



Career value at Ernst & Young

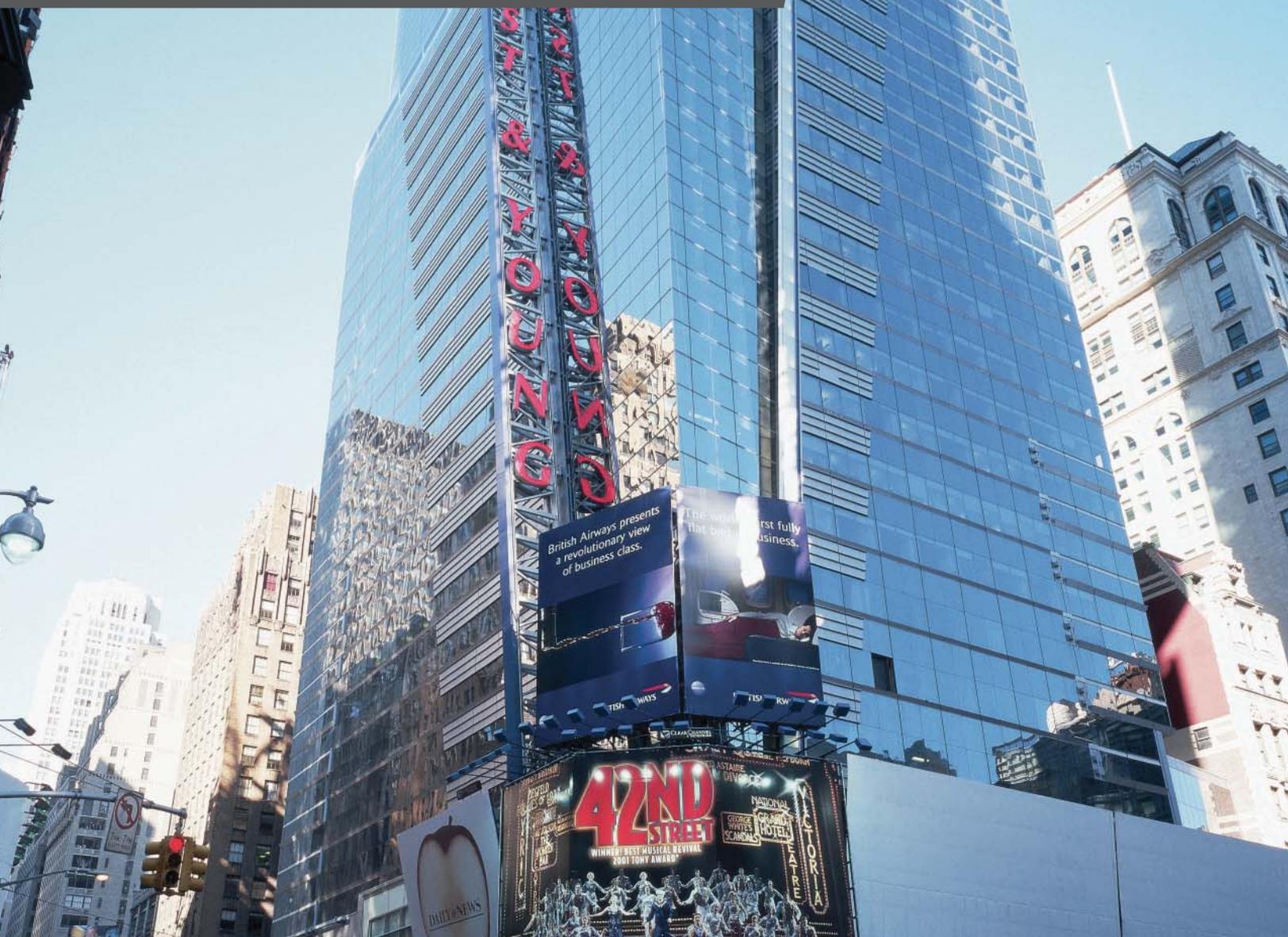
Supporting people's growth and success

Methodology

Data for the study were collected from multiple sources, including archival data, interviews with current and former employees, and three on-line surveys targeted to current employees, Ernst & Young alumni, and boomerang employees. In total, data from all sources included almost 50,000 current and former Ernst & Young client-serving professionals.

