



# Future Proofing Your Workforce?

Inside the Minds of 1,200 Global HR Executives

March 2019



# A view of disruption from the top

To disrupt is to exist

86%

of CEOs say that rather than waiting to be disrupted by competitors, their organization is **actively disrupting** the sector in which they operate

Digital & sensory concerns

57%

say their organizations **do not have the sensory capabilities** and innovative processes to respond to rapid disruption



## Top five strategic priorities in next three years



81%

believe their organization is placing greater importance on **trust, values, and culture** in order to sustain its long-term future, focusing on:



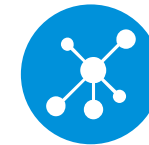
Greater speed to market



Digitization of the business



Becoming more data-driven



Building public trust



Implementing disruptive technology

# HR's value to the enterprise

Just how valuable is the HR function to the businesses they serve today? Many HR executives expressed confidence regarding HR's strategic value and performance:



**40%** agreed that the HR function is considered a core value driver by their senior leadership, with



**34%** at least slightly agreeing. In our 2018 CEO Outlook Survey, nearly half of CEOs —



**47%** — agreed that their workforce/HR capabilities are effective

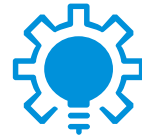
# It's not just external disruption, the workforce is changing too



100 year life



Contingent and  
gig workers



Intelligent automation and  
the workforce



Consumerism  
behavior



The People Agenda must address both **industry disruption** and **workforce challenges**...



Why change?

Most CHRO's believe their HR  
function needs to be rebuilt to  
manage through disruption



# The CHRO Agenda for Disruption



## Purpose and Culture

The future belongs to companies that have identified a clear sense of purpose:

- Modern view on human element/automation ethics in the future state
- Values and role in society



## Workforce Insights and Analytics

New insights through:

- Automated descriptive and diagnostic analytics
- New predictive and prescriptive analytics



## Workforce Shaping

The changing role of humans in the cognitive era:

- Workforce type, skillsets, and composition
- 'Gig' vs. permanent workers
- Lifelong learning



## Employee Experience

HR leaders are tasked with Attracting, engaging, and retaining top talent by strengthening the employer brand and maximizing the psychological contract:

- Technical
- Digital
- Mobile
- Social



## Enabling Technology

Cloud, intelligent automation, connected workforce, digital work environments

## HR Organization of the Future

Refreshed HR operating model, team/skills, role in driving business change and ability to change self



# What is the level of alignment between HR and the C-suite?

Turning to workplace culture, HR leaders said they consider it a top barrier to digital transformation, with about a third —

**35%** — calling their current culture more *task-oriented* than *innovative or experimental*.

But a look at our *KPMG 2018 CIO Survey* shows that

**85%** of CIOs consider an innovative or experimental culture to be quite important or very important to success on the digital transformation front.

Our message to all leaders? Only decisive action now will redefine yesterday's task-focused work teams into tomorrow's innovative and futuristic workforces.




# Purpose & Culture

Traditionally, HR has owned pieces of culture rather than the whole. In order to achieve the right purpose and culture to drive organizational results, HR is required to be the shaper of purpose and architect of culture.

## New capabilities

 Driving the alignment of purpose and culture to organizational targets

 Articulating the behaviors needed to support the right culture

 Supporting the sustainment of culture and behaviors through organizational levers they own

 Identify key roles and behaviors needed to enhance organizational culture

Will require changes to:





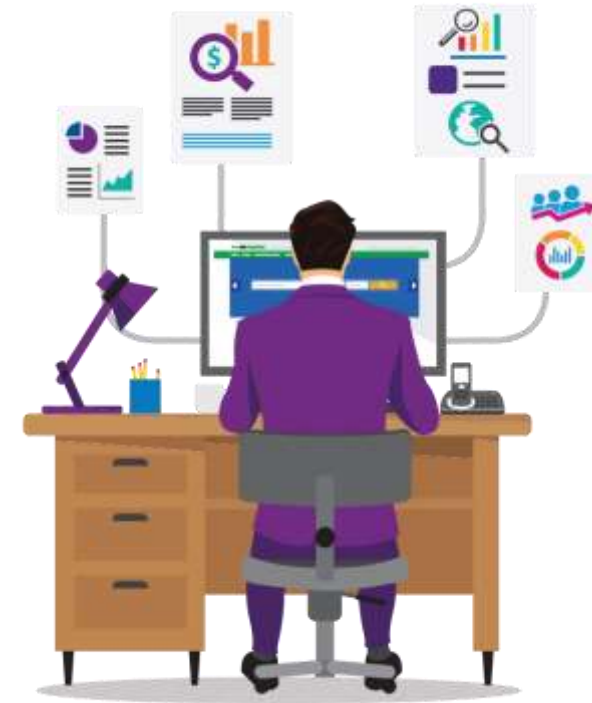
# Data, analytics . . . and disbelief?

