



The future of HR

From flux to flow

Voices from Kuwait

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They are the Pathfinders

The 'Great Reconsideration' has changed the way employees look for, and engage with, their work. Meanwhile, as HR functions navigate the future, timescales have shrunk from looking forward a decade to just three years ahead. As they do this, it is clear that some are addressing new and emerging challenges more successfully than others. They are the Pathfinders.

Pathfinders are preparing for the future by taking strategy to the next level; integrating digital and advancing relational analytics; building talent marketplaces; and putting purpose and wellbeing first. Here is how, and what, we can learn from them.



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Foreword

Before the COVID-19 crisis, the world of people management was certain and predictable. Advancements were made through the lens of best practice, and by learning from what other organizations had done.

Now, we are told by our HR Pathfinders that the pre-COVID-19 playbooks — such as how to organize the HR function itself, practices used in talent and employee management, performance management, and workforce planning and structure — are no longer relevant.

In the words of one Pathfinding HR leader: “You might as well toss them on the fire to heat your home. That would put them to better use.” Rather than following the old playbooks, you will learn in this report that the Pathfinders are putting bold people strategies at the heart of their decisions.

As a result, they find themselves reaping the competitive advantage amid the ‘Great Reconsideration.’ This report shows how our Pathfinders are leading the way in six distinct areas including in delivering on their organization’s strategy; engaging with digital; making the most of advanced analytics capabilities; building talent marketplaces; making purpose ‘real’ beyond rhetoric; and prioritizing wellbeing.

Another unique factor that we unearthed in our discussions is that Pathfinders also recognize the importance of what we call ‘flow.’ They are finding flow in three respects:

HR in flow:

Pathfinder HR functions find their own north star — their own flow. They have not necessarily cracked all the challenges — but they have confidence and momentum, even in the face of uncertainty.

Al-Zayani Automotive exemplifies this by aligning HR objectives with business objectives, while ensuring reduction in time to hire, simplification of onboarding processes, and optimization of staff-shift allocation and the scale of training and development processes.

Careers in flow:

Pathfinders prioritize the total workforce agenda — focusing on all types of worker. They look to ensure that as many people as possible can find a career flow, even amid the fragmentation of work into skills and tasks.

This demands a more person-centered approach to how skills and capabilities are matched to the tasks that need doing.

Our HR Pathfinder Ms. Alyaa Rajab, an independent HR consultant, illustrates this perfectly by encouraging HR functions to look within. She emphasizes that HR functions need to shed biases and back their people with training and trust.

People in flow:

The ‘flow state’ is what happens to employees when their capabilities are well matched to the tasks they are being asked to do. They have the time to give those tasks their full attention, without distractions and free from friction due to poor processes and technology. This places a premium on providing ‘learning in the flow of work.’ There are two elements to this.

First, relevant skills development, with a high level of control for the learner to shape their learning and their working environment. Second, it offers people the ability to continually grow in the face of the challenges they are being asked to meet.

Pathfinders support flow, in particular by providing a powerful digital employee experience in which everything is seamless. Al Mulla Automotive exemplifies this through its Employee Satisfaction Survey and use of data analytics to turn the insights into actionable measures.

Moving from flux to flow

Learning from the Pathfinders does not mean directly copying what they do. Rather, it means understanding why they do it and considering how your function could apply similar approaches to your own unique environment.

It is about analyzing their mindset and understanding how they build the capabilities that allow them to move from ‘flux’ — where they address the

many people management challenges with separate disconnected solutions — to ‘flow.’

Flow for our Pathfinders is about embracing change — testing, learning and deploying answers to challenges. While at first glance their structures may appear to be based on the classic Ulrich model, on closer inspection, Pathfinders flow as they create an integrated set of value-driving capabilities in support of a clear purpose.

This is grounded in analytics, and the use of analytics to inform the other parts of the organization.

Read on to find out what our Pathfinders are doing as they move from flux to flow, and how they are leading across the six important capabilities and priorities outlined above.

It is my pleasure to introduce you to their inspiring stories.

What is a HR Pathfinder?

Pathfinders were first identified in our 2020 research, in which we found around 10 percent of organizations leading their peers on adding strategic value; and integrating the HR function into the wider business.

In the 2022–23 research, we identified a number of HR functions that are preparing for the future by taking strategy to the next level; integrating digital technology and relational analytics; building talent marketplaces; and putting purpose and wellbeing first.

We know these are the topics on the minds of HR leaders across the globe; but only a few HR functions — Pathfinders — are truly setting the example and navigating the course.



Majid Makki

**Partner — Head of Management Consulting
KPMG in Kuwait**

With thanks

Our 6 Pathfinders are HR functions that we see are leading the way in Kuwait. Some Pathfinders in this report also featured in 2021.

This demonstrates that certain organizations are staying a step ahead as they consider the HR dilemmas they face today, and that they can lead in more than one area of focus.

We would like to thank the following individuals as representatives of their Pathfinding HR functions for participating in this year’s research:

Our Pathfinders



Emad Al-Ablani
Head of Group Human Resources
National Bank of Kuwait



Najlaa Al-Sager
Head of Talent Management
National Bank of Kuwait



Mahendran Lakshmanan
Head of Human Resources
AI Mulla Automotive



Anjum Zia
Head of Talent Management
AI Mulla Automotive



Alyaa Sami Rajab
Independent HR Consultant



Maksuda Parker
Training and Recruitment
Supervisor
Al-Zayani Automotive

Featured interview



Dr. Abeer Hamadah
Founder of MINDme Campaign

Case study



NBK RISE

Expert opinions

Majid Makki
Partner — Head of Management
Consulting
KPMG in Kuwait

Sara Asfahani
Consultant — HR Advisory
KPMG in Kuwait

Zubair Patel
Partner — Head of People
KPMG in Kuwait

Assil Homayed
Consultant — HR Advisory
KPMG in Kuwait

Ohanes Makdissian
Manager — HR Advisory
KPMG in Kuwait



Executive summary

Throughout 2022, HR functions have felt the tremendous weight of the global COVID-19 pandemic start to lift, and along with it the pressure of implementing so many dramatic, swift and highly impactful transformations at unprecedented speed.

However, as one may expect from one of the most vital functions of any organization, there has been little reprieve. In particular, after staying put during the pandemic, employees are looking outward to new opportunities and new ways of working. They want remote working opportunities combined with genuine flexibility; learning and career growth; strong financial incentives and above-average benefits — and are willing to move companies to get it.

This so-called ‘Great Reconsideration’ means HR functions need to remain one step ahead to attract, retain and provide their people with compelling reasons to commit to their organization. In our survey of 300 Chief HR Officers (CHROs) and their equivalents conducted specifically for this report, 61 percent said they need to alter their Employee Value Proposition (EVP) in response to the external labor market.

The respondents told us that some of the most important parts of the EVP when attracting, developing and retaining talent are culture (50 percent), company values and purpose (47 percent), fair pay (34 percent), and offering flexible working (33 percent).

Of course, offering a compelling EVP is just one part of the challenge for HR functions. Our survey identified six key themes that CHROs and their equivalents are struggling with right now and as they work towards 2025.

The themes were: Delivering on strategy, integrating digital technologies, advancing people analytics, building talent marketplaces to support agile growth, making the purpose of the organization real, and prioritizing the wellbeing of their people.

These findings were backed-up by engaging with our global Partner network, who work daily with organizations on these topics.

Further, the KPMG 2022 CEO Outlook emphasized that areas of focus for organizations include changing how they support and attract talent; directing digital investment to areas of their business that drive growth; and being more transparent with their environment, social and governance (ESG) plans — largely in response to increased expectations from their people.

In this report, we explore the six key themes from our survey with representatives whom we identify as Pathfinders — HR functions that are moving from flux to flow in these areas despite all of the uncertainties that they face.

61%

Are having to alter their Employee Value Proposition (EVP) in response to the external labor market.

Our Pathfinders

Pathfinders are not a new concept. In 2020, we identified them as the top 10 percent of HR functions, leading their peers when it comes to navigating the challenges and opportunities presented by the future of work.

In 2021, we built on this research by identifying the organizations whose HR functions were leading on longer-term topics, such as reimagining the HR function for the new world of work; enabling a total-workforce approach to talent management; and supporting ESG.

In 2022, we have seen further change. Pre-pandemic, many organizations and their HR functions were considering their plans to 2030. Now, COVID-19 restrictions have lifted in many parts of the world, and organizations are once again looking towards the future — but just as far as 2025.

Smaller steps, greater agility, and the space to alter plans in response to further disruption are the way forward. Leading HR functions are thinking about people-first, digitally enabled, and socially and environmentally responsible ambitions.

HR functions are thinking about people-first, digitally enabled, and socially and environmentally responsible ambitions.

Key findings

This year's research focuses on what HR can do to support an organization's grand plans, while also navigating the complex and immediate dilemmas of the

function. In our survey of 300 HR leaders, they ranked their top areas of focus for the next three years, with answers including:

01

Understanding how the size, shape, skills and organization of the workforce needs to change to meet future needs three years out (57 percent); as well as improving the employee experience across enterprise processes (also 57 percent).

02

Improving the mental health and wellbeing of the workforce (53 percent).

03

Building a talent marketplace which allows for the matching of skills to tasks as well as people to jobs (46 percent).

04

Automating HR service delivery (39 percent), and delivering digital technology into HR beyond the core HR system of record (also 39 percent).

05

Delivering predictive insight and business value from workforce analytics (36 percent).