While this study focused on information gathered from our client servers, we believe that many of the findings also apply to our non-client serving (Core Business Services) professionals as well.

Source: "Career Management in a Knowledge-Based Industry," Professor Benson Rosen, University of North Carolina (2006).



Introduction

Ernst & Young embraces the idea that what we do truly matters: to investors and regulators, to our clients and their employees, and to the communities we serve. Therefore, it is imperative that we have the right people—people not only with the requisite skills, but with the highest standards of integrity, professionalism, and sense of public purpose. We also subscribe to the notion that if we put our people first, quality work and growth will follow. As part of the firm's People First philosophy, we talk about a two-way commitment between Ernst & Young and our people: that is, Ernst & Young will invest in our people's careers and in turn our people will commit to do their best for the firm and our clients.

To improve our understanding of what people desire and expect from a career at Ernst & Young, we recently commissioned a study to examine the needs, wants, and career aspirations of our client serving employees, alumni, and rehires (a.k.a. boomerangs). The study, conducted by Professor Benson Rosen, Ph.D., professor of Organizational

Behavior/Strategy at the University of North Carolina, and his associates, included data from almost 50,000 current and former Ernst & Young professionals in the United States and Canada. Through this study we specifically sought to learn why people come, stay, leave, and return, along with the value of a career at Ernst & Young.

Top level findings

Ernst & Young has nearly 30,000 people in the U.S. and Canada. While the study clearly showed that career aspirations are personal, and that individuals have their own career needs, wants and priorities, it also revealed some key common themes as listed in the box at right.

By studying and gaining a better understanding of these themes, our intent is to better focus our efforts on attracting, developing, and retaining high-performing professionals.

We learned:

- ▶ The longer one stays at Ernst & Young, the better one's chances of ultimately reaching a top job, the greater one's potential lifetime earning power, and the higher one's job satisfaction
- ▶ The most valuable professional development happens at the manager and senior manager level
- ▶ While career wants and needs are personal, some common patterns emerged that change based on the stage of a person's career
- ▶ People want frequent, personal conversations about their careers, their position on their career path, options, and how to progress

Career needs, wants and aspirations

Ernst & Young attracts great people who have many career options available to them when they join us. Understanding what attracts people and their goals while they are here is important to maintaining and enhancing our position as an employer of choice for both current and potential employees. The study found agreement among current employees, boomerangs, and alumni on the main reasons people are attracted to Ernst & Young. These include:

- ▶ Ernst & Young's culture and people
- ▶ Ernst & Young's reputation in the market
- ▶ Learning and development opportunities over one's career
- ▶ The opportunity to attain early career goals (Big Four experience, CPA/CA requirements, building technical expertise)
- ▶ The nature of the work

Over time, however, as their individual life circumstances change, so do our people's career needs and aspirations. Personal career strengths and interests become clearer and personal situations evolve. While individual needs are unique, the study helped us see several patterns in career wants and needs. For example:

- ▶ Staff, in the early stages of their careers, desire personal connections, particularly with more senior personnel, and challenging work
- ▶ Seniors and managers are more concerned with work/life balance and their total compensation
- ▶ Senior managers' concerns over promotion and career prospects take precedence, along with a renewed interest in strong relationships and connections

The study also indicated that people find the following experiences most valuable in an Ernst & Young career:

