



# Preparing your workforce for the future

**A perspective on the evolving role of the HR function by  
KPMG Powered Enterprise**



# Ensure your workforce is ready for the new reality



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In the new reality, almost all aspects of how the workforce collaborates and operates are vastly different. Going forward, the HR function needs to have an in-depth understanding of key changes to devise a strategy that works. Analytical insights, advanced and collaborative digital tools, workforce shaping and purpose-driven practices are all important areas.

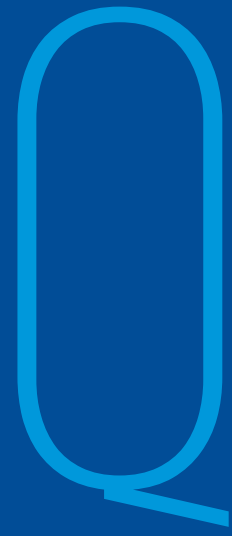
Forward-looking HR leaders are automating administrative tasks and using business insights to continuously transform the employee experience. At the same time, they are also nurturing the wider purpose and culture of the organisation. We expect to see new tools and practices reinvent work and drive value in the post-pandemic enterprise.

To help you consider the future of your workforce, Phil Mitchell and Jen Basco provide their perspectives on the top considerations you should be thinking about to elevate the HR function. They discuss their insights on emerging trends, the role of technology, harnessing the power of data and analytics, changing skillset needs and recruitment practices.

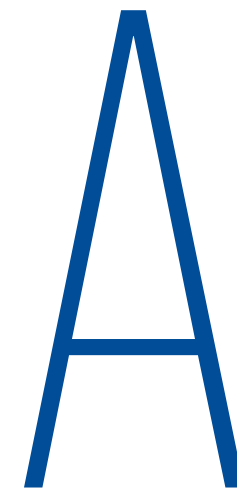
We hope this ebook helps you steer your HR function to success.

## Q&A topics

1. Which emerging trends should be front of mind for HR leaders in the new reality?
2. How can technology help shape a response to the current challenges?
3. How can organisations harness the power of data and analytics to improve employee experience?
4. How can organisations prepare for changing skillset needs?
5. How can organisations adapt their recruitment practices as technological and social changes increasingly impact businesses?



## Which emerging trends should be front of mind for HR leaders in the new reality?



### **A more strategic HR function**

The impact of the COVID-19 pandemic has rapidly made people and their challenges a priority in nearly every organisation around the world. With this shift, HR leaders are now in a strategic position to reshape how work gets done.

The trend towards having a strategic role for the HR function has been quite evident. More than half of all the leaders [KPMG's Future of HR 2020 survey](#) (published in November 2019) said that the HR function would rapidly become irrelevant, unless it modernised its approach to planning for the future needs of the workforce.

Just a few months after the report was published, business leaders had very different expectations from the HR function. As offices across the globe shut their doors and millions of employees were forced to work from home, executives looked to HR to provide the guidance and training they would need to operate remotely.

Since then, HR leaders have stepped up to take charge as strategic leaders during the crisis. And it has opened the door for the function to switch from a firefighting mode to strategically engineer a successful future. Rethinking HR's role in shaping organisational culture and leadership is the first step.

### **Making room for innovation and culture change**

Adaptability and openness to innovation will continue to be defining characteristics for the HR function. The concept of innovation and its characteristics — adequate funding for new ideas, stretch goals, design thinking, trust, autonomy, etc. — are all essential to creating a 'Future Fit' culture. Such a culture eventually makes its impact felt throughout the organisation.

Over two-thirds of respondents in the Future of HR 2020 survey believe the function plays a vital role in establishing such a culture. For Kate Holt, Partner, HR Transformation, KPMG in the UK, it's an encouraging sign: "While business has to ultimately define the organisational culture, HR is the key driver and influencer in making culture change stick."