Despite data's remarkable ability to deliver critical new insights, enhanced decision-making, barely one in five HR leaders —

**20%** — said they believe analytics will be a primary HR initiative for them over the next one to two years.

Fewer still —

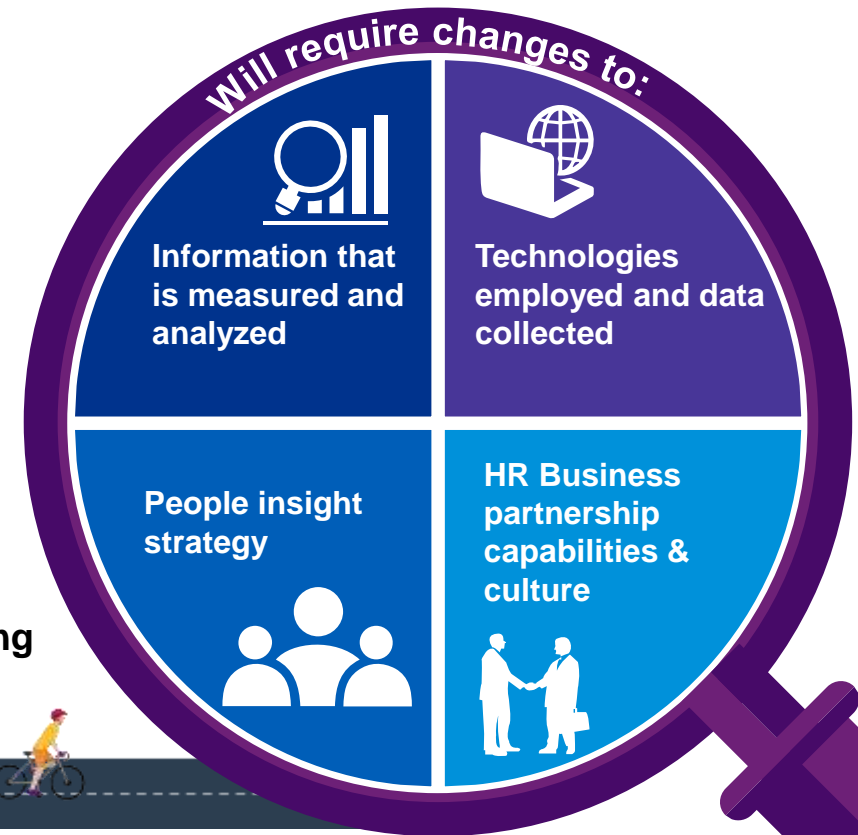
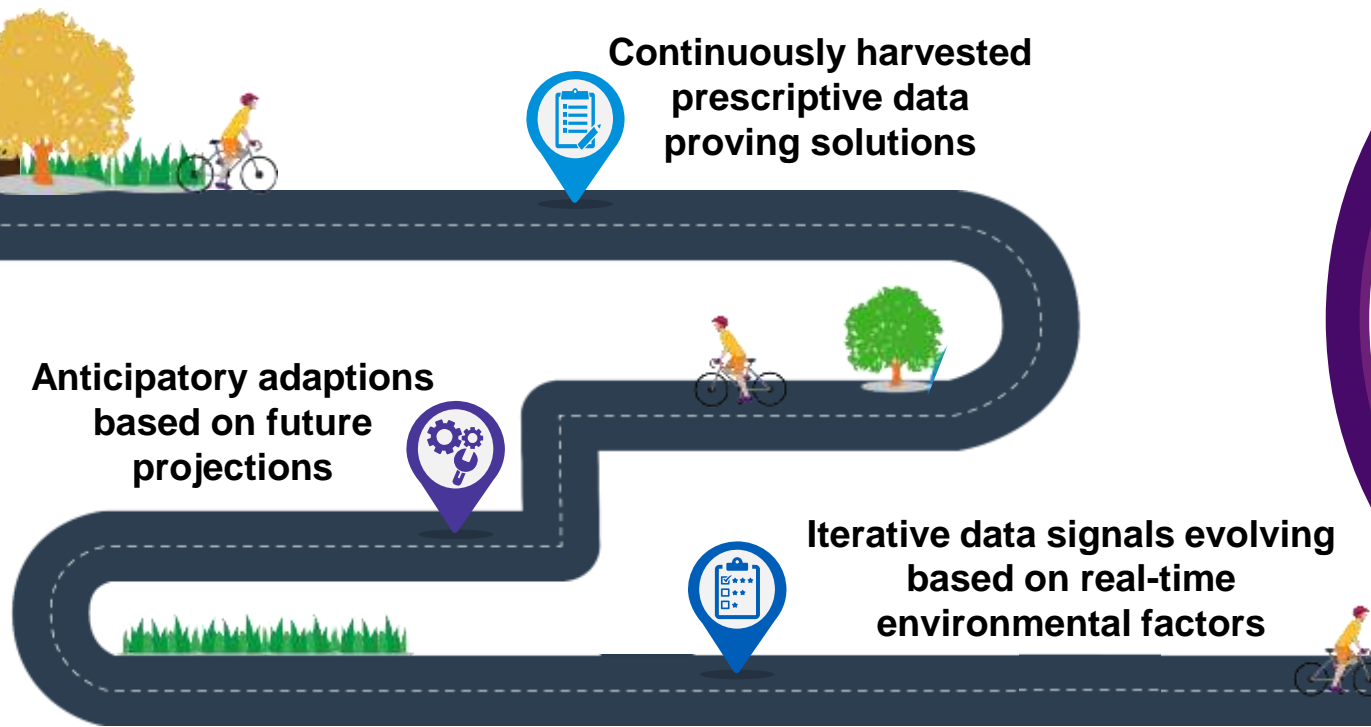
**12%** — cited analytics as a top management concern as unchanged.