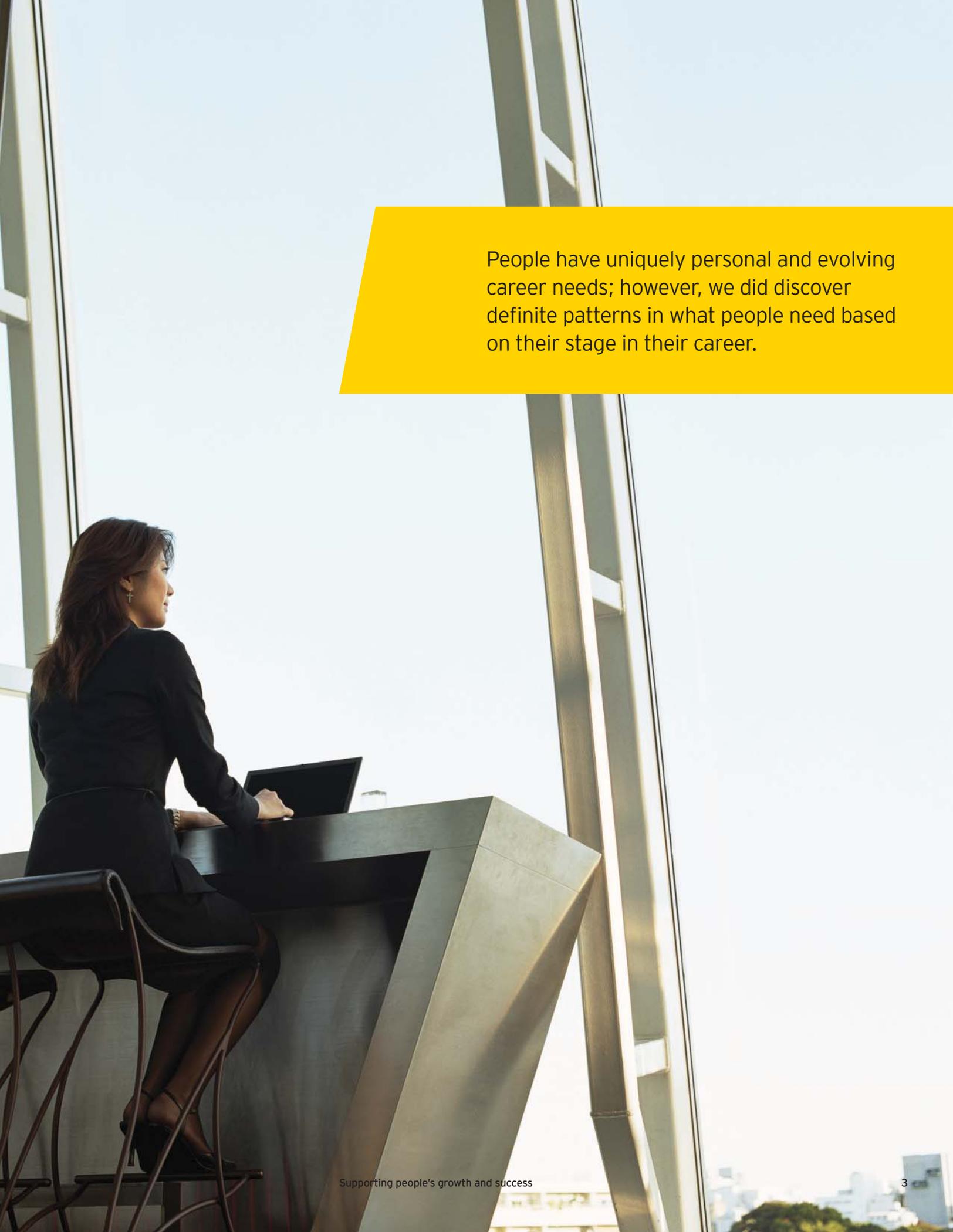
- ▶ On-the-job training
- ▶ Exposure to different clients
- ▶ Technical and non-technical training
- ▶ Informal mentoring
- ▶ Working with a diverse group of colleagues

From this information we more clearly understand that, in order to retain and enable people to perform at their best, we must continually strive to align the needs of the firm with the changing career needs and aspirations of our people.

Ernst & Young is a top-rated learning organization* and learning and development opportunities are a key reason people are attracted to us. Given the rapid pace of learning in the first few years of an Ernst & Young career, one might think that learning and growth would slow over time. Actually, the opposite is true: In the study, our alumni said their most valuable professional development occurred when they reached the manager and senior manager levels.

"I have different needs and desires now than when I started. I hope to stay as long as I can balance my work/life goals, feel I am being treated fairly, am challenged, can work with good people, and am getting fairly compensated. As senior manager I am evaluating whether there is a long-term future for me here. This is a career significant driver for me now, but wasn't even a consideration when I was a staff or senior."

* Ernst & Young has held a top-ten position on Training magazine's list of Top 10 Learning Organizations for the last five years.

A woman with long dark hair, wearing a black suit and high heels, is seated on a modern, dark-colored chair at a sleek, dark desk. She is looking out of a large window, working on a laptop. The window frame is made of light-colored metal. The background shows a bright, clear sky and a cityscape in the distance. A yellow callout box is positioned in the upper right quadrant of the image.

