all of the company learning, E&Y also provides tuition reimbursement for certain external learning programs, including MBAs and courses to prepare for certification exams such as Certified Public Accountant, Certified

Management Accountant, and Certified Financial Planner. The firm also supports outside seminars, and in certain cases, helps its employees to obtain advanced degrees. The amount allotted to each employee annually depends upon a number of factors, including the employee's personal development needs. Financial assistance for requested educational programs is pre-approved on a course-by-course or program basis, and reimbursed according to grade/performance. To be approved for tuition reimbursement, the course must clearly provide job-required skills.

accounting, tax laws, and regulations has always been a priority. Now E&Y also helps employees develop interpersonal and leadership skills through its new internally developed "Personal Excellence" program. "Since what we are selling to clients is the knowledge of our people, we need both technical skills and personal excellence," explained Myers. "Our team locked ourselves in a room for three days" said McGowen, "and reviewed all the available personal excellence curriculum and best practice research and identified five learning streams that run throughout all our services." The result is a curriculum that is customized for each key E&Y business service:

**COMPANY SNAPSHOT**

STRATEGY USED	PARTICIPANTS			
	Management/ Supervisors	Technical/ Professional	Frontline Workers	Part-time Workers
Tuition assistance	☒	☒	☒	
On-site workshops and training	☒	☒	☒	☒
Financial support for attending off-site classes, seminars, workshops and conferences	☒	☒	☒	
Training/education on company time (on- or off-site)	☒	☒	☒	☒
Online learning	☒	☒	☒	☒
Individual Development Plans linked to performance evaluations	☒	☒	☒	☒
Career counseling	☒	☒	☒	☒
Formal mentoring	☒	☒	☒	☒
Job shadowing				

- ◆ Leadership, Building and Sustaining Relationships
- ◆ Understanding Business Strategy
- ◆ Enhancing Performance
- ◆ Enhancing Operational Performance

As with all E&Y learning, this curriculum is delivered through a variety of channels, including classroom and web-based, and each course is designed with a particular competency or level in mind. Personal Excellence is an on-going process designed to help E&Y professionals prepare themselves for both current and new challenges throughout their professional career.

These development activities are not limited to employees who serve clients. All E&Y employees receive the same types of training and development opportunities.

*Expanding Skills and Knowledge*

As at most professional services firms, technical training in such subjects as

Plans are also underway to create a Diversity Learning Curriculum to promote the development of an inclusive leadership culture that respects individual talents and allows people to fully contribute to the success of the firm. By developing leadership skills and creating an inclusive culture, the diversity curriculum proposes to enhance

the personal satisfaction and retention of Ernst & Young's people and improve relationships with the firm's clients.

### *Mentoring to Develop a Diversity of Leaders*

An important goal of E&Y is to develop leadership talent, especially in relation to women and minorities. The Executive Mentoring Program was established to develop a channel of upcoming minority leaders. These high-potential minority partners have been brought together with mentors drawn from E&Y's Management Committee. Also, formal mentoring initiatives help develop a pipeline of aspiring women leaders. Women's PLAN (Partner Leadership Alliance and Network) brings together high-potential women partners with mentors drawn from the Management Committee. Women's ACCESS (ACCElating Shared Success) links front-line female consultants from senior manager through staff level with mentors, individually and in groups, for two-way discussions related to development and women's workplace issues.

### *Career Counseling*

To provide the kind of constructive advice that can improve behavior and attitudes, Ernst & Young has implemented a unique formal performance feedback system. Each new employee is carefully matched to a "counselor"—usually senior staff or a partner. The role of these counselors is to oversee and foster employees' development. The counselors help the employees set individual performance goals, provide ongoing feedback and guidance and serve as their advocates in such matters as obtaining desired rotational assignments. The selection of the counselor is flexible and designed to serve the individual's needs. "You can choose a different counselor if you want," explained one employee. "Sometimes it is best to have someone very different from you so you get a different point of view; other times you may want someone who knows a particular content area best so you select on a technical basis."

Recently, to streamline the feedback process, E&Y introduced "The Wizard". With the aid of this electronic tool, reviews are completed in a more timely manner and feedback to employees is available throughout the year. The Wizard generates comprehensive feedback summary reports for use in discussions with counselors, monitors completion of reviews, and provides useful information that helps employees select their counselors.

In its 2002 "Training Top 100," *Training* magazine ranked E&Y seventh overall and number one among professional services firms. This award is based primarily on formal learning activities and technologies, but also recognized E&Y for its global learning strategy and philosophy. *Fortune* magazine recognized E&Y as one of the "100 Top Companies to Work For," and Diversity.com rated E&Y as one of the "Top Companies for Diversity."

In June 2001, Ernst & Young received the MAKE<sup>SM</sup> Award (Most Admired Knowledge Enterprises). E&Y was named as one of the top five companies globally for "Success in Establishing a Culture of Continuous Learning." For the fourth year in a row, E&Y was also named as one of the top 12 companies globally for "Managing Knowledge, Leading to Superior Performance." (Participating in the selection process for this year's winners were Teleos and the KNOW Network, a Web-based community of knowledge-based organizations dedicated to sharing best knowledge practices leading to superior organizational performance, along with 1,800 learning and knowledge experts) And Brandon Hall.com rated the firm as one of The Top Ten E-Learning firms in the country.

### ***Kristina Myers Project Manager, Organization and People Effectiveness***

Ernst & Young  
233 S. Wacker, Floor 17  
Chicago, IL 60606  
(312) 879-2517  
kristina.myers@ey.com