# Workforce Insights & Analytics

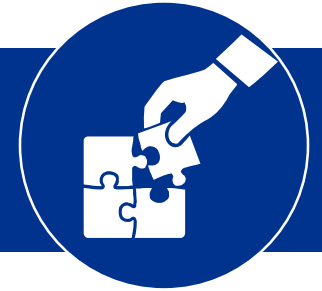
HR must transcend its role as the 'People - People' and drive performance and value through delivering impactful workforce insights at the point of need.

## New capabilities



# Workforce Shaping

HR needs to replace the relative certainties of supply and demand forecasting that traditionally occurred under the heading of “Strategic Workforce Planning” and instead iteratively evaluate their workforce.



## New capabilities



**HR facilitate workforce assessment conducted by the business**

Ongoing re-examination of the workforce model leveraging 5 C framework



**Continuous analysis of workforce & skills impacts**

Team-based, end-to-end process view of work driven by skill scarcity and value-add to business



**Dynamic scenarios with associated probabilities**

Horizon scanning and an “outside-in” mind set  
Identifying impact to cost, capability, capacity, connectivity, and compliance

## Will require changes to:



Business focusing on new required capabilities, to-be-tasks and critical skills for workforce



Consideration of “workforce” to include human (full-time, alternate) and bot workers



Constant evaluation of workforce model



# Employee Experience challenges remain

While **50%** of HR leaders strongly believe employee experience (EX) is valuable to the entire organization, only