06

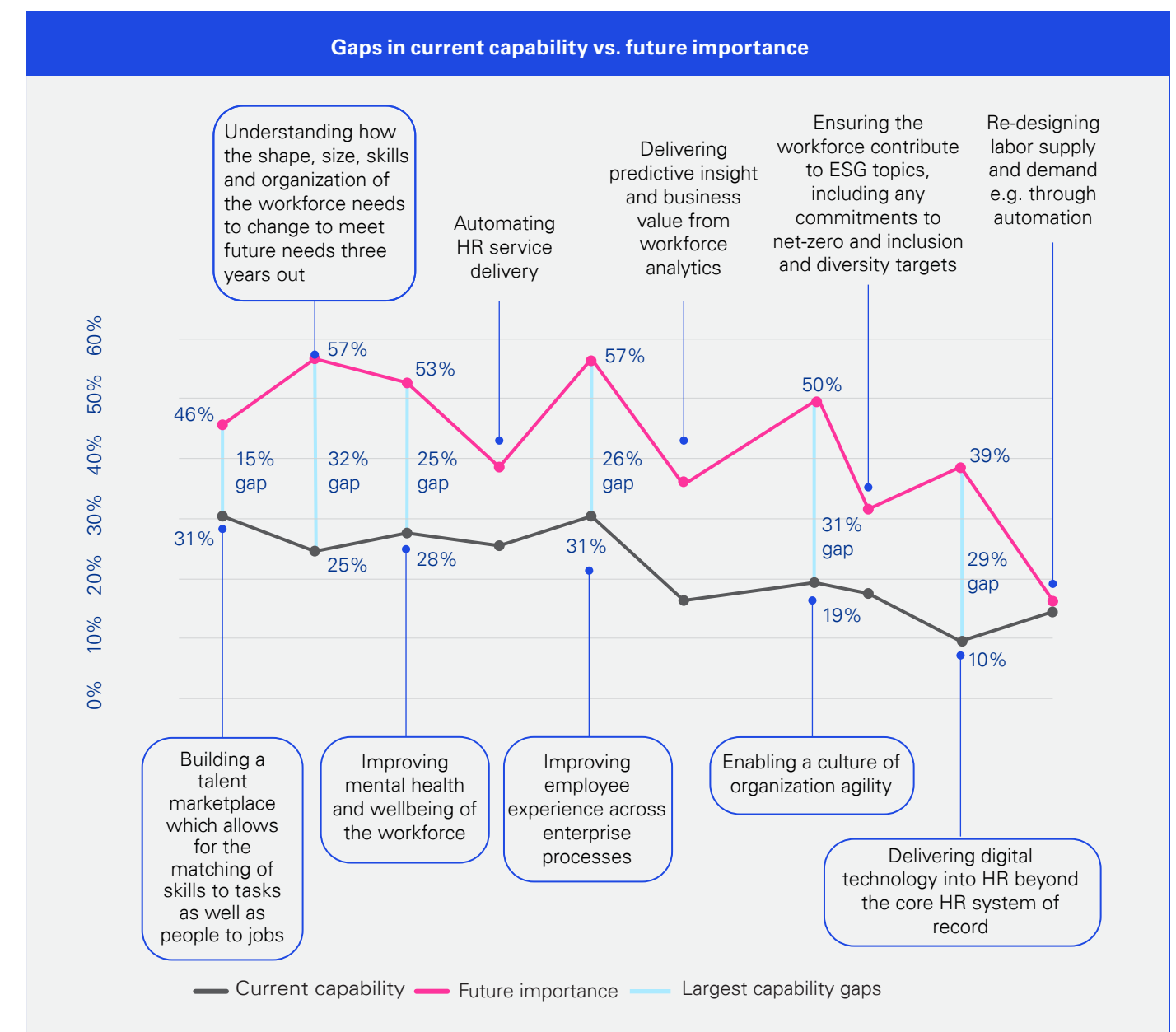
Ensuring the workforce contribute to ESG topics, including any commitments to net-zero and diversity and inclusion targets (32 percent).

Our respondents demonstrated some interesting contradictions when it came to the importance of these factors and their perceived ability to deliver on them.

The graph below illustrates this. For example, when it comes to

understanding how the shape, size, skills and organization of the workforce needs to change, 57 percent ranked this as the highest matter of importance, but only 25 percent had the current capability to do so — a 32 percent gap.

Similarly, 50 percent said enabling a culture of organizational agility was of key importance, however only 19 percent said they have the current capability for this — a 31 percent gap.



Key themes

We narrowed these responses into six key themes:

01
Delivering strategic flow

02
Being digital in thought, word and deed

03
Advancing analytics from insight to action...safely

04
Shopping for talent — building talent marketplaces

05
Holding to the heading — how to make purpose real

06
Prioritizing wellbeing and feeling good

We tested these six themes with our global network of KPMG Partners in the space. We then conducted our in-person interviews on these areas with 8 Pathfinding HR functions.

This research shines a spotlight on how they are addressing these themes as they move towards 2025, and what we can learn from them. To summarize, we found Pathfinders were:

Delivering strategic flow

Pathfinders are building more efficient and effective HR functions, with the overarching drive to deliver strategic value-add to their organizations beyond their traditional realms of recruitment, payroll, and employee engagement.

They flow throughout the organization providing people insights and enabling decision-making by building the capabilities that make sense for their unique business strategy and marketplace.

They are less concerned with what others do and say about people management, and instead embed themselves into all functions and the C-Suite, demonstrating the value of the people function.

Being digital in thought, word and deed

Legacy solutions and processes will not be tolerated by employees in a competitive labor market.

Therefore, everything the HR function offers should be consumergrade; seamless; tailored to employees; and informed by data. Pathfinders are accelerating past necessary technology implementation (for example to facilitate remote work), and instead are integrating digital to create a frictionless and highly engaging working environment that facilitates things such as learning in the flow of work.

Advancing analytics from insight to action...safely

Pathfinders have moved beyond tracking KPIs and producing dashboards. Instead, they are answering the questions the business is asking, and using relational analytics — the science of human social networks — to do so.

That means building a value chain that takes HR analytics teams from asking the right questions through to meaningful insight and action.

They have set up an end-to-end capability that flows from proposing hypotheses to exploring correlations, and acting on findings to benefit strategy, engagement, retention and career opportunities.

Shopping for talent — building talent marketplaces

Pathfinders are shaking up how skills are distributed to help their organizations to find a better way to have their talent in flow.

They recognize that a world of matching people to jobs has, in part, given way to one where it is now about matching skills to tasks; and they are experimenting with talent marketplaces, integrating employee data, business insights and business forecasting to do this.

Talent marketplaces are still fledgling, even in the most innovative HR functions; however, Pathfinders are taking them seriously as a critical competitive requirement.

Holding to the heading— how to make purpose real

Pathfinders are taking the lead on organizational purpose — defining it and making it real for their people.

In particular, they are embracing ESG, and engaging their people on their net-zero strategy so that it flows through every part of the organization and impacts positively on the end customer experience.

Prioritizing wellbeing and feeling good

HR functions are prioritizing wellbeing, bringing in innovative approaches that are truly meaningful.

Employees — especially younger generations — are demanding more from their organizations in this regard. Pathfinders know this and are ready to be flexible and deliver as needs arise.



Part 1: Delivering strategic flow

“At the end of the day, you bet on people, not on strategies.”⁶
Lawrence Bossidy, former CEO, General Electric

A leading HR function needs to begin with focusing on building value-guiding capabilities that help to drive business strategy. Different Pathfinders have a different configuration of capabilities. Some focus on delivering a steady stream of talent, others focus on skills and skill building, and others focus on culture and purpose.

What is consistent and underpins all of the Pathfinders’ capabilities is a focus on evidence-based decision-making; greater integration of the sub-functions of HR, and creating a superior employee experience.

60%

Think they will be changing their HR operating model in the next two to three years.

To do this requires HR leaders that are working on how the HR function organizes itself to deliver ever more

business value. Our research suggests HR leaders recognize this, with 60 percent expecting to change their HR operating model in the next two to three years.

In addition, improving the employee experience across enterprise processes is a key focus for 57 percent of our respondents — of which 31 percent view as their key capability to deliver.

Meanwhile, enabling a culture of organizational agility will be on the agenda for 50 percent, although this was not ranked in their top five in terms of capability to deliver.

Of course, our Pathfinders are taking their HR organizational approach to the next level beyond the core tasks of HR. They are ensuring that their operating model is optimized and flowing to help deliver to their organization’s strategic vision.

Leading the way with this approach is NBK, identifying agile individuals to determine if they have any cross-functional interests and if they can be moved to help to deliver their organizational strategy.

“If there is an abundance of talent in a certain location and a lack of talent in another, then we see if we are able to mobilize the talent,” says Ms. Najlaa Al-Sager, Head of Talent Management at NBK.

Elsewhere, luxury automotive retailer, Al-Zayani Automotive is working to deliver on the organization’s strategy by tailoring digitalization of processes to keep up with innovation while ensuring business continuity management. “A part of the functions has to be digital and the other has to be traditional,” says Ms. Parker.

While HR functions recognize strategic value-add is a priority, not all are helping to drive strategy successfully.

Pathfinders do this in their own specific context, demonstrating that it is about understanding the needs of the business, and integrating into the decision-making process by adding real value.

Effective listening at the heart of people strategy

This opinion piece is based on the conversation between Mr. Emad Al-Ablani, Head of Group Human Resources at NBK, and Mr. Ohanes Makdissian, Ms. Jamila Al Dakny and Mr. Shashi Shankar Ghosh from KPMG in Kuwait.



Emad Al-Ablani

Head of Group Human Resources at the National Bank of Kuwait (NBK)

During our conversation with Mr. Emad Al-Ablani, Head of Group Human Resources at the National Bank of Kuwait (NBK), we discovered a common underlying theme in most of the people-related activities in the organization. Upon further exploration, we found that effective listening lies at the heart of all the HR strategies in NBK.

Over the recent years, due to the COVID-19 pandemic, the HR function at NBK has changed drastically. It has played the role of a strategic partner and adopted its roles and responsibilities based on each departments' requirements.

Mr. Emad was very excited to answer our questions about employee feedback and how he defines HR strategy.

"Customer centricity is one of the pillars that drives the solution, the planning and the initiative. For me, if you have happy employees, then you can ensure that you will have happy customers. You can take that approach and embed it in any service line that we offer," he said.

"Let us take talent management as an example. We put the internal customer, the employee, in the middle of our solutions. When we design a development plan, we do not draft it based on our thinking or the direct managers' thinking — we include the employee himself because we need their buy-in, responsibility and accountability to help us help them achieve the plan," Mr. Emad added.

Mr. Emad told us, "Most of our services are developed around the employees. We listen carefully to our employees' inputs through different channels, some of which are formal channels, i.e., surveys that we conduct every two years and our campaign called Employee Engagement/Experience Survey 'Your Voice Matters.'"

The responses are anonymous and we use the results to find out where the gap is and improve the environment/ culture there. If there are any, let us say showstoppers, we go for the business and facilitate the solution from within.

We show them where the gap is, their results, and then we conduct workshops/focus groups for them, and they come up with the solution(s)."

What we found interesting in the entire conversation was how NBK makes conscious efforts to implement the survey findings. Employee engagement surveys are not another tick-box activity in their book. Mr. Emad gave us multiple instances to prove this point.

He mentioned how, during the COVID-19 pandemic, few parents asked for flexible working hours as their kids were starting E-learning modules at school, which was a new experience for both parents and their children.

Within 72 hours of receiving the feedback, NBK implemented a policy that allowed employees to spend two hours with their kids any time during the day.

Apart from this, Mr. Emad outlined many examples depicting how employee feedback helped create a new policy at NBK or improved an existing policy. The most interesting revelation for us was when Mr. Emad told us about the 300,000 KD (approx. USD 1,000,000) investment NBK made to ensure equal benefits for men and women in their organization.

"We have policies that treat everybody equally from a benefits perspective. Based on the various town halls, employee engagements and surveys, we managed to put our female colleagues on par with their male counterparts. It is a huge cost but, in the end, we would like to add to the equality.

The HR function convinced the Management. The cost of the whole thing is not less than 300,000 KD or 1,000,000 USD approx."

In our quest to explore the HR Pathfinders in Kuwait, we thoroughly enjoyed this conversation and it shattered the myths around how most of the HR decisions are made in the boardrooms.

The HR Pathfinders are reaching out and speaking to the employees and putting effective listening in their favor.



NBK RISE: Transcending from vision to reality

This opinion piece is based on the conversation between Ms. Najlaa Al-Sager, Head of Talent Management at the National Bank of Kuwait (NBK), and Mr. Ohanes Makdissian, Ms. Jamila Al-Dakny and Mr. Shashi Shankar Ghosh from KPMG in Kuwait.

The NBK RISE program is an NBK Group Inclusion and Diversity initiative that aims to increase women representation in higher leadership roles in the business sector. It is founded by Ms. Shaikha Al-Bahar, Group Deputy CEO — National Bank of Kuwait, and co-created by Ms. Najlaa Al-Sager, Head of Talent Management at NBK, and Alia Abu El Fath, Head of Corporate Communications Global Wealth Management at NBK.

