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How CHROs protect business continuity, facilitate HR separation, and build confidence in a divestiture

In divestitures, human resources (HR) must do more than manage communications. The chief human resources officer (CHRO) helps protect workforce continuity across both organizations, separate HR systems and capabilities from the divested perimeter, and build confidence in the future organization before and after close.

In many divestitures, HR is still treated as the function that communicates the deal to employees after fundamental decisions have already been made. In practice, the CHRO plays three roles that span the process: supporting the broader organization through transition, separating the HR function itself, and building confidence in the future organization both internally and externally.

That matters increasingly as divestitures are tied to broader portfolio and transformation agendas rather than treated as isolated exits. Deloitte's 2026 Global Divestiture Survey of 1,500 corporate and private equity executives suggests that people issues show up not only in talent retention and morale, but also in timing, TSA dependency, and post-close stability.[1]

The practical agenda is wide. Before and during a sale, HR works on the employee and organizational perimeter, critical talent and retention, workforce data for diligence, and employee consultation and communications, while simultaneously separating its own services, systems, and programs and helping leadership craft a credible future state for both organizations.

HR helps protect workforce continuity

The CHRO's first role is to protect business continuity on both sides of the separation. That means keeping core services running through the transition (payroll, total rewards, global mobility, and hiring) while carefully managing HR system cutovers, employee data controls, and targeted retention for critical talent. Done well, HR separation keeps the rest of the organization focused on delivering value rather than absorbing transition disruption.

These activities must start well before a sales process launches. In the survey, 53% of sellers say if they could execute the deal again, preparing a detailed carve-out or transition plan, including employee transfer details, would be important (figure 1). Fifty-two percent say the same about planning internal change management earlier, and 50% have the same view about planning customer, supplier, and partner communications. Buyers go further: More than half say sellers should plan internal change management earlier (55%), prepare a detailed carve-out or transition plan (53%), and keep business unit leadership engaged in the process (55%). Each of these is an area where HR drives readiness.

HR-driven preparation shows up in outcomes as well. Among sellers who received higher-than-expected value, 49% say clarity in the separation plan had a high or significant impact, and 46% say strength of the management team did. The latter reflects the ways HR's work to retain and prepare leaders and employees through the separation directly influences deal outcomes. Buyers tell a similar story. Among those who paid more than expected, 51% say a clear separation plan had a high or significant impact, while 48% say the same about strong seller management. And the reverse also holds: When value fell short, sellers and buyers alike point to poor separation readiness, unclear separation plans, and unprepared management teams. Talent continuity is something buyers assess long before they become comfortable with the deal—not a Day 1 topic that can wait for close.

Figure 1. Workforce continuity starts before market

53%

of sellers say preparing a detailed carve-out or transition plan would be important if they could execute the deal again

52%

say planning internal change management earlier is important

50%

say planning customer, supplier, and partner communications earlier is important

53%

of buyers say a detailed carve-out or transition plan should be prepared before market