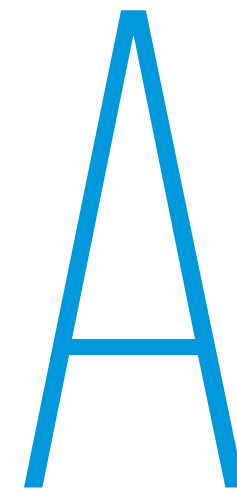
### **Leading with evidence**

As is the case with other corporate services functions, the HR function needs to take an evidence-based approach to shape decisions. Though this has been a trend seen before the COVID-19 pandemic, it has only gone up the priority list for HR leaders.

"It's time to understand the business in a more scientifically sophisticated way — one that enables HR to operate as an equal member of the leadership team and to bring as much evidence about what will happen as the chief marketing and finance officers," says Robert Bolton, Partner, Global People and Change Centre of Excellence, KPMG in the UK.



## How can technology help shape a response to the current challenges?



### **Integrated solutions for informed decision-making**

Disparate software, systems and tools heavily dependent on manual intervention are holding back the HR function in many organisations. Integrated solutions that connect data from across the business can enable greater agility and inform decision-making.

Additionally, most administrative tasks can be automated, allowing HR staff to focus on consultative and strategic work that eventually adds more value to the business. For instance, chatbots or digital assistants with natural language understanding and machine learning abilities can be used to instruct automated workflows and perform transactions on behalf of the employee or HR function. Using data to inform decision making will allow the HR function to be more decisive in its approach.

### **Reshaping the employee experience**

We believe the future of HR will be characterised by an ‘outside-in’ operating model, driven by business, customer, and employee insights and powered by technology and talent. Rather than taking an ‘inside-out’ approach, characterised by policing adherence to policies, the HR function of the future will operate an ‘outside-in’ model, which removes the boundaries between HR and the rest of the enterprise.

Mobile apps and integrated portals will provide a holistic experience based on lifecycle stages through the employee journey. New workforce technologies will provide insight to individuals and the organisation in real time, based on location, context and even current sentiment of an employee. It will be possible for artificial intelligence (AI) tools to take into account highly dynamic elements in an assessment.

HR staff will be expected to approach their roles with an evidence-based approach. Workforce insights and analytics from cognitive technologies, along with HR information systems and HR service management platforms, can provide a unified and extended personalised experience for employees.

### **Reskilling the HR function for better outcomes**

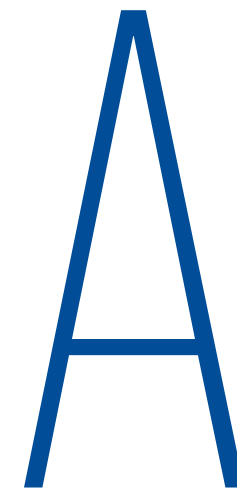
Advancements in technology mean that HR staff can use a variety of tools and bring different skills to the function, such as behavioural insights and economics, digital, analytics and data, design thinking and AI management. Future HR executives will be expected to be familiar with how these capabilities can support better outcomes.

The delivery of rapid workforce reskilling will be an organisational critical success factor, focusing on job creation and reconfiguration as opposed to job management.

All of this will deliver a competitive advantage through the workforce experience by attracting, engaging and retaining top talent. This will strengthen the employee value proposition as well as the employer brand.



## How can organisations harness the power of data and analytics to improve employee experience?



### **Efficiently gather and apply insights**

From onboarding to engagement and retention, data and analytics increasingly define the employee journey so that it is consistent with the brand culture. However, when it comes to analytics, we have seen that leaders expect far too much from implementing cloud human capital management (HCM) technology and gathering insights from those systems. There is no magic button, but organisations can gain by investing in designing processes and building skills to generate hypotheses for testing and then applying these valuable insights.

To harness the power of data and analytics, multiple aspects need to be factored in, including configuring information flows, access to information, designing decision-making processes, roles and appropriate governance. In order to realise the true value of data analytics, HR teams also need to experiment with new predictive and intelligent technologies and integrate them into day-to-day practices.

The key is to be proactive instead of reactive. In growth-oriented HR functions, this proactive mindset is underpinned by the use of data and analytics to predict new workforce needs. These could include engaging remote workers and reskilling managers to lead from afar.