On 14 May 2023, Kuwait Times, a local English daily in Kuwait, wrote the following headline: “NBK RISE, a cross-border success story, concludes its inaugural edition,” marking the completion of the first edition of an ambitious leadership program, which took years of planning and involved multiple stakeholders.

But what does it take to implement an initiative of this stature?

A few months ago, away from the limelight, we spoke about NBK RISE with Ms. Najlaa Al-Sager, Head of Talent Management at NBK, who is a co-creator and a key figure behind the program. Our questions focused on the mechanics of NBK RISE, the motivation behind it, and the HR function’s role in it.

While preparing for this conversation, we read everything we could find on NBK RISE. Our research led to two specific questions: (a) how does this program differ from any other

training program available? and (b) what was the formula to convince multiple organizations to be part of it?

Ms. Al-Sager wanted us to understand the context that became the cornerstone of this program.

“Around the time of the launch, we had a 45:55 female-to-male ratio in terms of workforce. And as you went up to the managerial levels, this ratio became 30:70, which was still quite good. However, on the executive level, it was 16%.

This analysis is where we said we want to increase the leadership bench in terms of diversification and have more female leaders,” she said.

But the concern around low female representation in executive roles did not emerge overnight for NBK, nor is it that NBK did not make any efforts to address the issue in the past.

The truth of the matter is that the success of NBK’s previous programs was scattered, and the firm needed a concrete vision that would help them push the best talents to the top of the ladder.

Every successful movement needs a face. A leader if need be, can move mountains, and NBK RISE was no less.

Enter Ms. Shaikha K. Al-Bahar. Recently named by Forbes as a top businesswoman in the Middle East, she is a known figure in Kuwait and the GCC countries and a role model for generations of women in the region. She is a strong female leader with decades of experience in the Financial Services sector.

“Obviously, the main supporter of the NBK RISE program is Ms. Shaikha K. Al-Bahar. The fact that Ms. Shaikha is endorsing this makes it different.

She was heavily involved in designing the program, selecting the participants,

and was personally in contact with the candidates,” said Ms. Al-Sager.

The NBK RISE program is 10- to 12-month long, with the Group Human Resources at NBK doing the bulk of the heavy lifting in terms of its design and implementation.

The program has four modules that have been created in partnership with top-tier business schools and educational partners, such as INSEAD, Franklin Covey, and IE Business School, and vary from technical and behavioral to people, leadership and strategic skills. It is a holistic program that helps you chart your leadership journey and offers peer-to-peer and group coaching, along with the opportunity to work with external coaches and mentors from the NBK.

The program, which is created by women, for women, fosters a community of women leaders who provide technical, strategic, and moral support to one another.

“We have tackled every aspect that we wanted to develop in the candidates,” she added. The selected candidates are already in senior positions in their organizational chain.”

Therefore, the program is customized based on the needs of the candidates. Ms. Al-Sager herself is part of the program.

“I had to put on two hats — I was a co-creator and designer of the program, and now a participant. This dual role gives me an insight into what is working, what we need to change for the next cohort, what could be different, what should have come before, and what should come after. This allows us, together with the Group Human Resources, to ensure that the program is running as per its design and that all the actionable steps are implemented,” said Ms. Al-Sager.

What sets this program apart lies in the fact that it is not limited to NBK. The organization has commitments from multiple organizations such as Al-Shaya, Saudi Telecom (STC), Burgan

Bank, Commercial Bank of Kuwait, and EQUATE. Each of the abovementioned organizations has nominated candidates for the program.

“The candidates were selected based on their answers to a questionnaire and a motivational video. Ms. Shaikha was responsible for deciding which candidates got to be on the program. She scanned all the applications and videos and chose ten from NBK Kuwait, six from our international locations, and five from external companies,” added Ms. Al-Sager.

Every participating organization has pledged to increase female leaders. Therefore, the success of this cohort is measured in terms of KPIs, which are fluid in nature.

“If I see these candidates advancing to higher roles in the next five years, then that would also be another KPI of success for us. And a great thing is that these female leaders are now champions for the program.

They will be role models for the upcoming cohorts. They have already started talking about this initiative with their Managements and their organizations, which is a true return on investment,” she said.

Looking back at the article from the Kuwait Times and comparing it to our conversation with Ms. Al-Sager, we realize that the HR function at NBK took a vision and brought it to reality.

While the world might see only the last bit of the program, we were among the lucky few who got a deeper insight into the efforts made behind the scenes and understood how a driven HR function, supported by committed leadership, can deliver extraordinary results.

What can we learn from the Pathfinders about delivering strategic flow?

Here are some reflections to consider in light of our Pathfinders’ insights:

- Consider how your HR operating model aligns with the organization’s wider strategic vision.
- Ask whether your HR function is balancing processes with informing decision-making.
- Think about where HR has a presence in your organization — do you currently provide integrated and connected support across the business?

- Question what initiatives your HR function is leading on, and what it is supporting. Do these support the collective vision of the organization?
- How is HR setting the example and leading best practice in the organization, and is that being promoted throughout the business?
- Is HR taking a holistic view of the organization using data and analytics to inform its own priorities?

- Is HR addressing some of the cultural challenges associated with your new ways of working and transformation aims of the organization, or is it reinforcing them?
- Is HR listening to its stakeholders and adjusting its strategy to suit? This includes employees and leadership.

Expert view



Ohanes Makdissian,
Manager — HR Advisory
KPMG in Kuwait

Employee voice has been a key component of organizational development strategies among growing and mature organizations.

Firstly, employee feedback can provide valuable insights into the needs and concerns of the workforce, helping organizations develop more effective strategies that meet the needs of employees and address their issues and concerns.

Secondly, involving employees in the feedback process can increase engagement, foster a culture of transparency, and improve employee morale.

Thirdly, employee feedback can help organizations make informed decisions and prioritize areas of improvement based on the insights and feedback provided.

Overall, relying on employee voice to derive organizational strategy may result in a more engaged workforce, improved performance, and a stronger, more resilient organization.





Part 2: Being digital in thought, word, and deed

“You cannot mandate productivity; you must provide the tools to let people become their best.”
Steve Jobs, Founder, Apple

Supporting the HR organizational structure must of course be the right HR technology — so it makes sense that automating HR service delivery was identified by 39 percent of HR leaders as one of the most important issues of focus.

Likewise, delivering digital technology

into HR beyond the core HR system of record was a priority for 39 percent, and re-designing labor supply and demand (e.g., through automation), was a priority for 17 percent.

Our survey also found that of the technology that has been implemented in recent years, productivity was the top

outcome for 34 percent, followed by work-life balance for 28 percent. Looking ahead, our respondents still think productivity will prevail (49 percent), and again, followed by work-life balance (21 percent) (see chart below).



HR has a core role to play in the entire technology strategy of the organization and how employees engage with it, as technology impacts how and where people work, their communication with peers, access to career opportunities, and more.

Yet, our Pathfinders are not just implementing technology platforms for everyday benefits, but are leveraging those platforms to create unique solutions to business and people challenges, and to ensure that their people can get into a ‘flow.’

NBK demonstrates that even measures as simple as ensuring ease of communication can speed up implementation of initiatives.

Through its Strategic Business Partners Department, NBK facilitates seamless interaction with employees, their seniors as well as businesses to maintain a close-knit environment and make for swift and unfiltered feedback.

“Because of our beliefs, we have open doors. So, we are very close to the business,” says Mr. Emad. Along the same lines, Al Mulla Automotive makes the most out of social networking apps to connect with and identify individuals who can propel the initiatives driven by their HR function.

“For us, they’re the ones who help us ensure that the HR function is able to execute events,” says Mahendran

Lakshmanan, Head of Human Resources, Al Mulla Automotive.

The digital employee experience is going to be as important as the physical experience, and HR functions must help to deliver consumer-grade digital experiences to support recruitment and retention.

With the pre-pandemic digital experience no longer relevant, we see Pathfinders supporting the flow of talent by building the digital experience around employee needs, and redesigning technology and processes from scratch where required.



Alyaa Sami Rajab
Independent HR Consultant

To be or not to be — the constant flux in the HR ecosystem

This opinion piece is based on the conversation between Ms. Alyaa Rajab, an independent HR consultant, and Ms. Assil Homayed from KPMG in Kuwait.

“Many people see HR as an administrative department and not as much as a strategic function.”

This was the first of many takeaways from our long and free conversation with Ms. Alyaa Rajab on the overall HR ecosystem in Kuwait and how HR functions can become Pathfinders.

Ms. Rajab is a seasoned HR professional, with experience in various government and private organizations across Kuwait.

Unlike the usual boardroom set-up, the conversation with Ms. Rajab happened at a coffee shop as we set out to learn from her experiences in the industry, the hits and the misses, and what HR functions must aim for today.

Her choice of drink was Americano, which meant that the session was going to be insightful.

The first thing we tried to understand was if there was a fixed formula to having successful HR strategies.

“I worked in Banking and Investment, F&B, and Hospitality. Each sector is completely different, but all the sectors I work for have needs. So, you must discover their needs first, know what their business is and what their goals are. Only then you can develop the strategy that you can follow. Yes, there is a certain overlap, but each sector is different and their demands differ widely,” she responded.

Ms. Rajab wanted us to look at HR functions through a different lens. To become an HR Pathfinder, one must look at the functions from the perspective of a strategic department which is responsible for the growth and development of human capital. While this change is often challenging to understand and implement, the functions which push through this phase come out stronger and witness a positive transformation.

Ms. Rajab took us through a transformation journey and cited an example from her work experience, where she changed an organizational policy that had existed for nearly three decades.

She described the entire process as a fusion of people and technology. While there will be resistance towards change, having an automated system will eventually ease the initial friction required to bring the necessary change.

Continuing the topic of automation and digital transformation, Ms. Rajab told us, “If we compare what we had 15 years ago to what we have now, there is a huge difference. Now you can apply for training sessions through your mobile phone.

You can also request employee/salary certificates using your phones. I can see many organizations using technology to their advantage. However, there are a few instances where, despite the investments in technology, the senior management is often resistant towards it,” said Ms. Rajab.

We picked up the thread from there and asked some questions around generation gaps and the reluctance in senior management towards new-age practices when it comes to HR functions.

“This is where a good HR person becomes a leader,” Ms. Rajab replied.

“The HR person needs to be smart to get the buy-in from all the key persons to convince the Management because, sometimes, the Management can be rigid with their thinking. They don’t want to invest or spend a million on a system that they don’t see the benefit of,” she said.

Ms. Rajab added that Pathfinder HR functions must create used cases and ROI models to make the Management understand the benefit of putting in place an automated system.

She stressed on the fact that the team must encourage the senior management to use the system to become role models for the others.

While Ms. Rajab was all out for automation, she also spoke about how HR functions must utilize technology better.

A report might be simple or complicated but it should always illustrate what its benefit is. She believes that HR functions are generating reports but there is no follow-up action plan.

HR Pathfinders must follow up with a proper action plan from each report and strive to be part of boardroom discussions.

The conversation with Ms. Rajab helped us understand that HR functions can become much more than what they are today. Although there is a long way to go before they can reach that level,

“We’re there, we’re getting there,” concluded Ms. Rajab.