Source: Deloitte 2026 Global Divestiture Survey

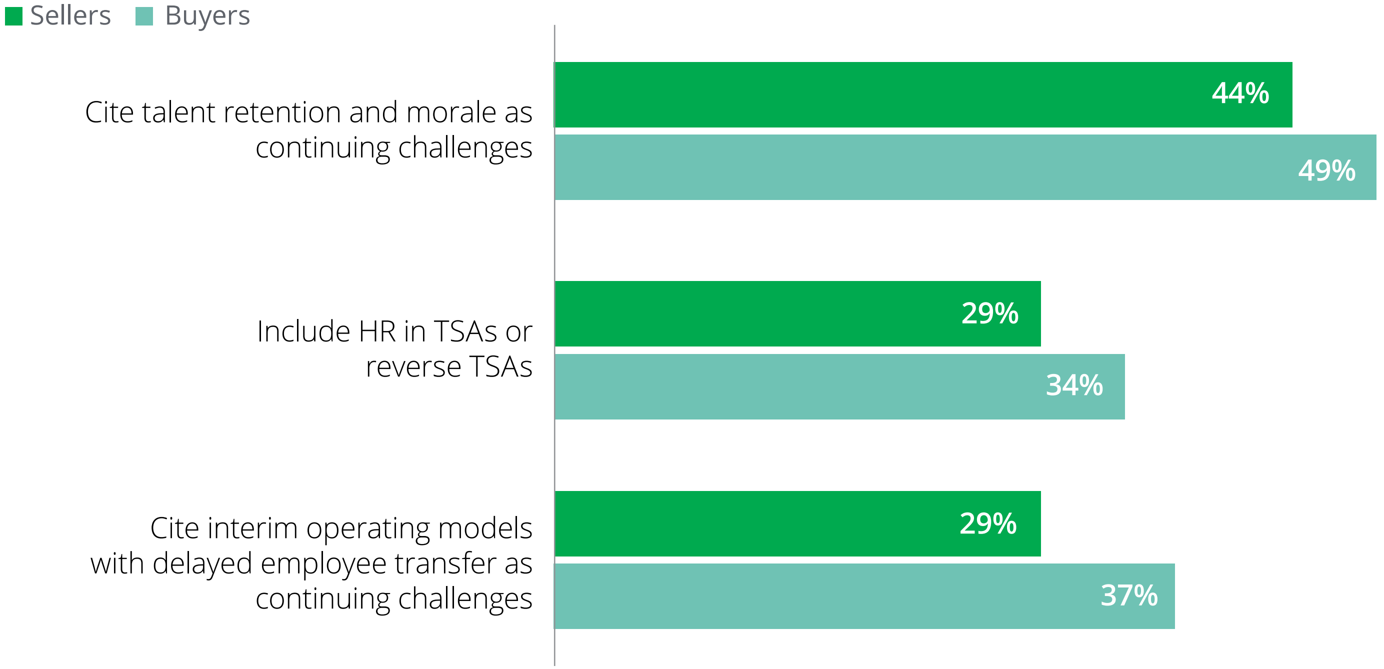
HR must separate its own capabilities

The second CHRO role is operational and often underestimated: separating HR's own systems, services, and programs. That means more than drafting a few HR TSA schedules. It can include identifying headcount perimeter and key talent gaps, executing system cutovers and data migrations, preparing workforce data and policy documentation for buyers, reviewing people-related purchase agreement terms, and planning TSA costs and exit including delayed employee transitions.

These activities are harder than they look. Core HR services are deeply embedded across the enterprise and are tightly interconnected with finance, IT, and legal. They run on calendars that don't move: pay and benefits cycles, performance and reporting calendars, statutory filings, immigration, and jurisdiction-specific consultation requirements. When the CHRO is negotiating, time is not a variable on the table.

That complexity has a cost after close. Forty-four percent of sellers and 49% of buyers cite talent retention and morale as continuing challenges (figure 2). HR appears in TSAs or reverse TSAs for 29% of sellers and 34% of buyers. Interim operating models with delayed employee and asset transfer remain a continuing challenge for 29% of sellers and 37% of buyers. HR separation is often not complete at close, even when the deal is.

Figure 2. People issues continue after close



Source: Deloitte 2026 Global Divestiture Survey

The CHRO helps build confidence in the future organization

The CHRO's third role is highly visible and often decisive: helping leadership craft a credible future for both the divested business and the remaining organization. It reaches beyond employees, shaping the ways buyers, managers, customers, suppliers, and employee representatives view the business through the separation.

When the end state is ambiguous or messages shift, trust erodes quickly—and those signals rarely stay internal.

Depending on the type of divestiture, that may mean aligning the change narrative, supporting employee experience, considering cultural implications for both organizations, crafting messages leaders deliver, and developing external communications that drive business momentum through the separation.