People have uniquely personal and evolving career needs; however, we did discover definite patterns in what people need based on their stage in their career.

A longer view of a career

The future is not always clear and it is easy to put short-term priorities ahead of long-term interests. Through the study, including those alumni who shared their experiences after leaving the firm, we now have a better understanding of the long-term value of an Ernst & Young career:

All that learning and experience pays off.

For those who desire to achieve a top job (partner/principal, CFO, president, vice president), study results suggest that the level at which one leaves Ernst & Young is predictive of the future likelihood of obtaining a top job.

For example, those at the senior level have a 15 percent chance of obtaining a top job sometime in their career after leaving Ernst & Young, however:

- ▶ Staying until the manager level means someone is nearly twice as likely to obtain a top job than someone leaving as a senior
- ▶ Staying until the senior manager level means someone is five times more likely to obtain a top job than someone who leaves as a senior

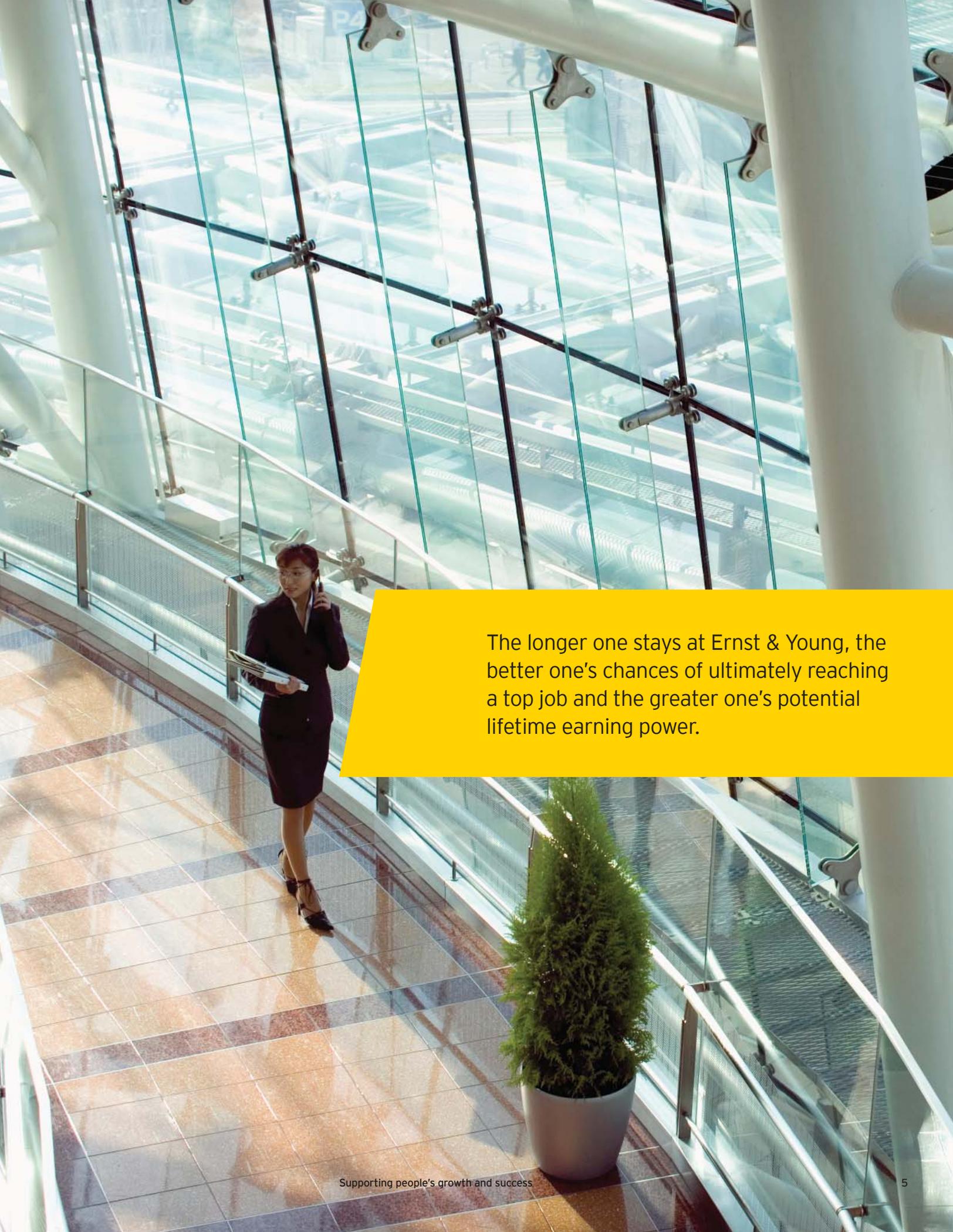
There is also a long-term salary advantage associated with the Ernst & Young career experience.