Expert view



Majid Makki,
Partner — Management
Consulting
KPMG in Kuwait

HR Pathfinders are using advanced technologies and big data analytics to their advantage. Gone are the days when HR functions were considered back-office functions.

Modern-day HR functions are agile, tech-savvy and use analytics to their advantage.

They’re not only using technology for run-to-the-mill assignments, such as attaining attrition or retention data, but also to find patterns in employees’ behavior.

Using AI and Machine Learning, HR functions can predict employee

motivation levels before they impact the organization. Technology is also helping HR functions identify gaps in employee performance and chart a corrective course of action.

The first step towards becoming an HR pathfinder is having an open mindset about technology and starting small. Once the stakeholders are happy with the progress, you can put in an expansion plan.

In the post COVID-19 era, HR functions are investing heavily in digital transformation processes and automation. Now is the best time to get on this bandwagon.

What can we learn from the Pathfinders about delivering strategic flow?

Here are some reflections to consider in light of our Pathfinders’ insights:

- Consider where HR data is being used today. Is it flowing throughout the business, or just flexing around the HR function?
- Is current technology being maximized before new investments are considered by the People function?
- Is it clear what the ROI is on digital investments made in HR? Not being able to articulate this may hamper further investments.

Is the HR function leading by example in how it deploys technology and puts the user front and center in its design?

- How is the HR function enabling a seamless hybrid working environment, and integrating this into the overall employee experience?

- Does HR have a say in technology experiences outside of the HR function? It must flow in its influence throughout an organization’s use of technology.

- Is HR supporting pilots and experimentation of new technology, and recording the potential benefits and challenges these experiments may bring?





Part 3: Advancing analytics from insight to action...safely

“Insight must precede application.”
Max Planck, Physicist

While HR functions have long used analytics to understand factors such as hiring, attrition and engagement, that approach is seen by Pathfinders as simply a baseline.

Meanwhile, analytics are important to our survey respondents: 36 percent say delivering predictive insight and business value will be a priority in the next few years.

Worryingly, however, only 17 percent ranked analytics first when asked what they are best placed to deliver. This may explain why 53 percent are investing in analytics platforms for their HR function in the next few years.

As important as analytics are to HR functions, data quality, HR capability and functional integration are all potential barriers to making the best use of it. Data may be unclear or unavailable, or fail to be translated from raw source to valuable insight.

The graph on page 32 shows how HR functions surveyed are using data for human capital decision-making. Pathfinders provide a strong link between data and decision-making.

They have integrated advanced, relational analytics into their processes, and they have invested in technology and talent to ensure that insights are connected across the business, can be interpreted accurately, and acted on swiftly.

They go out of their way to correlate findings in one area to another, so as to truly understand the business and their people.

Our Pathfinders AI Mulla Automotive and NBK leverage the information gathered through their employee listening systems to further enhance employee experience, support leaders’ decision making, and enlighten HR.

“Three out of our four HR pillars are people-centric; one is data-centric. This one pillar provides the data for all the others to enable their decision-making process and improve their efficiency,” says Mr. Mahendran.

In NBK, the responses recorded through different channels, such as their employee engagement survey, are categorized according to the businesses to create specialty-specific initiatives. “We utilize this approach to find out where the gap is and improve the environment/culture there,” says Mr. Emad.

In essence, Pathfinders are taking analytics to the next level. Rather than tracking standalone metrics, they are building the value chain required to undertake relational analytics and turn existing insights into tangible action.

Are you investing in new analytics platforms within your HR function?

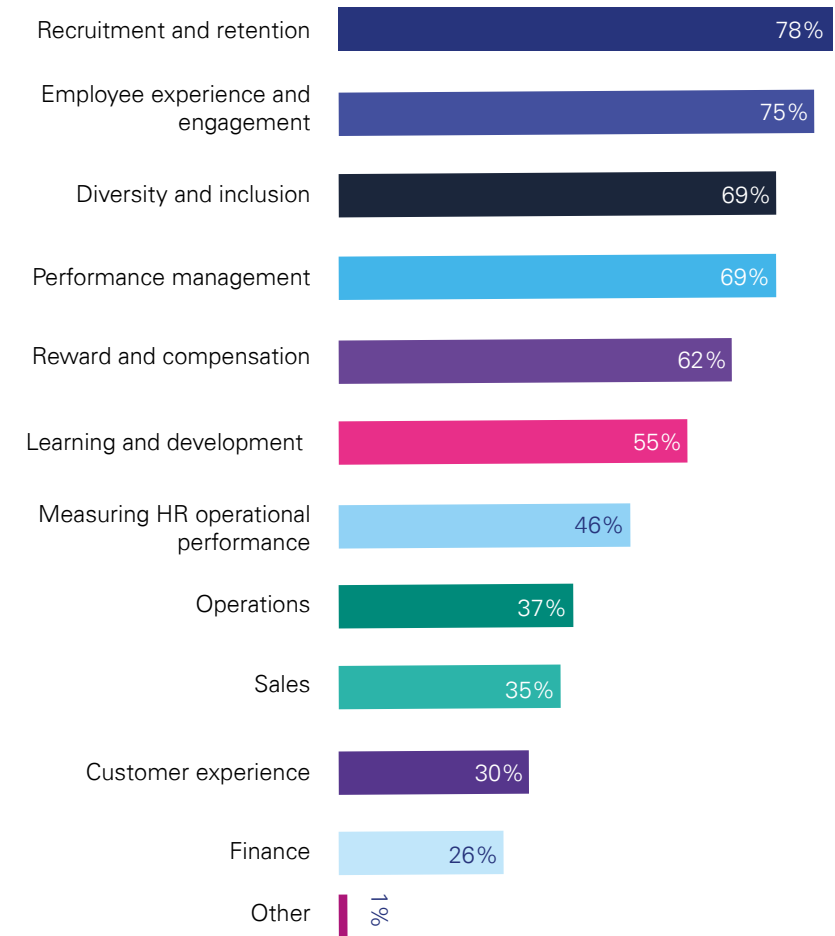




Our HR leaders surveyed are clearly adept at using recruitment and retention and employee experience data in their work, with over three-quarters of those surveyed using this information to support analytics and, ultimately, decisions.

However, the HR function is clearly less comfortable using data it may not specifically own, such as Operations (37 percent), Sales (35 percent), customer experience (30 percent), or Finance (26 percent) data.

Workforce analytics can be used throughout an enterprise when considering human capital decisions. Which types of data do you use when making human capital decisions?



In our conversations with Pathfinders, their HR functions are comfortably using data not necessarily owned by the HR function to inform their decisions in the context of the wider organization.

From data to insight to action — navigating the challenges

The right questions

Understanding exactly what the business units need to know is the first step in ensuring that you produce analytics with real commercial value. The analytics team must be close to the business to achieve this. Who to have those conversations with will vary from project to project.

However, in many cases, it will be the Business Partners. Not all Business Partners will be data literate, so they will need training on what analytics can and cannot answer, and coaching on how to ask the right questions of the analytics team.

Relational analytics

The future of workforce analytics is relational. Relational analytics looks at the multiple factors behind a trend, issue or problem, by combining datasets to reveal deeper insights. For example, which behaviors, capabilities or leadership styles are most closely aligned to financial performance? In a hybrid working environment, what motivates choices about where to work?

Rich presentation

The deeper insights that you get from relational analytics can be presented in more meaningful ways. Setting out the narrative behind the data gives decision makers an emotional connection to it, and a clearer understanding of the actions to take. However, be aware that different audiences may react differently to this approach. Some senior executives might simply prefer to see the raw numbers — while others will want to see the story that the findings are telling.

Agile execution

Playing back your findings is not the end of the analytics value chain. The next stage is to move from insight to action. This is best done in small, agile, multidisciplinary teams, working in agile sprints to rapidly deliver what is needed — be it a report, an app, a policy change, etc. These teams will sit outside the workforce analytics unit. In fact, their members do not have to be HR experts at all. Each team should be put together specifically for the project at hand, with a dedicated lead. It should stay in place for the lifecycle of that project, then disband once delivery is complete.

Robust data integrity

A workforce analytics team's 'license to operate' is based on trust. Employees must trust that the team is doing the right thing by them and the business, and treating their data securely and confidentially.

Ensuring that integrity will demand:

- strong data governance and ethics frameworks — including a data ethics committee
- transparent communications — to let people know what is being done with their data, and the governance measures in place to protect it
- careful consideration and internal conversations — about how to handle the data required for each new project
- approval to use the data — from the relevant data owners within the business
- using the data in an ethical way — for the purpose in which it was shared, transparently, and held securely.

Without that level of integrity, staff won't feel comfortable disclosing their data — which means you won't be able to provide meaningful insights.

Talent management — art or science

This opinion piece is based on a conversation between Ms. Najlaa Al-Sager from the National Bank of Kuwait and Ohanes Makidissian, Jamila Al Dakny, and Shashi S Ghosh from KPMG in Kuwait.



Najlaa Al-Sager

Head of Talent Management at the National Bank of Kuwait (NBK)

Is talent management an art or science? Can HR functions quantify the effectiveness of their employee value propositions? Is there a direct link between employee loyalty and career progression?

When we met Ms. Najlaa Al-Sager, Head of Talent Management at the National Bank of Kuwait (NBK), we explored the answers to such hard-hitting questions. Ms. Al-Sager leads a team that focuses entirely on Talent Management, catering to a massive talent pool of over 6000 people, spread across 15 countries and 150 branches and subsidiaries.

“We always say that NBK offers endless opportunities,” said Ms. Al-Sager as she took us through NBK’s journey to add more insight into talent management.

“Historically, there was a huge challenge to understand what talent meant to NBK. To fix this Achilles heel, we took on a project in 2019 and did more research to understand the gaps in the process.

The result was our very own talent development matrix. Currently, we have a process with different factors that we look at in terms of capabilities, technical abilities, leadership exposure, risk of leaving, qualifications, and any talent programs the candidate enrolled for.

We compile everything together with psychometric and various capability assessments that help us validate if the person is the right appointed successor,

or if there are any hidden gems that we are not looking at.

On the flip side, it also helps us understand if this person is someone for whom we have done everything that we could, and it is time to stop.”

While it was clear that there is some scientific method to the entire process, Ms. Al-Sager emphasized how the human factor is always involved in it too.

“Often, I sit with various talents to understand their career aspirations and have an open discussion around our ability to retain the talent.”

The entire process of evaluating employees in a matrix has been very exciting, and we have already completed this exercise on about 60 top Level 1 and Level 2 talents in the NBK.”

“The CEOs were very involved with us as they understand the value it brings to the table. The HR function goes through the career plan of every individual once a year, giving accountability to our Business Heads as well, especially in terms of giving the talent the correct exposure on apt projects, cross-functional assignments, or even international exposure because we have those channels.

Eventually, it gives us a very targeted development plan for the individual,” she added.

When it came to employee value proposition, Ms. Al-Sager combined

EVP with the company’s purpose, core values and principles. She referred to NBK’s accelerated learning program as one of the core pillars and mentioned that every new employee understands that the firm will invest in them to support their overall growth.

NBK has developed multiple talent management programs for every level of an employee’s career, such as the NBK Academy to attract bright-eyed freshers, Highflyers for individuals in supervisory and middle management roles, and the more recent NBK RISE program which aims to aid in the development of Executives.