Building trust is often the CHRO's defining leadership mandate during a divestiture. Trust is shaped by the way leaders demonstrate humanity, promote transparency, create quality experiences, and deliver reliably.[2] Employees stay focused when leaders show up with a clear, consistent view of what comes next.

When the end state is ambiguous or messages shift, trust erodes quickly—and those signals rarely stay internal. They reach buyers, customers, partners, and the market, creating doubt about the stability and long-term trajectory of the separated entity.

The survey bears this out on both sides of the deal: 36% of sellers rank buyer fit for management and employees among their top three factors when choosing a buyer. That response is well below price (54%) and speed/certainty to close (51%), but it is still a meaningful signal that workforce fit shapes seller decisions. For buyers, the people lens is stronger: 55% say cultural compatibility with the acquiring organization is important or very important in deciding whether to pursue an acquisition, and 52% say the same about the experience, culture, and capabilities of the transitioning workforce. In hindsight, sellers say they should have prepared earlier for internal and external communication and initiated customer and supplier communications sooner. Stakeholder confidence is one of the conditions that makes value creation possible, not a parallel workstream to deal execution.

What stronger CHRO leadership looks like

In Deloitte's 2026 Global Human Capital Trends survey, 66% of C-suite leaders agree it is "very" or "extremely" important to push beyond traditional organizational boundaries—but only 7% are making great progress. Divestitures are among the highest-stakes moments to close that gap.

For CHROs, that means early strategic involvement: driving workforce continuity, delivering HR separation, and building confidence in both organizations.[3]

- In the early strategy phase, HR should help define employee perimeter choices, critical talent assumptions, and the people implications of different transaction models.
- Ahead of a process start and diligence, HR should compile the workforce information that makes the business understandable: census data, organizational capabilities, total rewards information, HR policies, employment-risk areas, and culture insights.
- During diligence and signing, HR should present workforce information buyers can assess with confidence, while staying close to people-related purchase agreement terms and the workforce implications of different transition models.
- From sign to close, the CHRO's focus shifts to making the deal executable, overseeing the employee perimeter and HR data separation, finalizing retention agreements for critical talent that is staying, aligning leaders on communications, and ensuring HR separation mechanics and TSA designs are ready to support uninterrupted operations.
- After close, the role evolves again toward monitoring remaining employee sentiment, supporting HR TSA exit, and stabilizing the remaining organization.

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Many of the decisions that ultimately shape timing, buyer confidence, TSA dependency, and post-close stability have a people dimension embedded in them well before signing. By the time the deal is structured, most of the "people decisions" are already shaping timing, buyer confidence, TSA dependency, and post-close stability.

The CHROs who treat HR as a strategic input from the start typically see a clearer workforce perimeter, a more credible future-state narrative, and less disruption after close. In a market where divestitures are increasingly strategic and consequential, the CHROs who treat workforce continuity, HR separation, and the future-state narrative as a single problem—not three separate ones—are the ones whose deals show it in timing, retention, and post-close stability.

For CHROs, the most useful questions may be the ones that best surface readiness and risk early in the process:

- Are we defining the employee and organizational perimeter clearly enough for employees, buyers, and employee representatives to act on it with confidence?
- Which critical talent, retention, and organizational separation decisions still need to be made before they become timing or execution risks?
- What HR services, programs, and systems will still depend on TSAs or interim arrangements after close, and for how long?
- Are we building confidence only for the employees affected by the separation, or also across the remaining organization, customers, and other key stakeholders?

leading CHROs build workforce continuity through a separation, we would welcome a conversation.

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Endnotes

1. Deloitte, *2026 Global Divestiture Survey*, January 2026.
2. Ami Louise Rich et al., "Reimagining M&A change management: Why trust is the real accelerator in post-merger integration," Deloitte, accessed June 2026.
3. Victor Reyes, Yves Van Durme, and David Mallon, "Have organizational functions outlived their function?," *2026 Global Human Capital Trends*, Deloitte Insights, March 4, 2026.

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