



Building a digital organization, powered by people

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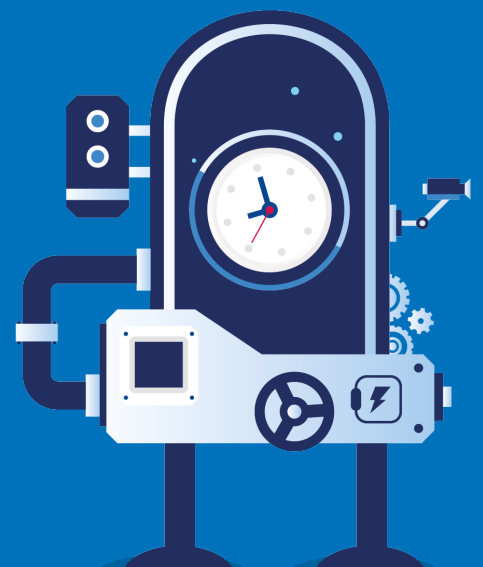






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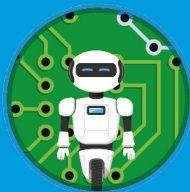


Introduction

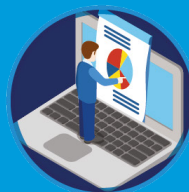
As we strive to build a knowledge-based economy, digital transformation has come to the fore. An organization's ability to exploit digital technologies can be a fundamental source of competitive advantage. Commercial success is increasingly dependent on an organization's ability to nurture a digitally-oriented culture, shape the workforce of the future, and design innovative customer and employee experiences. Analytics and evidence-based insights on mindset, culture and skills are usually instrumental in this process.

Transformation is partially reliant upon the human resources (HR) function to shape the workforce's skills and mindset— requiring significant effort and long-term commitment. According to a recent KPMG survey, more than a quarter (28%) of the workforce will likely need to be reskilled or upskilled to cope with the pace of digital transformation.¹

The likelihood of growth and success improves if an organization has aligned its people strategy to support its digital objectives. For organizations undertaking a holistic digital transformation journey, HR will play a crucial role by investing in the following essential components:



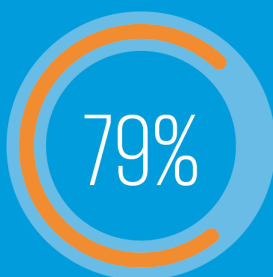
Building and enhancing the right digital mindset and culture



Harnessing analytics to measure and improve productivity, understand intrinsic talent needs, and design a digitally equipped workforce for the future



Enabling leadership to encourage a move towards being digitally 'future ready'



of CEOs agree that establishing the right culture for the company is critical and HR plays an integral role in culture transformation²



believe skills shortage is preventing their organization from keeping up with change³

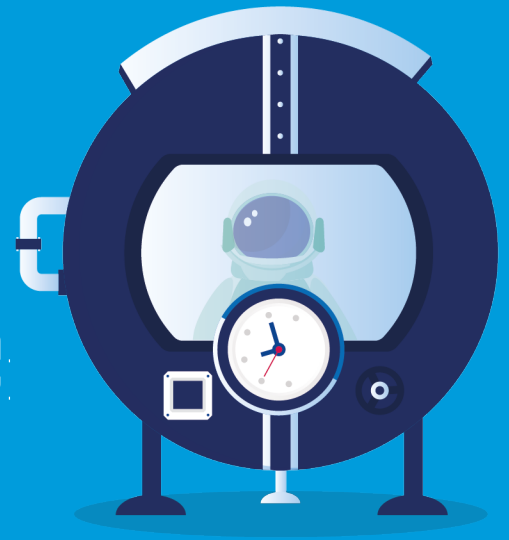


¹ KPMG Future of HR in the New Reality, 2021

² KPMG 'The Future of HR' survey, 2020

³ KPMG 'The Future of HR' survey, 2020

Digital organizations, powered by people, are:



Customer and
employee centric



Invested in building digital
knowledge



Innovative and risk taking



Visionary and purpose led



Agile



Learning oriented



Collaborative and
synergistic



Diverse and inclusive

What does it mean to have a digital mindset?