Each program assists in the growth of the talent pool which, in turn, increases employee loyalty and adds to the employee value proposition.

After a series of questions, we arrived at the conclusion that when it comes to deciding whether talent management is an art or science, the answer is simple.

HR pathfinders such as Ms. Al-Sager use science to their advantage but while there is a system in place that is data-oriented, they often go beyond the data to have a personal connection and understand the aspirations of an employee. That is an art.

From insights into action — KPMG's Impact Plan



A standalone vision around sustainability and ESG will not be impactful for any organization until it's embedded into a policy.

When we decided to launch KPMG Kuwait's Impact Plan, our only concerns were how we were going to track the impact of the whole program, define its scope, and explain its benefits.

The answer was to create a full-proof policy with inputs from all the stakeholders involved and use technology to track the progress.

The policy document for the Impact Plan at KPMG in Kuwait pens down the details of the program at a micro level and gives a layer of transparency around our sustainability journey.

The idea behind the program is to create an opportunity for every employee at KPMG in Kuwait to dedicate five hours of their time for CSR work and give back to the society.

The program is well structured, the progress is tracked phase-wise, and the results are published and celebrated across the firm.

The journey so far has been fruitful and we have learned that, to succeed in your sustainability journey, ideas and vision alone are not enough.

The HR functions must mediate between the stakeholders to put together a winning strategy and track the progress at each stage.



Zubair Patel
Partner — Head of People
KPMG in Kuwait

What can we learn from the Pathfinders about advancing analytics from insight to action?

**Here are some reflections to consider
in light of our Pathfinders' insights:**

- Think about how your people data flows in the context of wider organizational data to support decision-making.
- Is there an established relationship in the HR function between data and decision-making?
- How is your HR function integrating non-people data into its decisions?
- Does the HR function promote relational analytics, both internally and with the business units it serves? Are HR colleagues aware of what relational analytics is about and how they can be analyzed?
- Is the HR function clear where there are data gaps to support decision-making, and does it have a connected plan across the enterprise to address this shortfall?
- Can HR clearly articulate the value chain of using analytics in its decisions, and how HR data then informs the value chain of the wider organization?
- Does your HR function have the capabilities to maximize the analytics available to it, and is it investing in those skills internally?
- Similarly, is your HR function investing in the capabilities of others in the business to gather, challenge and interpret analytics so it flows throughout operations?
- Considering trends — does your HR function lead by example on this? Especially on ESG-related metrics like Inclusion, Diversity and Equity (IDE)?





Part 4: Shopping for talent — building talent marketplaces

“Of all the things I’ve done, the most vital is coordinating the talents of those who work for us and pointing them towards a certain goal.”

Walt Disney

While matching ‘people to jobs’ has long been the dominant way of operating, the fast-changing skills required in organizations, particularly around technology and automation, as well as a competitive labor market filled with skills shortages, means that it is becoming increasingly necessary to rethink this approach. It is something we have discussed before at KPMG.

A labor market unable to provide the skills ‘ready-made’ for an employer requires a different approach. The organization is designed around the skills available in the market, and the reskilling and development teams are central to realizing strategic objectives.

To support a competitive labor market, it is also vital to give employees opportunities to move and grow within the organization. “Every employee who joins us is treated in a fair, equal, just and professional manner.

In Al-Zayani Automotive, we don’t have services where the Management gets something in terms of benefits while the Sales and Service employees get something else. We treat everybody equally,” says Ms. Maksuda Parker, Training and Recruitment Supervisor at Al-Zayani Automotive.

At Al-Zayani Automotive, employees have the opportunity to showcase their talent in the field of their choice. “We try to understand their approach in terms of moving from one department to another, see if there is a need for it, and then we try to make the move happen,” adds Ms. Parker.

One way our Pathfinders are tackling both of these issues is focusing on matching ‘skills to tasks’ via talent

marketplaces. But conventional methods are one-dimensional and require innovation. Our Pathfinders feel that present ways of identifying talent for succession is ‘emotional’ and should be eliminated.

Talent marketplaces are comprehensive datasets of your people and their unique capabilities, linked to an understanding of where those skills are needed across the organization and when.

“We have a lot of respect for talent and for people’s need to excel and grow. But, at the same time, we have to maintain a business. We cannot have the entire, say, call center team to come and start working as sales consultants. So, the business balance is also required,” says Mr. Mahendran.

“We have certain processes and rules in place to ensure that we are fair to both departments, i.e., the one that’s letting the talent go and the one that’s taking them in,” he adds.

“It is all about matching requirements based on what the person’s current skills are and the kind of gaps that are present. And then, we bridge the gaps,” says Ms. Rajab.

While building a talent marketplace will not happen overnight, we think there are a few ‘get-rights’ to realize the potential benefits such an approach can bring.

Moving to a skills-first approach in how you resource your people, underpinned by data and analytics, and a culture nurtured towards sharing talent through a series of pilots (and learning from them) are all essential. It is what our Pathfinders can demonstrate.

It's a different ball game — managing the HR function at Al Mulla Automotive

This opinion piece is based on the conversation between Mr. Mahendran Lakshmanan and Ms. Anjuum Zia who are part of the HR function at Al Mulla Automotive, and Mr. Shashi Shankar Ghosh and Ms. Assil Homayed from KPMG in Kuwait.

When you have worked in a service-based industry for as long as we have, you naturally miss out on the challenges and issues faced by an HR function that works purely for a product-based organization.

So, when the opportunity to meet Mr. Mahendran Lakshmanan, Head of Human Resources and Ms. Anjuum Zia, Lead of Talent Acquisition at Al Mulla Automotive arrived, we were curious and excited to understand the perspectives of an HR function that operates in an entirely different ecosystem.

To explain the context better, let's take the COVID-19 pandemic as an example. Due to the nature of KPMG's work, it took us five days to take all our operations online and implement a hybrid work model.

However, for an organization such as Al Mulla Automotive that holds a portfolio of 19 international car brands (sales and maintenance) with over 2500 employees working across four different countries,

implementing a conventional hybrid model was a completely different thing altogether.

When we asked Mr. Mahendran about their journey through the COVID-19 pandemic and the hybrid work model, he had very clear and distinct views on it.

"The hybrid model is a clear no for us, considering we cater to the needs based on our customers' preferences," said Mr. Mahendran.

"The products are humongous in size. So, unfortunately, we really cannot make them available virtually. People want to touch and feel the product before they decide. So, instead of asking the customer to visit our showrooms, we would schedule an appointment and set up a driver to bring the product to the customer to see, feel and share their opinions on.

The rest of the conversation would take place over a call. That is how

we managed during the COVID-19 pandemic and ensured the safety of our customers and employees," he added.

The organizational structure of Al Mulla Automotive is distinctive. The organization has multiple roles from sales, back office, engineering and maintenance.

Every department has its specific set of skill requirements and motivational factors. The common factor which binds them together is the HR function.

Mr. Mahendran has his team members work with individuals from different geographical and societal backgrounds too. The mammoth task for the team is to get them to rally behind a single corporate vision and purpose.

Therefore, when we pushed him to spill the beans on how he put all of this together, Mr. Mahendran gave us the recipe to their secret sauce.

"In most cases, every employee joining the organization is already excited



Mahendran Lakshmanan, Head of Human Resources, Al Mulla Automotive

about the brand. So, to a great extent, it makes our life easier as we don't have to sell the brand. We put our best efforts on the employee's very first day.

The first day is a full-day orientation where the HR team spends the entire day with new employees, understanding their levels of expectations," said Mr. Mahendran.

His colleague Ms. Anjuum Zia who had been quietly listening to the conversation was quick to point out a vital element of these inductions.

"It doesn't matter which brand, what designation, etc., everybody is in the same room. We bring them to the same table. We have round tables in the induction program to ensure that people across brands, departments and positions are seated together.

For example, a manager can be seated with a barista, or a car technician can be seated with a sales consultant.

So, we ensure that we have a diverse seating arrangement," said Ms. Anjuum Zia.

"And we cascade this practice across their lifelong journey in Al Mulla. We do multiple events throughout the year to bring different Managers, Heads of Department, General Managers and Directors under one roof. That is how we carry forward the employee value proposition — not just to make an impression on day one but every day," she added.

Besides the induction and other interactions, Al Mulla has a formal employee survey in place, which gets translated into multiple languages for the diverse employees who work in the organization.

"The responses are 100% anonymous," Ms. Anjuum Zia elaborated.

She added, "It is a very comprehensive survey, which captures right from the

top-notch subject, i.e., relation with the brand and how connected they feel to the company, cascading from top to bottom, and capturing each area of employee experience. We also have comparative reports from the last two years. The comparative analysis helps us identify the areas we improved upon and the ones we may need to."

Speaking of employee experience, we further discussed how talent management and employee experience are closely linked. Our report found that a proper talent management system helps with EVP and employee loyalty and increases the overall employee experience.

Mr. Mahendran has a meticulous approach to talent management. Al Mulla defines this as the Career Ladder and Promotability Index — a ranking system between 1 to 5 to categorize the best employees for the next level with key requirements of skills.



Anjuum Zia, Lead of Talent Acquisition, AI Mulla Automotive

He told us about the clearly drawn hierarchy charts, which allow employees to move vertically and laterally within the organization.

The trick is customer-centricity. Each role in the organization is created based on the demand of the customers and

the business. Therefore, each position has its unique skillsets and minimum requirements.

While it was very difficult to not let the conversation drift into the various luxury and premium cars that come under the AI Mulla brand, we managed

to figure out that more than anything else, bringing people together and giving them a voice are the two pillars on which the HR function at AI Mulla Automotive is built on and functions. And it, indeed, is a different ball game.

Expert view



Assil Homayed
Consultant — HR Advisory
KPMG in Kuwait

In a world that's constantly changing, 'the war for talent' has become one of the main challenges that HR functions face. The global competition has created the need for using social media to promote EVP as well as to hire and retain talent.

With that in mind, I, personally, believe that the key to any organization's success is ensuring that the HR strategy is aligned with the organization's overall strategy and communication.

Having a culture that encourages communication and involvement will lead to 'employee branding,' portraying the organization as an 'employer of choice.' Additionally, using internal social

media and networking tools will lead to increased transparency, ease of internal hiring and improved collaboration. It will also support employees in building stronger relationships with their coworkers.

This will not only keep employees engaged and motivated, but will also lead to higher retention rates as well as enhanced employee branding and reputation.

From an HR Pathfinder's perspective, it is paramount that organizations start seeing their employees as valuable stakeholders to gain competitive advantage and sustain their position in the market.

What can we learn from the Pathfinders about building a talent marketplace?

Here are some reflections to consider in light of our Pathfinders' insights:

- A first step is to map the skills currently available in your organization — ask yourself whether it gives you what you need for the future. If not, you may need to recruit or build the skills internally as part of your people plan.
- Is there a clear view of who is where in the organization, and what they do? This is the foundation of your skills ontology — a view of all the skills in your organization, where they sit, and with whom.
- Have you mapped your processes to achieve a talent marketplace?
- Is your HR function aligned to IT to help work out what technology is most suitable?
- Has your HR function considered the cultural challenges associated with this new way of working?

Consider how the talent marketplace will flow throughout the organization. Can you start with a pilot area, experiment, and learn and take in feedback?