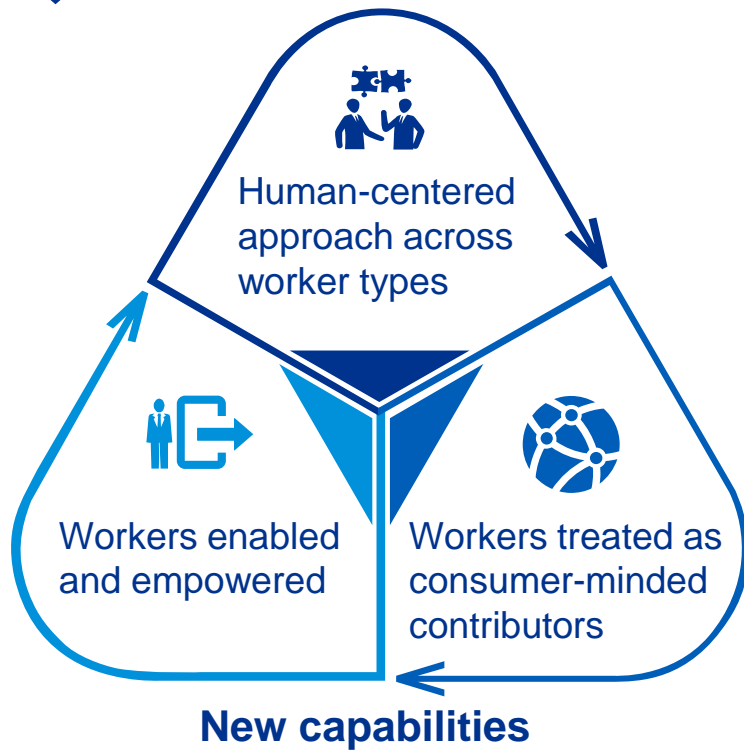
**25%** rank EX as a top initiative for the next year or two. That's perhaps due to the fact that only

**16%** of their senior management have communicated that EX should be a top focus area for HR.

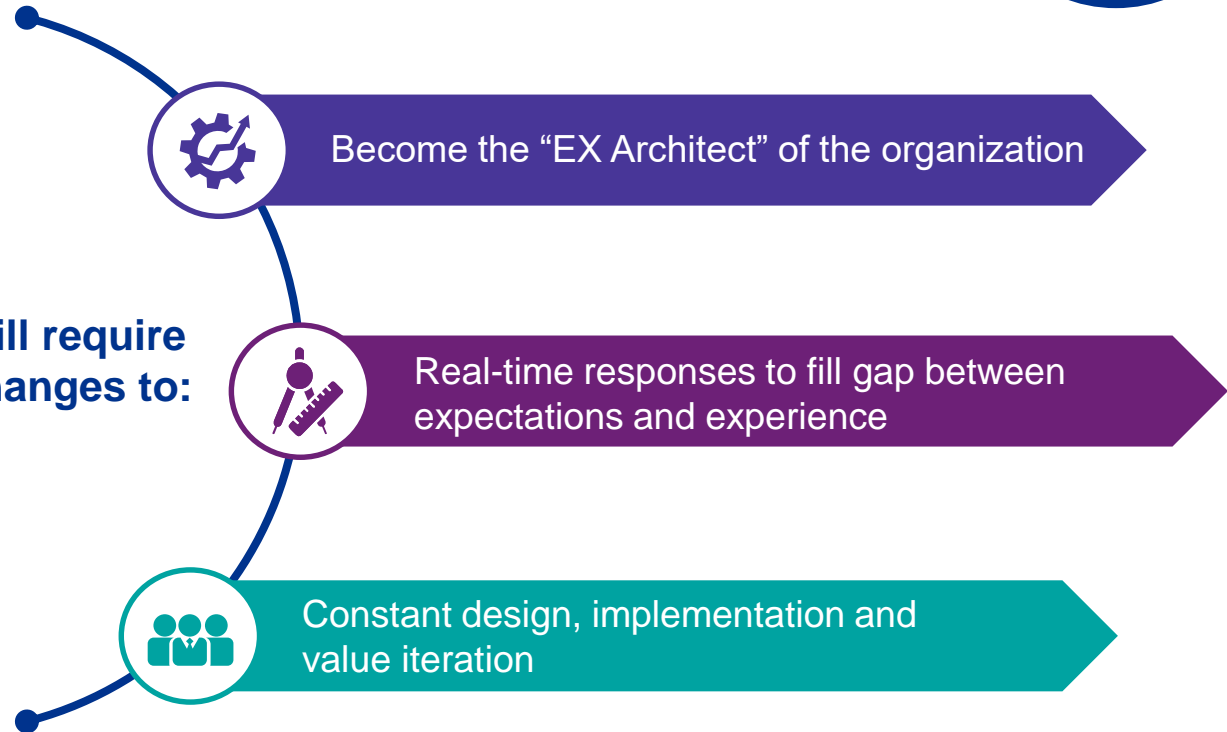


# Employee Experience

Employee experience is perhaps the greatest driver shifting workforce expectations and workplace strategy. Unlocking a consumer-like employee experience that lives up to the employer promise will show tangible results for HR.