Organizations must encourage and enable their workforce to 'think and act **digital**' at an extremely rapid pace.

The right mindset is key to instilling the **behaviors** required to navigate change. Realization of digital transformation means the workforce is empowered to incubate, innovate, and utilize digital thinking as a means to solve complex business problems.

While technical competency is important, integrating digitalization into the DNA of the organization has become crucial. It helps in navigating crises, sustaining productivity, and effectively transitioning to a future-ready workforce. Since technology is evolving at an incredibly rapid pace, organizations must demonstrate their ability to learn, experiment, adapt, and stay agile in times of change.

This will require a range of coordinated efforts across the organization:



Encouraging a 'think digital, act digital' culture



Identifying pivotal roles for the workforce that will drive the digital transformation



Recognizing the right enablers and tools to empower digital thinking



Instilling an ethos of continuous learning and personal development amongst employees

Overcoming skills and cultural gaps

Developing digital skills

Having the right tools to enhance organizational efficiency is pivotal in the digital transformation journey. However, these tools may be counterproductive towards adopting a more digital ecosystem without proper application of the right skill sets.

Generally, digital transformation has been perceived as a competition between 'man' and 'machine', rather than a collaborative effort towards achieving similar objectives. For this reason, a digitally enabled mindset must be harnessed, where the demand for digital skills is matched with the human skills necessary to live and work with technology.

KPMG surveyed chief information officers (CIOs) across the UAE. Findings highlighted some key capabilities that can improve digital competency in the workforce and increase an organization's digital footprint:

Data and analytics: Big data, machine learning, cloud computing, database architecture, data mining and programming, and data modeling

Cyber security: Threat intelligence, information risk management, digital forensics, incident management, investigation and response, cloud security and IoT security. According to the survey, 35% of the respondents believe that cyber security is the most sought-after and one of the scarcest skills in the UAE ⁴

Digital transformation: Programming, solution migration, digital strategy fundamentals, database management, cloud computing and Internet of Things (IoT)

Digital technologies and concepts: Blockchain, 5G, future technologies (MR quantum computing), RPA and IoT

Enabling tools: Tableau, Clarizen, Power BI, Qualtrics, Alteryx and Aris, among others



⁴ Harvey Nash/KPMG CIO Survey, 2020

Modern digital leader

What does it mean to be a digital leader?

Leaders play a crucial role in driving the digital agenda. Digital leaders at pathfinder organizations have showcased two main characteristics that have differentiated them from the traditional leadership cohort, and proven themselves to be more future-ready: purpose and **adaptability**

Digital leaders are those who have been instrumental in effectively managing and adapting to the scenarios of change through pre-empting a digital-first strategy into the organization's chain of operations, overall culture, workforce planning and employee experience. Additionally, ensuring digital strategy is at the heart of every client delivery. Success has been evident for those who have made it their purpose and recognize that technological enablement is an organizational objective, rather than an IT-specific target alone.

The skills that define curators of such transformations have evolved over the past few years and six dimensions have been identified for the modern digital leader.

- Critical thinking
- Digital awareness
- Advocacy and communication
- Creativity and innovation
- Emotional intelligence
- Risk management



“ Adopting the right technologies is one part of the story. Transformation, when powered by people, will be the game changer when building a digital organization. ”

Gunjan Shroff
Director of People & Change
KPMG Lower Gulf

Building a digital organization

For successful implementation, leaders will need to adopt an agile and connected enterprise with a future-focused workforce and a digital mindset. This mentality should be evident across the workforce in order to keep up with technological **advancements**.

How KPMG can help you accelerate your digital journey:

Digital culture design: Identifying the enablers and barriers in instilling a digital culture that supports employee empowerment, incubation, and innovation.

Digital skill identification and development: Leveraging data driven AI tools to predict market-led emerging and declining skills, enabling organizations to plan their workforce strategy. Providing comprehensive assessments and developments on core technical, behavioral and transformative mindsets which **allows** development of digital capabilities and thinking across the workforce, preparing for the digital journey.

Digital leadership development: Assessing and developing leadership capabilities that can assist the organization **to transform** into a global digital organization.



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