- Do you have incentives for employees to keep their skills up to date?
- Do you have opportunities to build skills to meet the needs of the marketplace?
- How does performance management support the aims of a flexible talent marketplace?
- Is there a flow between the internal talent marketplace and the external labor market or recruiting? Does your HR function have a view on both, to support workforce shaping?





Part 5: Holding to the heading — how to make purpose real

“Don’t confuse progress with winning.”
Mary Barra, CEO, GM

Our survey results show that HR leaders believe culture, company values, and purpose are the most important elements of the EVP when it comes to attracting, developing and retaining talent.

However, purpose in particular cannot simply be a nice company slogan, but must be completely integrated into how the business operates, how its people operate, and importantly, the employee experience.

Increasingly, purpose is aligned to net-zero aspirations, and how employees can help in achieving this outcome — an example of HR influencing the everyday flow of the organization. Net-zero is

understood as an aspiration to have on-balance, zero carbon emissions to reduce the impact of climate change by 2050 — although some organizations are aiming for 2040.

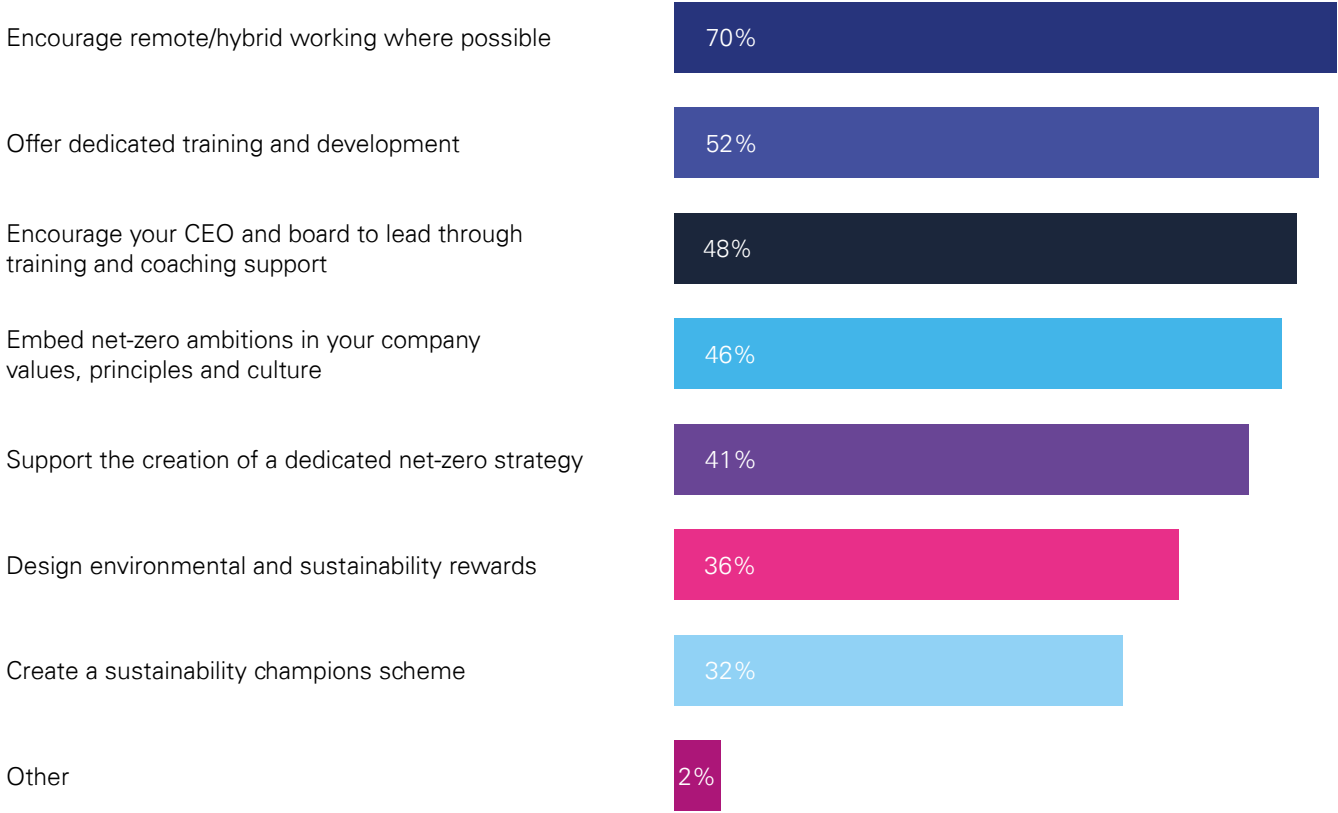
Ensuring the workforce contributes to ESG topics, including any commitments to net-zero and IDE targets, will be on the agenda in the next few years for 32 percent of CHROs and their equivalents.

Our Pathfinder HR functions are certainly representative of this percentage, as they know the value of organizations supporting ESG-related purpose, as well as their role in making this purpose ‘real’ for employees. Pathfinders show how HR has a central

role to play in terms of instilling net-zero-related purpose, ranging from training to policies, processes and reward.

As reaching net-zero increasingly matters to employees, stakeholders, the broader public, and of course the planet, HR’s unique position as a connector between business strategy and people can bring net-zero into the flow of working life.

There are several ways that HR can support organizations in their net-zero ambitions. Reflecting on the current state of your organization, which of the below do you believe are feasible to implement in the next one to three years?



Continuing the legacy and values of a family business

This opinion piece is based on the conversation between Ms. Maksuda Parker, Training and Recruitment Supervisor, Al-Zayani Automotive, and Ms. Sara Asfahani from KPMG in Kuwait.



Maksuda Parker

Training and Recruitment Supervisor, Al-Zayani Automotive

A family business established over 60 years ago, Al-Zayani Automotive is a well-known name in Kuwait’s automotive retail sector.

With a strong portfolio of luxury car brands, and an even more sophisticated clientele, Al-Zayani Automotive has developed a corporate culture that has witnessed multiple generational shifts.

When we met Ms. Maksuda Parker, Training and Recruitment Supervisor at Al-Zayani Automotive, we wanted to understand how they reflect this culture on their employees, carry the legacy across generations, and how the HR function fits in all of this.

“Al-Zayani Automotive is a family-owned business with a vision to gain customer loyalty by delivering sales, services and experiences of high quality, value, integrity and enthusiasm,” said Ms. Parker, as we started our conversation.

“To achieve this vision, Al-Zayani Automotive has also built a customer service philosophy around three aspects: our people; product; and premises,” she said.

“Our people are our most important assets. We choose every member through a rigorous recruitment process and invest in their development to

ensure that we exceed customer expectations.

At the same time, we ensure that we reduce our time to hire, simplify the onboarding process, and optimize staff-shift allocation and the scale of training and development processes,” added Ms. Parker.

At Al-Zayani Automotive, employee engagement is broader than training and development. Ms. Parker also spoke about a reward program, a healthy internal competition between the brands, which motivates employees to strive for customer excellence and increases employee loyalty.

“We have people with us for 15–25 years. And if you ask them, most of them will tell you that this is their first and last company. We believe that if there is a culture of belonging in the organization, it helps with the retention and motivation,” she said.

When asked about the formula to keep employees motivated and involved in an organization with a diverse employee base, she pointed at the culture set by the organization’s founding fathers that has transcended generations.

“We follow one culture built on values, respect, integrity, teamwork, passion, ambition and discipline.

We explain our culture to every new joiner, and the required professionalism. That is one of the reasons why I mentioned that values are more important in our organization,” said Ms. Parker.

She further elaborated that their HR function has created an employee handbook that contains all of the company’s policies and procedures.

The employee handbook adds to the transparency of the entire system and helps employees understand how they can address their various concerns.

However, what stands out the most to us is Al-Zayani Automotive’s employee benefits policies, which is a true testimony of equality in any organization.

“We treat everybody equally. Although each individual might have a different role in the organization, when it comes to employee benefits, everyone is equal at Al-Zayani,” she said.

To scope out the entire depth of this policy, we were curious to understand the benefits in detail. Ms. Parker further explained, “Our life insurance benefits cover all the employees, which is a significant cost for the organization.

However, our owner believes that everyone is equal. So, based on that concept, the idea has been rolled out across the organization.”

Ms. Parker broke down the policies into the finest details to help us understand how some organizations’ policies around benefits vary with the designation of an individual.

However, this is not the case with Al-Zayani Automotive as an employee’s position in the firm, or their

remuneration, does not impact the benefits they are entitled to. It was evident from our conversation, that despite the generational shifts, Al-Zayani Automotive has cemented a few values at its core.

The organization revolves around those values, and people are the center of it. We believe that HR Pathfinders put people at the heart of the operations.

The HR function that binds the vision of the organization’s founders and its corporate values, and integrates it into their day-to-day operations, is destined to succeed.

Expert view



Sara Al Asfahani
Consultant — HR Advisory
KPMG in Kuwait

In order to increase motivation and guarantee high retention rates in an organization, transparency is essential. It eliminates favoritism and ambiguity by fostering an environment of trust and responsibility.

Employee empowerment is increased when clear regulations and procedures are established for promotions, awards and recognition.

This fosters a supportive and competitive workplace where everyone has the same chance to succeed.

Inclusion and diversity are encouraged by equality, which values and respects each employee’s distinctive experiences and viewpoints.

Employees are more inclined to commit to the company over the long term if they feel appreciated, supported and recognized for their work.

What can we learn from the Pathfinders about making purpose real?

Here are some reflections to consider in light of our Pathfinders’ insights:

- How are the organization’s public commitments being cascaded internally — is HR pushing the message enough and bringing your people with you on the journey?
- Is your HR function clear on where it can support net-zero ambitions?
- Has it mapped all of the functions, processes and policies it owns and considered them in light of net-zero commitments?
- How is HR setting the example?
- What does net-zero look like from your first day as an employee to when you leave?
- How does HR — supporting the back-office — flow through to the front-office work of the organization when it comes to realizing net-zero?



Part 6: Prioritizing wellbeing and feeling good

“It is health that is real wealth and not pieces of gold and silver.”
Mahatma Gandhi

In our survey of HR leaders, we found that for 85 percent, the mental health and wellbeing of their employees has become a bigger focus for their organization over the past two to three years.

Looking ahead, improving the mental health and wellbeing of the workforce was expected to be a future focus of 53 percent of respondents. However, when it comes to having the capability to actually deliver on it, 28 percent ranked it first — suggesting room for improvement on this growing matter of importance.

For our Pathfinders, this focus on wellbeing is happening right now. Leading the way in this regard is NBK

where the staff’s mental and physical wellbeing has been a longstanding ethos in the form of mental health sessions, one-on-one consultations and the presence of an in-campus gym and a clinic.

Non-Pathfinders might have wellbeing initiatives; however, they may be disconnected and not easily accessible in the flow of work. Some could be ‘standard’ employee assistance program (EAP) offerings, or pilots in certain parts of the organization.

In comparison, Pathfinders have integrated wellbeing into their employee experience — it is in the flow of their work, and easily accessible through multiple channels and tailored offerings.

One very important thing our Pathfinders and other leading organizations will want to do is better understand the nuances between mental health, mental ill health, and wellbeing, as each in fact lead to different policies and programs.

Mental health expert, Dr. Abeer Hamadah, shares her expert insights into these distinctions and what they mean for HR functions in the breakout on page 52.