The study examined the current earnings of alumni who left at various levels. For people with the same number of total years in the workforce, both inside Ernst & Young and elsewhere, on average, individuals who left as a:

- ▶ Manager earn 45% more than those who left as staff
- ▶ Senior manager earn 47% more than those who left as managers

The bottom line?

The longer a person stays with Ernst & Young the better off they will likely be—both financially and in terms of achieving a “top level” job. (Of course we sincerely believe that it is not necessary to leave Ernst & Young for a very attractive “top job”: A partner/principal position in Ernst & Young is among the finest of these opportunities.) And while some join Ernst & Young with short-term goals, such as becoming a CPA or CA and acquiring Big Four experience, the study showed it’s things like leadership skills, client exposure, solid technical training, and relationships with colleagues that provide the most significant career value.



The longer one stays at Ernst & Young, the better one's chances of ultimately reaching a top job and the greater one's potential lifetime earning power.

The importance of relationships

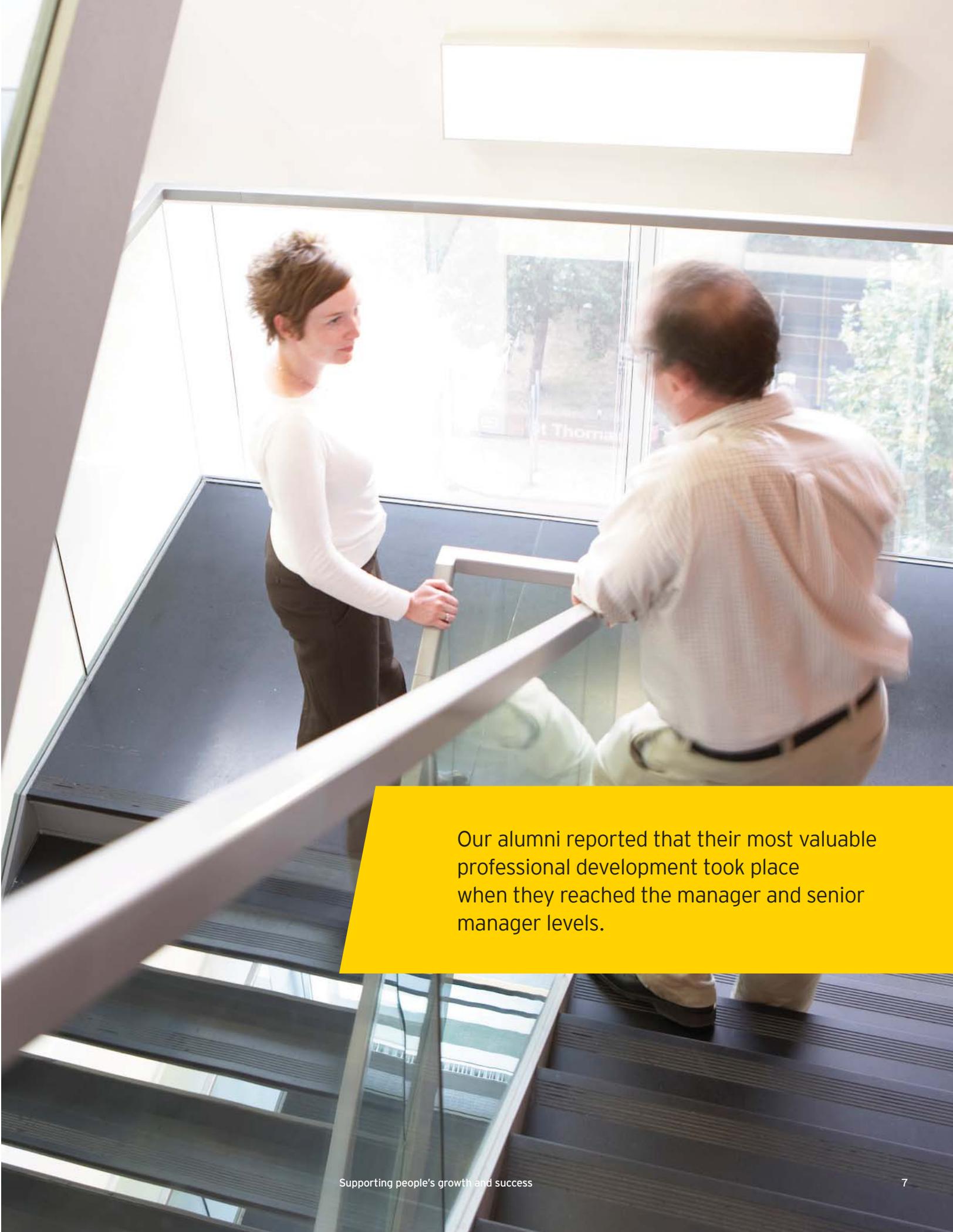
Alumni and boomerangs (rehires) both stress the importance of relationships in their career decisions. For example, feeling a lack of connection is often a key predictor of departure. Additionally, boomerangs tell us that one of the main reasons they return is the caliber of their Ernst & Young colleagues. (Approximately 25% of the experienced people we hire each year are boomerangs returning to the firm.)