Will require changes to:

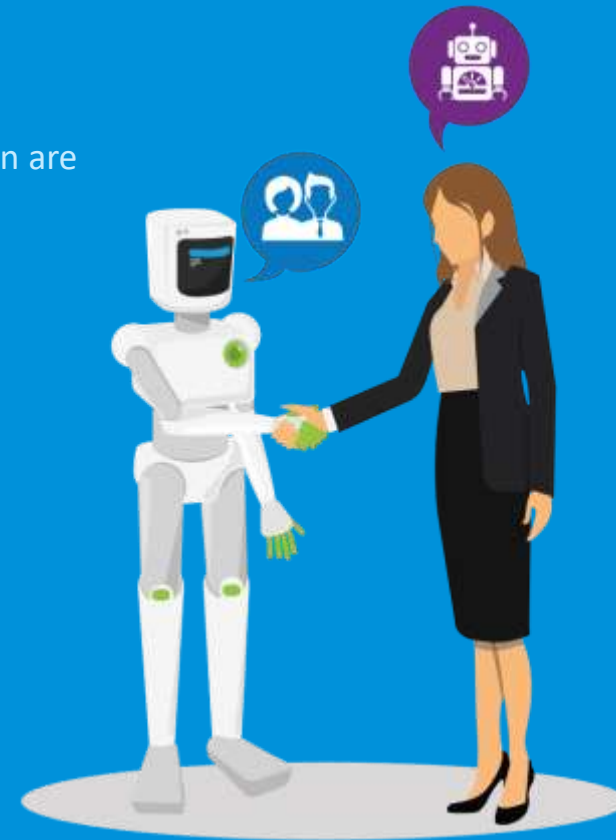


# Smarter approaches to AI needed

Only **36%** of HR functions have started to introduce AI and just **14%** have invested in AI over the past 2 years.

**42%** of HR leaders agreed AI and machine learning integration are among the biggest transformation challenges they will face in the next five years. But among organizations yet to adopt AI within HR, half remain uncertain that they will do so in the next year or two.

A troubling **50%** admit to being “not at all prepared” to respond strategically as AI and ML emerge; barely a third feel “somewhat prepared.” Fewer than 1 in 10 feel “prepared” or “very prepared” for changes to come.

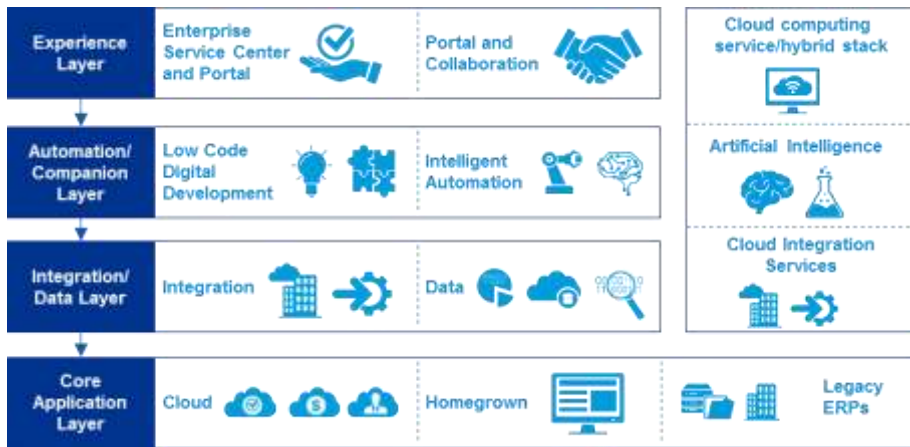


# Enabling Technologies

The digitized HR function will provide employees highly individual service through personal virtual assistance, utilizing continuous technology modernization and highly-interchangeable technology architecture

