



# HRDs: Powering Performance

*The HR Director now has the ability to unlock high performance across an organisation. Criticleye speaks to KPMG's Mark Williamson to find out how it's being done*

## Is it time for a more holistic approach to talent management?

Organisations need to address their people issues to improve overall performance. Clearly, the CEO, CFO, HRD and other business unit leaders – although they come at it from different perspectives – have a common desire to achieve this.

Being able to get a true understanding of the full cost around employment, and how your workforce drives business performance, is obviously something of real value to the CFO. From the CEO's point of view, being able to take that three-to-five-year-view of the capacity that you need, and how that links directly to your business plan, is clearly important.

From an HRD's perspective, being absolutely clear on what the people requirements are of the business, and then what HR needs to do to facilitate the delivery of that 'people plan,' is vital.

Everyone around the boardroom table needs to have a common approach to people issues, or they risk sending mixed messages to the workforce, potentially leading to a talent drain.

## How do you gather, analyse and distil the information required to do this?

To look at how people affect business performance, organisations must adopt an evidence-based, data-driven approach. Anything less is mere conjecture.

Critically, you need to bring together the various stakeholders across the business that own different data sets, and then bring all of these disparate data sets together. It's only when you join up people data with performance data that you can drive real insight in to how your workforce is impacting your bottom line. And this is only part of the story – yes, gathering data is important, but what matters is how the data is digested, interpreted and then used.

In the past, HR would have been transactionally focused; driven by process and policy. Now, various tools and solutions are available which can help organisations to gain a sense of the agility that they have at any ►

given moment, including what will be needed in the future to be able to respond to market demand but also what's required to lead in your chosen market.

### In what sense can HR analytics help a company be market leading?

Data analytics can help organisations understand where things are not working to their maximum capacity and can help identify what needs to be done to rectify this – essentially enabling a business to get more 'bang for its buck'.

For example, using data analytics, reward structures can be analysed to see if they are driving desired behaviours, or identifying what type of training is having the most effect. You can also understand the best workforce mix to deliver the highest performance – be it sales or customer service for example – and then feed those insights in to your recruitment strategy.

### Would this be set within a clearly outlined cost agenda?

Any CEO or CFO will identify with the need to have a proper understanding of the total cost of employment. How else are you going to decide how to improve the cost performance of your entire workforce in relation to what you're trying to do as a business? At the same time it comes down to the specific issues that an organisation is trying to address. For instance, they may have a need to reduce the cost of employment and want to understand how to do that without affecting engagement or productivity.

It becomes really interesting when you apply an approach that looks at the workforce in a truly holistic way. Doing so enables an organisation to

*“What matters is how the data is digested, interpreted and then used”*

understand how changing one thing – such as reward or training – has a knock on impact somewhere else; on productivity or engagement, for example.

### Do you have an example of a company that's put this into practice?

A business with a very strong retail focus asked us to come and demonstrate the linkage between people demographics and performance within the organisation. What emerged from the analysis was proof that the highest cost doesn't necessarily lead to the best performance. Of course, cynics would say that they would expect to hear this, but the difference is that now this organisation has tangible proof – and this is something that justifies action and expenditure.

We were also able to examine workforce demographics and skills. In this particular organisation, they had a recruitment policy that was focused on graduates as the key, full-time sales people. But if you compared that to an older, part-time demographic across that same workforce, the latter gave better business performance.

As we dug below the surface, it emerged that the reasons for this were around their understanding of the products and services that were being offered. The older workers were users themselves

and could talk from their own real experiences, which customers valued.

It quickly became clear that the company needed to change its recruitment policy to build its capability based on those findings.

### Do companies need to be bolder in using data to inform strategic decision-making?

The ability of technology to bring different HR data sets together and link it to business performance data is finally here. Nevertheless, you've got to make sure you connect that together properly and draw the right conclusions. The HRD has the ability to be the champion of this technology at the board table, which wasn't the case before. It makes for a real step-change in people and business performance and, over the next five years or so, organisations that embrace this, and take action based upon what the data and evidence is telling them, will be the ones that succeed. ■

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#### Featuring Commentary From:



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Mark leads [KPMG's People powered performance \(P<sup>3</sup>\)](#) business and has over 20 years of experience in this area, both in industry and professional services. He is a frequent business commentator and co-author of the highly-regarded book on guiding organisations in HR transformation – 'Transforming HR – Creating value through people' – published by Elsevier.

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