### **Improving employee experience using data**

For the employee experience to be credible and consistent, it must be designed across all engagement channels — digital, social and environmental. The digital experience has changed how employees approach tasks and ultimately do their job, giving back time to focus on the task at hand.

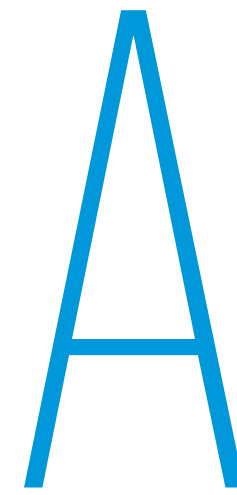
An optimised experience provides the tools and technologies to work productively, efficiently and collaboratively with a true synergy between technology and the employee; engaging continuous improvement through the collection and interpretation of data analytics.

We are seeing a rise in investment and prioritisation of Enterprise Service Management (ESM) to better support the employee experience. Leading organisations are seeking to design the employee experience in a holistic, end-to-end and connected way and want to leverage technology to address the “moments that matter” within an employee’s journey.

We are used to seeing separate functions invest in service management technology solutions. These help to define a process for finding knowledge through portals and raise cases for resolution, for example, through an HR Service Centre. What is now clearly emerging is the use of portals, workflow, process design, chatbots, “in-the-moment” targeted prompts and AI to be configured as a horizontal integration layer for all types of experience. These address milestone moments for employees and are specific to an individual, reflecting his or her current sentiment, regardless of function.



## How can organisations prepare for changing skillset needs?



### Shaping the future workforce

The workplace is changing faster than ever, and acquiring new skills has become far more important than having the right credentials. In the KPMG 2020 HR New Reality Pulse Survey, HR executives say that approximately 35 percent of employees are expected to need to be reskilled and that 39 percent are likely to continue to work remotely.

With expected seismic shifts to how we work, the global workforce may need to switch occupational categories. With advances in digital platforms, automation and artificial intelligence, the skills companies require will change and have implications for individual career paths. Against this backdrop, the HR function can drive competitive advantage over medium and long term for organisations by shaping the workforce for the future.

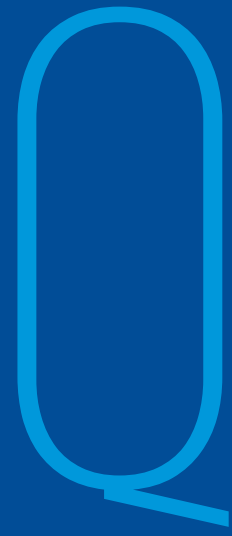
However, data also suggests HR has some fundamental gaps to close to be considered a true strategic partner within the business. In the latest HR New Reality Pulse Survey, about four in five CEOs (and executive vice-presidents) say the HR function needs to completely reinvent itself to respond more effectively to future disruptions. This transformation includes modernising HR processes, governance, information management, technology and its own delivery model.

### Equipping the workforce with technical skills

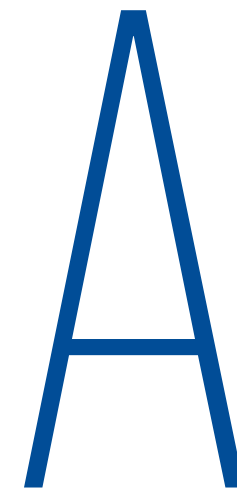
It's increasingly clear that technical skills are going to be crucial for all employees, regardless of function. In the [Global Harvey Nash/KPMG CIO Survey 2020](#), 62 percent of respondents say a skills shortage is preventing their organisation from keeping up with the pace of change. Furthermore, a top priority for over half (53%) of organisations who contributed to the survey is to scale their data analytical skills as part of their data strategy.