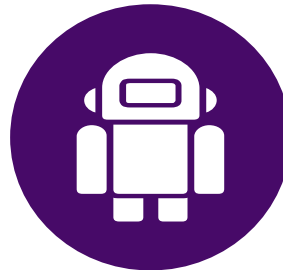
## New capabilities

### Interchangeable and Pluggable Technology



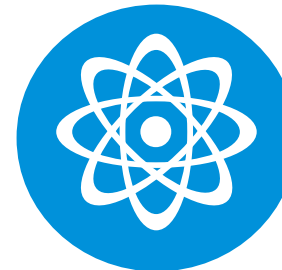
Continuous modernization and constant machine learning service enhancement and innovation across all technology layers

### Enterprise Virtual Assistance



Highly personal service, enabled by chat, natural language processing and predictive outreach

### Constantly changing automation and artificial intelligence



Repetitive processes, cases, and transactions will be actioned by bots

## Will require changes to:

Perception of constantly evolving platforms

Consumption and implementation models

Internal skills to build and integrate AI solutions


# HR Organization of the Future

## Workforce insight

Deliver insight and analysis into the role of people as a source of competitive advantage



## New capabilities



**Workforce strategy & shaping**  
Deliver the right workforce shape, composition and structure that will successfully deliver business strategy.



**Workforce experience**  
Create a winning employee experience and organization culture for competitive advantage.



**Workforce delivery**  
Support the execution of hire to retire processes / programs, HR technology and HR consulting.

## Will require changes to:





We have identified five new personas for the HR function of the future ...

**These five roles will be critical for driving value from the function.**

### 1 Workforce Shaper

Using Business Futures to define workforce needs



### 2 Workforce Experience Consultant

The expert on design thinking ensuring a great experience



### 3 Robotics Capability Manager

Maintains the bots and IA solutions



### 4 People Performance Architect

Informed by behavioral science



### 5 People Data Analyst

The expert who applies analytics to people performance



# Meet Quentin, Workforce Shaper

## Why does the business need Quentin?

Having the right people in the right place at the right time, finding the right blend between permanent and flexible talent: Quentin brings together business strategy, workforce analytics, innovation and the people agenda to understand the long term requirement for people and skills in the business.

Quentin's role determines resource and skills gaps and then works with People Architects to design appropriate organization design, learning and talent acquisition interventions.

Quentin is driven by:



**Senior member of the people leadership team, recognised as the shaper of the workforce,** Quentin is an expert in building the right workforce for the business. He develops the plan to deliver on the strategy of the business. He is an expert in analysing data to understand the impact on the workforce and is able to bridge skill gaps. He understands the talent landscape for now and the future, and is a specialist in how to develop talent.



### THINKS

He is an integral part of helping the business meet its strategy through its people.

### FEELS

He knows the total workforce more than anyone else in the organization.

### DOES

Build the workforce the business needs both now and in the future.

### EXPECTS

To have the power to change the shape of the workforce as he sees fit

### MEASURED ON

Total business utilization  
Size of skills gap

## WHAT QUENTIN TELLS US ABOUT HIS EMPLOYEE EXPERIENCE

### Learning orientated

All employees, particularly the leadership, want to grow the company and be ahead of the competition now and the future.

### Agile

The organization is focused on the external environment, looks to continuously adapt and is flexible in the way it operates.

# Where do we go from here?

## The Future of HR

### Building the case for change

Impact of disruption (industry and functional), pace of change, HRs role in taking the organization forward



### Art of the possible

What market leading organizations are doing / focusing on for HR, share innovative ideas and demonstrations regarding data and analytics, RPA, Workforce Shaping likely top focus areas



### Designing the future state

Contextualizing the POVs and demonstrations for based on organization's current journey and maturity, creating a vision, identifying top opportunity areas



### Prioritization and aligning key stakeholders

Getting the buy in and decision making required to move forward, how to piece it all together



# What should you be thinking about?

**Business as usual is not an option.** The biggest limitation is no longer the technology and what it can do, but the imagination of those who must deploy it

- How should we reshape our workforce to be fit for the future?
- What culture do we need to be successful?
- What changes do we need to make to be seen as value driving as opposed to being seen as an administrative cost?
- Do we have the right skills in HR? Which ones are missing?
- How much appetite do we have for automation?
- What are the critical skills that our business needs to drive competitive advantage?
- How do we become more evidence based?
- Where do we start?
- Are we prepared to reinvent HR in our business?





Questions?



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