A few key findings:

- ▶ 40% of our boomerangs return in a year or less; an additional 29% return within two to three years
- ▶ The top two reasons alumni left Ernst & Young were 1) feelings of “burnout,” and 2) a desire to work fewer hours. Interestingly though, the research shows that only about 57% of those who leave Ernst & Young report working less than 50 hours per week in their new role
- ▶ The top reasons people return to Ernst & Young include the high caliber of their colleagues, the stimulating work, the firm’s flexible work environment, and the career advancement opportunities

- ▶ The process of leaving and returning to Ernst & Young gave boomerangs a greater sense of freedom to explore changes in their working conditions. To validate this point, we examined the percentage of boomerangs on flexible work arrangements (FWAs). While FWAs are only one type of flexibility, we found that boomerangs were 2.5 times more likely to be on an FWA than non-boomerangs.

Building a culture of inclusiveness and flexibility, where all people feel welcome and are able to meet their personal and professional goals, remains one of Ernst & Young’s highest priorities. Our goal is to build relationships with each of our people; relationships that are built one conversation at a time. It is our hope that by commissioning this study we have laid the foundation for many conversations to come: conversations that address individual needs, identify opportunities, and strengthen relationships throughout the firm.



Our alumni reported that their most valuable professional development took place when they reached the manager and senior manager levels.

Lessons learned

Many lessons can be drawn from the information provided in the course of this study—some are new and some simply reinforce those we already know. We will continue to use the data gathered to influence decisions that impact our people and to guide Ernst & Young's people strategy. A few key lessons to immediately take away:

- ▶ Building relationships with people is key to attracting them, helping them grow, and encouraging them to stay
- ▶ While everyone has individual career needs and aspirations, certain distinct patterns can be seen that correlate to the phase of a person's career. Understanding how people's career needs evolve through the course of their careers may lead to higher retention and more fulfilled employees
- ▶ People want regular and realistic dialog about their individual career prospects, not generic career path information that is obvious
- ▶ Boomerangs possess a wealth of knowledge that can be applied to current employees, such as asking about their needs and being creative in developing working conditions, flexibility options, etc.

Start a conversation

- ▶ For more information on this study, please contact Jeffrey Merrifield, Ernst & Young Manager of Research and Business Insights, at jeffrey.merrifield@ey.com
- ▶ For more information on a career at Ernst & Young, please visit the EY careers Website at www.ey.com/careers
- ▶ If you are an Ernst & Young employee and wish to further discuss your career needs and aspirations, please see your Counselor or Business Unit leader

In summary, it is clear from the survey that relationships, learning, and growth create the greatest career value for our people—value that grows over the course of a career at Ernst & Young.



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