As a result, many companies are exploring upskilling non-tech talent with technical skills to fill knowledge gaps. These upskilling programs are helping organisations build a more agile workforce and address critical skills shortages around artificial intelligence, data analytics and cyber security. Our analysis has found these skills were among the hardest to find in the current talent pool. Organisations are having to decide between building or buying new skills through training, automation and bringing onboard new hires.

HR leaders recognise that talent development is not going to be easy. Reskilling in the pandemic is difficult: managers and team members need to be retrained rapidly in working and leading effectively in a remote environment. However, traditional face-to-face training formats are no longer an option. Not only is this forcing HR leaders to embrace digital training solutions, but recent surveys also suggest that today's learners favour 'performance support' methods and tools that enable just-in-time learning as opposed to formal, structured learning interventions. As a result, the need to reskill is also making HR revisit technology investments in learning and development platforms.



How can organisations adapt their recruitment practices as technological and social changes increasingly impact businesses?



### **Prepare talent acquisition for the new normal**

The concept of assessing and interviewing candidates, recruiting the best talent and virtually onboarding them is challenging for many hiring managers. Still, this is the norm when many offices are largely unpopulated and business travel is restricted.

“The new reality has opened the global talent pool for hiring in organisations around the world. Additionally, your future employees can choose where they want to live and work. To facilitate hiring, on-boarding and eventually working, emerging digital tools and platforms will play a key role,” says Phil Mitchell, Partner, People and Change, KPMG in the UK.

Onboarding can be the first impactful experience – one that engages, connects and empowers new employees. By valuing the employee’s perspective, this experience can set the desired tone, right from the day employees receive an offer through to their first few months on the job. Digital interactions have simplified the process of onboarding into a flexible, user-friendly and highly interactive experience. With a consumer-grade self-service offering, a new hire can do more remotely.

Some organisations were using advanced hiring and onboarding practices before the pandemic, while others were forced to quickly adapt and enhance their pre-pandemic processes. The rapid shift has only highlighted the need to keep recruitment and onboarding processes, technologies and the overall employee experience up to date.

### **Enhance the employee experience with design thinking**

How can a tweak to the job application process make the candidate experience smoother? How can the first day for employees be made distinct and memorable?

In a virtual environment, can a new app help with networking and teambuilding? The HR job role has many added nuances now that go far beyond traditional expectations.

Part of the strategic role of the HR role includes observing patterns, finding areas of improvement in terms of the employee experience and designing appropriate solutions. Thus, “HR the designer” for authentic experiences to reinforce multiple employee value propositions (EVPs) is an emerging capability that’s only going to gather more traction in the future. Leaders within the HR function will have to cultivate this design-thinking capability — a human-centric, structured and creative approach to problem solving.

There are multiple platforms to make this happen. With advancements in technology, interactions with all candidates are now mobile enabled, personalised and specific to the role involved. Individuals can review, respond and receive instant feedback. New hires can have a consumerised ‘new employee’ experience with a well-designed pre-boarding experience.

Robotics, chatbots and digital assistants with cognitive capabilities bring a personalised human touch, while adding efficiency to the overall recruitment process. A frictionless, connected employee experience and customer experience is what a lot of organisations are working towards.

This approach makes it possible to design a wholesome and connected employee experience by understanding how to create the “moments that matter” throughout the employee lifecycle. Maternal and paternal leave, onboarding and wellbeing policies are some crucial elements in the overall employee experience. Clients also report that a design thinking capability helps them configure an overall employee value proposition. This is a high priority to ultimately enhance the experience for existing and prospective employees.

# How KPMG can help?

At KPMG in the UK, our HR consultants understand the challenges and opportunities of the new reality and are working shoulder-to-shoulder with businesses like yours every day. Our pre-built Powered HR assets help make the most of HR transformations. Using our cloud platform, we focus on processes, people and technology to deliver high-value employee experience and automation opportunities. We bring the experience, research and industry know-how organisations need to define the future of HR — now. For more information, you can get in touch with our experts listed below.

More information about this research can be found at <https://home.kpmg/uk/en/home/services/advisory/management-consulting/kpmg-powered-enterprise/kpmg-powered-enterprise-hr.html>

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