Three cornerstones of HR success

A point of view from KPMG Powered Enterprise

What we've learnt from the most successful organizations

In our recent '**Future of HR 2020**' study, we looked at how HR departments around the world are shaping organizations ready to take on the future.

KPMG professionals gathered information from more than 1,300 HR executives in the field and discovered that a small percentage of HR departments shared four defining characteristics. These can be observed in the actions of HR executives and heads of department, and can affect the identity of an entire organization.

We call departments that exhibit these characteristics "Pathfinding HR".

Shaping workforce

Pathfinding HR departments seize disruption as an opportunity to modernize the workforce, restructuring it to take best advantage of machines and humans working together.
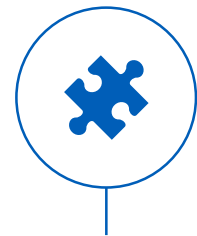
Shaping culture

Pathfinding HR takes an active role in promoting a purpose-led culture within their business. They create a supportive environment where collaboration and motivation can thrive.

Shaping experience

They focus on the moments that matter to employees, responding to their needs and desires to improve the employee experience.

Shaping strategy

They harness the power of data science to generate actionable insights, informing decisions about people management and predicting outcomes of change throughout the business.

In KPMG member firms' experience, it's better to have all four of these Pathfinding HR qualities balanced against each other. It's a common tendency for companies to focus on just one or two elements, while neglecting the others, which could lead to wasted resources and frustrated outcomes.

Pathfinding HR teams view themselves as value-drivers to the organization. They're confident in their ability to attract and retain the best talent, and they have successfully balanced all four characteristics. Developing these traits can take time and effort, but in our experience of helping organizations to transform with KPMG Powered Enterprise, there are three things you need to get right first in order to give your business the best chance of success.

Three vital cornerstones of HR success

1 Exploit the full potential of cloud technology

It's one thing to adopt the latest technology, but it's another to start making proper use of it. There are two common ways for an organization to move into the cloud.

In some cases, people become so concerned with delivering transformation within an agreed timeframe and budget that they prioritize form over function. They'll implement the technology, but decide to play it safe by simply reconfiguring their existing processes. This can be a huge missed opportunity.

On the other hand, some people grasp the nettle and decide to make best use of the technology they've paid for. This might mean configuring a new system of records, reconsidering roles and skills throughout the business, and overall restructuring of the operating model.

For example, a client moved their processes into the cloud with help from KPMG Powered Enterprise specialists. They advised on the design of a new infrastructure where all employee data was stored in a central repository connected to other key data sources – factoring in productivity data, sales data, financial data and others, which made new levels of performance analysis possible.

Committing to structural change can seem daunting, but making it easier for line managers to operate and for employees to engage with self-service processes can speed the process of work within your organization. KPMG Powered Enterprise can provide you with the necessary technology and a target operating model that supports making informed decisions based on predictive analytics – pushing your HR department into the value-driving role that's necessary for a Pathfinding organization.

2 Put your data in wider context

If you want to make decisions based on insight, it's important to consider evidence from a wide range of sources. It's no good looking at data from just within the HR system, it means nothing in a vacuum. However, once you start connecting this with data on sales, employee attitudes and finances you can form a much clearer picture of the business landscape.

For example, a KPMG member firm helped one of their clients – a high street bank – to identify the right mix of skills, capabilities and employees required for a high performing branch. We compared the data for thousands of branches across the country and found the 'magic formula' that would enable one branch to consistently outperform another.

Once insights like this have been achieved, they can be put into practice. KPMG Powered Enterprise can use cloud technology to help break down functional data silos across your business. You can start making recruitment decisions and upskilling existing staff in order to create predictable increases in workforce performance and productivity

3 Really understand your people

We know that the way we work is changing. In fact, 3 out of 5 HR leaders surveyed believe that if the HR function doesn't modernize its approach, it could become irrelevant ('Future of HR 2020' survey, 2019). The crucial role that Pathfinding HR teams play is helping other departments within their enterprise to understand what roles will be needed to remain competitive in the business landscape of the future.

Take KPMG as an example. In the future, in addition to traditional auditing skills, we'll likely rely heavily on data science, design thinking, data and relationship management. Auditing could extend to issues of sustainability and corporate culture. Practically, we need to be considering how we will meet these demands. KPMG member firms are already reshaping our workforces to help ensure our teams have the skills available to meet the requirements of our clients in the future.

Technology will also help to understand individual workers. You can understand someone's skills, their level of proficiency and areas where they might need to develop. KPMG firms been working together with Microsoft to utilize the power of Cortana and Office 365 to enable learning in the flow of work. Pathfinding organizations must have the capacity to match people's skills to tasks, rather than matching people to jobs. And they must be able to do this in an agile and dynamic way.

What comes next is powered by KPMG.

Ready to take the next steps?

Pathfinding HR departments are defined by having all four traits as one integrated and holistic entity. In our 'Future of HR 2020' survey, only 10% of respondents qualified for this category. The majority of participants (80%) worked within departments we categorized as "Searching". These displayed a couple of the necessary qualities, but were lacking the full set. The remaining 10% were simply "Disconnected".

In an increasingly agile world, we recommend that an HR department aspiring to develop its Pathfinding traits should progress against all four fronts simultaneously, on an incremental and persistent basis.

The task is not to be underestimated, but in our experience of working with organizations that have successfully made the change, KPMG member firms found it's vital to start from a strong foundation. That's why incorporating these three cornerstones of success is important at an early stage.

To start developing your HR department, get in touch. We'd be delighted to show you what your future state could look like. KPMG Powered Enterprise can provide you with the technology, a target operating model and access to experienced KPMG transformation professionals. Working together, we can shape an organization that acts with agility, insight and success.

To find out more about KPMG Powered Enterprise and the impact it can have on your business visit:

www.kpmg.com/poweredenterprise

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