Has the mental health and wellbeing of your employees become a bigger focus for your organization over the last two to three years?





**Dr. Abeer
Hamadah**
Founder of the MINDme Campaign

How to put mental wellbeing at the center of organizational strategy?

This interview piece is based on the conversation between Dr. Aber Hamadah, Founder at MINDme campaign, and Ms. Jamila Al Dakny from KPMG in Kuwait.

Please help us differentiate between mental health and mental wellbeing. How does understanding the difference help in organizational policies and programs?

Mental health is a state of mental wellbeing that enables people to cope with the stresses of life, realize their abilities, learn well and work well, and contribute to their community (World Health Organization)¹.

Mental health includes our emotional, psychological and social wellbeing. It affects how we think, feel and act. It also helps determine how we handle stress, relate to others and make healthy choices. Mental health is important at every stage of life, from childhood and adolescence through adulthood (Centers for Disease Control and Prevention)².

1 <https://www.who.int/news-room/fact-sheets/detail/mental-health-strengthening-our-response>

2. <https://www.cdc.gov/mentalhealth/learn/index.htm>

Mental wellbeing is subjective. It is how you feel about yourself and the world. It is having the skills to live independently and fully.

Mental wellbeing addresses various aspects of life, mainly physical and mental health as they are interlinked. It also addresses our environment, relationships, spirituality, nutrition, resilience, sleep and more.

According³ to the Global Wellness Institute, workplace wellness is any workplace health promotion activity or organizational policy designed to support healthy behavior among employees and improve health outcomes.

They are connected, yet separate — mental health is like physical health where it is the health of the mind. Wellbeing is being equipped with the right skills to deal with whatever life throws at you. Mental health is part

3. <https://globalwellnessinstitute.org/wellnessevidence/workplace-wellness/>

of mental wellbeing, except mental wellbeing is more holistic.

This can affect organizational policies and programs. Policies that are focused on employees' mental wellbeing can have a significant impact on the productivity, commitment and loyalty of the staff. Programs and policies directed towards preventing mental illness and solely focused on mental health will not have the same impact as programs and policies directed towards wellbeing.

Mental wellbeing has become a promotional tool for modern-day corporate workplaces. Can you shed some light on the on-ground realities? Are HR functions driving the change?

The HR teams, in my opinion, are the ones who should monitor the wellbeing of the employees.

They should set programs directed towards workplace wellbeing. The HR teams are the ones closer to the

individual employee, likely to know their needs and can create programs accordingly.

Mental wellbeing is a new concept to some companies and not very well understood. To some it is a waste of time. Yet, if implemented, it will have a big effect on employees' productivity, reduce sick days, help create a better work environment and encourage teamwork. A happy employee is a creative and a co-operative employee.

Our report highlights that while there is a lot of talk about mental wellbeing at the workplace, only a fraction of the buzz is converted into policies. How can organizations bridge this gap?

By focusing on employees' needs. Not all programs can be generalized. If you create a program that is specific to the company's and its employees' needs, then you have yourself a wellness program that actually works.

There are several steps that you can take to ensure that you have a successful wellness program that is ideal for your organization:

- Create a simple survey that focuses on the essential elements of wellbeing and can give you a general idea of what your employees need.
- Start data collection and analysis so you can recognize the issues that you need to address.
- Design a wellness program that focuses on the issues you want to target. Make sure that it is flexible and practical.

- Offer incentives to encourage the employees to participate in the wellness program.
- Encourage feedback from employees.
- Start with small action plans. They will help you identify the gaps in the program early on, preventing you from spending big on something that you may not need. It will also give you a chance to modify your program according to your employees needs.
- Evaluate the outcome by using pre- and post-program surveys.

From a pure business point of view, if an organization puts mental wellbeing at the center of its organizational strategy, how do you see it impacting the overall employee value proposition?

The World Health Organization states that "Depression and anxiety are estimated to cost the global economy US \$1 trillion each year driven predominantly by lost productivity" (WHO, Guidelines on mental health at work).

Therefore, a program focused on mental wellbeing can be beneficial as it will help promote good mental health, prevent work-related mental health conditions, and keep people living with mental illnesses from relapsing and help them be effective in their organization.

So, an organization can reduce 'lost productivity' by engaging its employees in a mental wellness program.

Mental wellbeing in the workplace can provide a better working environment, decrease burnout rates and help increase morale. Recent studies show that happiness boosts productivity by 12%.

Have you witnessed a shift in how previous generations perceive(d) issues around mental wellbeing and how the newer generations might? Do you think the current generation considers mental wellbeing at the workplace a deciding factor for choosing their employer?

Previous generations were not exposed to such knowledge. Plus, the collective way of thinking was different.

Now, everyone is familiar with different concepts and ideas as to how one can live a better, stress-free life.

That knowledge encourages new generations to choose a place that they can commit to, enjoy working in and be creative. Sometimes, choices are limited and current generations might choose a job that pays well and not prioritize workplace wellness, although they know it exists.

Once they start working, they start noticing the gaps and, as a result, get frustrated. That can cause high turnover rates in an organization.

To prevent that from happening, I recommend organizations that are aiming to increase loyalty and productivity create appropriate mental wellness programs for their employees.

4. <https://www.ox.ac.uk/news/2019-10-24-happy-workers-are-13-more-productive>

What can we learn from the Pathfinders about prioritizing wellbeing?

Here are some reflections to consider in light of our Pathfinders' insights:

- How can your HR function think beyond EAP and consider tailoring support to an employee's individual needs?
- How can you provide in-the-moment support?
- What can you do to break down stigma?

- Is there an awareness, capability, or reskilling element to this?
- How can wellbeing link with employee experience and recruitment or retention? For example, can wellbeing be seen as a reason to join or stay at your organization?
- What can HR do to promote wellbeing outside of the organization?

How can HR use data to track wellbeing and monitor quality of interventions, while also protecting individual privacy?

- Does your Employee Listening and Feedback Program flow back into your operating model?





Conclusion: How to position for the unknown

“Predicting rain doesn’t count, building arks does.”
Warren Buffett

Based on our last three years of research, we consider that Pathfinders make up about 10 percent of all HR functions. They share certain capabilities, namely:

- they have a clear sense of purpose, and this in-turn informs their mindset of how they operate in practice
- a strength in developing analytical insight that is focused on business questions
- a desire to build the workforce needed to face the challenges of both today and tomorrow
- complete focus on providing a strong experience at work, including ‘learning in the flow of work,’ so that both individuals and the total workforce can remain in flow
- they are less siloed and far more integrated in the way that they operate: with analytics informing workforce shaping, skill building and employee listening in a fully integrated way
- a belief that work does not exist in isolation of life and home. Purpose, wellbeing and ESG are major concerns of the modern worker. They believe that people functions must deliver on these expectations as much as traditional talent management concerns.

We visualize the Pathfinding HR function ‘flowing’ in the following way (see page 58):

They have a clear purpose, which informs a mindset which is integrated across the enterprise irrespective of the function HR is working with; and this is underpinned by data and analytics capability.

We have found it is the foundation for all the subsequent work HR is involved in, including everything from workforce shaping to employee experience, as everything is based upon robust data and analytics, and sitting under a clear mindset and purpose of how HR supports organizational aims.

Why are the efforts of Pathfinders important to view?

The efforts of the Pathfinders matter to every organization, as the world of work is being atomized by digital technologies and automation.

Traditional jobs are giving way to the primacy of skills and tasks. Work is more dynamic than ever, and this means that the workforce’s structure, skills, organization, and size of today is not the workforce of tomorrow.

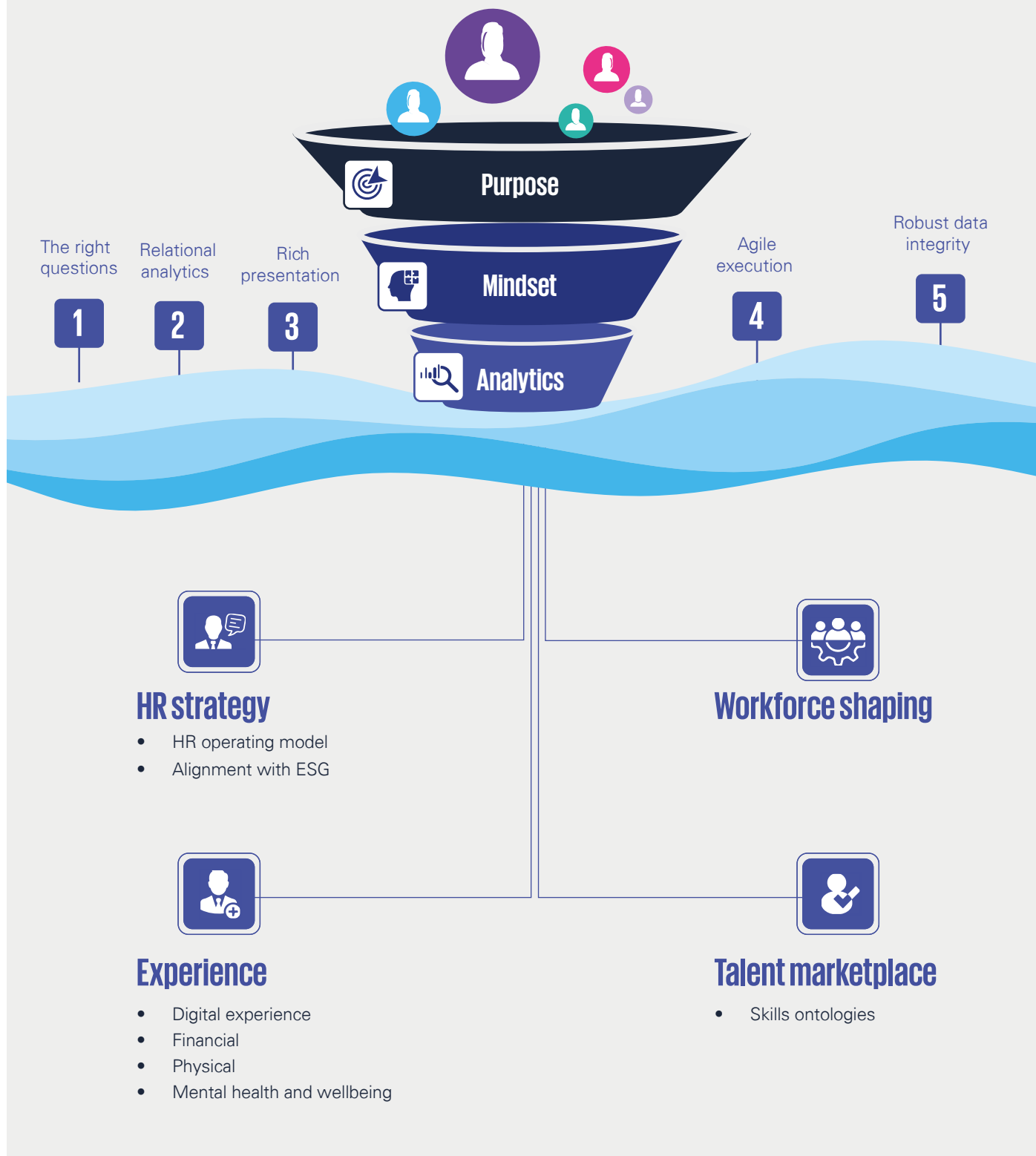
The world of work is increasingly blending with wider societal, economic and environmental considerations, meaning employers need to show that they are listening and, where possible, responding to these concerns.

In particular, they need to consider a greater purpose and supporting employee mental health and wellbeing.

Our research shows that the capabilities that are considered as important for success in the future, such as workforce shaping and delivering analytical insight, are not the areas where many HR functions have current capability.

Therefore, Pathfinders demonstrate how they are going from flux to flow in these areas — and how they are solidifying the immense value of the function beyond processing performance and payroll.

Pathfinders have a clear purpose, which informs their mindset of how to deliver strategic flow. They embed analytics into everything they do — linking to our five-part value stream. This in turn delivers tangible outcomes for HR strategy, workforce shaping, employee experience and establishing talent marketplaces.



How should HR leaders respond?

While the Pathfinders may be addressing similar issues, there is no one-size-fits-all approach. Each Pathfinder tailors its HR function to its organization's context. It is something we urge HR functions seeking to become Pathfinders to consider.

One of the emergent themes (and capabilities) that we have learned from Pathfinders is that HR functions need to accept the unknown and the dynamic. Positioning for the unknown requires a continuing capability in what is often known as futures and foresight. This requires the following pre-conditions:

- analytical insight that flows from idea to action, deploying the five-part value chain explored in this report
- a disciplined approach to workforce shaping that is scenario-based, and continuously evaluates the optimal workforce cost, capability, capacity, organization and contingency

- defining the required job architecture and building a future-proofed skills ontology. This will allow for the necessary ability to decompose and recompose the organization design as strategy, technology and competition evolves over time, always ensuring a flow of talent

- an ability to horizon scan with the business about what is happening and what is likely to happen

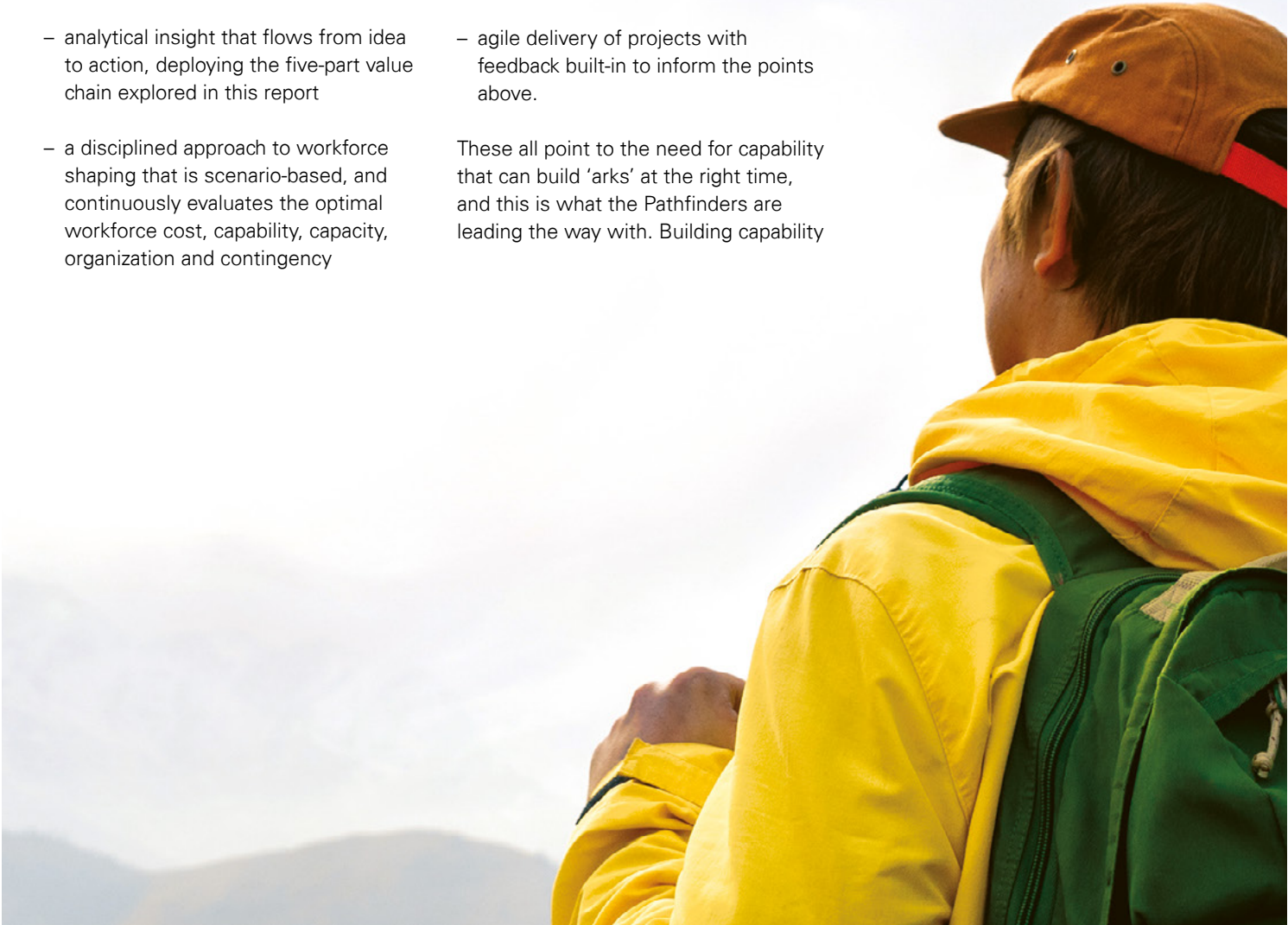
- an authoritative decision-making forum, again involving the business, to make timely decisions

- agile delivery of projects with feedback built-in to inform the points above.

These all point to the need for capability that can build 'arks' at the right time, and this is what the Pathfinders are leading the way with. Building capability

is how Pathfinders remain in flow and move forward with momentum. It is how they continue to ensure a flow of talent to address the broader business needs, as well as provide an excellent, frictionless, working experience and career path for people.

It is also how, in the dynamic matching of skills to tasks, workers will be 'in flow' in their tasks and experience greater fulfilment in their work.



Where next?

With inspiration from the activities of our Pathfinders, there are plenty of ways to consider how their approaches could be adapted to the unique set up of your function.

Deliver on strategy

Focus on aligning HR operations and processes in a way that can help to support and drive the overarching organizational strategy.

Bringing together key HR capabilities such as organizational design; workforce analytics and planning; culture change; and agile delivery, under the one roof, can help to drive this seamlessly.

Integrate digital operations

Move from focusing on technology to facilitate basic needs and instead look at how it can enhance HR effectiveness and the employee experience.

One holistic way to do this is to support the use of the right technology as a base for a ‘digital headquarters,’ making the organization accessible to everyone, and connectivity and communication seamless.

Another way is to use apps to make engagement with employees two-way, so that they have easy access to HR, and you are involved in a continual feedback loop that can feed decision-making.

Amid these efforts, consider how technology is impacting the lives of your people, and implement aligned support such as ‘Hybrid Personas’ for remote work.

Advance your analytics

Push beyond using ‘rear view mirror’ analytics for traditional HR needs such as retention, attrition and engagement. Instead, work with more comprehensive data sets and relational analytics capabilities to answer the big questions leaders have about people in the business.

Creating a hypothesis, correlating quantitative and qualitative insights, then finding unique answers can make a big impact on decision-making and actions.

It is also possible to treat your employees as the ‘customer’ of relational analytics, and use what the findings tell you about their needs to create products and services that enhance their experience.

Build a talent marketplace

Understand the skills your organization will need in the years to come and the gaps you will need to fill. Rather than thinking about creating entirely new positions, can you create a skilled workforce fit to undertake task-based or project-based work?

To do this, build a ‘talent marketplace,’ starting with a data base of the skill sets required, employee skills, and who is working on what and where.

You also need to think about team agility and mobility, particularly across borders. Management support for sharing and exchanging talent, as well as stringent employee data privacy policies, will be integral to trust in this new way of operating.

Also, think about job evaluations, job descriptions and pay grades.

Prioritize wellbeing

Understand that up-and coming employees will expect more than ever from their employers when it comes to caring about their mental health, mental ill health and wellbeing.

Think about these as three separate areas of focus and how the requirements of each can shape policies and programs. Make employees feel like ‘partners’ not just workers, and think about the mental health and wellbeing benefits that can be offered in your EAP that will make a real difference to their lives.

Perhaps train wellbeing advocates across the business — or engage with digital tools to create a continual pulse on wellbeing that leads to action.

Make purpose real

Recognize that culture, company values and purpose are vital factors in an EVP, and contribute to organizational success and reputation — particularly when it comes to ESG factors.

Consider how you can take purpose from being a nice slogan and instead make it ‘real’ and meaningful for your people.

Build purpose into how you recruit, how your team members prioritize decision making, or how leadership operates. Foster a culture in which employees embrace purpose to drive the new products and services that they create.

As employees go through a Great Reconsideration, there is little time for HR to sit back and hope the company strategy will unfold, and that employees will be happy to keep turning up each day.

Therefore, for Pathfinders, efforts across these six themes are continuous.

This dedicated focus on improvement and innovation sets the Pathfinding HR functions apart from others, and helps ensure they move from flux to a state of genuine flow.

Of course, Pathfinding HR functions might be leading the way — but there is no reason why others cannot catch or overtake them.

How we can help?

Organizations are operating in a constantly and rapidly changing world, presenting new challenges for businesses and a requirement for organizations to become more flexible and responsive, and operate in risky, costly and more complex environments.

This, in turn, creates an opportunity to design new and better strategies,

develop new products, expand into new markets, rethink business models and transform the performance of organizations.

To be successful, it is necessary to change the way people are led, managed and developed through large-scale, complex, transformational change programs.

Today's HR function also has the potential to enable a profound transformation, challenged as never before to convert the full potential of an organization's people into financial performance and market value.

At KPMG, we unlock potential and navigate transformational change across all functions to drive unprecedented levels of performance.

We offer differentiated solutions across the following six clusters:

Organizational Development

Organization Development enables us to create an organization where the strategies, operating models, structures, processes, infrastructure, values and behaviors are aligned to realize the shared organizational intent.

Talent Management

Our Talent Management solution pack targets the performance management, competency development, succession planning and capability assessment.

Workforce Intelligence and Rewards

Workforce Intelligence and Total Rewards enables organizations to evaluate and redesign their employee compensation and reward schemes (base salaries, benefits, commissions and bonuses) with that of the organization's strategic objectives and market benchmarks.

HR Optimization

HR Optimization creates fit-for-purpose people functions by aligning HR with business strategy and putting the appropriate structures, capabilities and systems in place that enable HR to deliver value to the business.

Mergers & Acquisitions

Talent Management focuses on critical aspects of mergers and acquisitions from a people integration and culture perspective, ensures critical checks and acts as a catalyst for a successful integration.

Behavioral Change Management

We help understand the underlying culture of the organization, develop creative approaches that transform resistance into commitment and build a change capability that cultivates operational agility.

Contacts



Majid Makki

Partner — Head of Management Consulting
KPMG in Kuwait

mmakki@kpmg.com



Ohanes Makdissian

Manager — Management Consulting
KPMG in Kuwait

ohanesm@kpmg.com

T: +965 2228 7000

M: +965 9910 4084

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