



# Stop repeating past mistakes. Start designing the future.

**HR: Under pressure to act—a point of view from  
the KPMG Powered Enterprise team**

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# Enterprises are facing a huge rise in market disruption and customer demand

It's having a big impact on how organizations structure themselves; and the knock-on effect of these changes internally means that workers' demands on HR are increasing exponentially too. Then there are the other factors to consider; from geopolitical instability to advances in technologies like AI and robotics. It's all bringing further ambiguity into the arena of human resources.

# The enterprise is looking to HR to meet and respond to this disruption head on

It's building pressure on the traditional tools and structure of HR, with existing ways of working creaking at the seams.

HR should seek to stop its individualistic focus on such things as competence, talent and performance management, and start combining these traditional priorities with a new, wider workforce perspective.

HR should embrace such themes as workforce shaping, team-based reward, and experience design—delivering a genuine, evidence-based architecture that addresses all employees and enable the best of everyone at work.

In recent years, KPMG research has highlighted a clear dichotomy between “enlightened” HR functions—those boldly engaged in the strategic transformation of HR, and “unenlightened” teams—those faltering amid the uncertainty as the digital era redefines the world around them.<sup>1</sup> And it's a gap that's only getting bigger.

The KPMG 2019 HR survey highlighted that 60% of HR leaders do not have a digital work plan in place at the enterprise or HR level.<sup>2</sup>

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# A new operating model for HR

To meet the growing challenges head on, we know that the new HR function must start to be more project based, agile and digitally enabled, all while reducing operating costs. But that can be tough to achieve on top of day-to-day tasks.



## **Project based**

To remain of value to the business and in order to maintain a strong leadership position, it's vital that HR itself rises to the opportunity to drive change.

With the right operating model for HR, this need not be as far out of reach as it may currently seem.



## **Agile**



## **Digitally enabled**



## Stop relying on the cloud alone

Many HR teams look to the cloud as a panacea—but simply plugging into the cloud alone will not necessarily deliver the data-driven insights, smarter decision making, real value for the bottom line or anything near the cloud's actual vast capabilities to redefine HR and engage more effectively with its workers. This requires proactively changing the culture and underlying operating model of HR itself.

## Start developing an operating model for tomorrow

HR organizations looking to jump-start with the cloud need an operating model built for tomorrow and beyond—enabling them to envisage and deliver on drivers of change, such as:

- 1 **timely and affordable** deployment of human resources solutions
- 2 **an intuitive user experience** and greater engagement of those systems across the business
- 3 **new levels of mobile accessibility** between the business and its workers
- 4 **smarter decision-making** between teams and departments
- 5 **workforce efficiencies** that can pre-empt the demands of tomorrow.

Powered Enterprise helps businesses to deliver on this, providing greater visibility and the capability to help improve the utilization of scarce resources across departments.



**90%** of HR leaders surveyed did not identify measures of success<sup>1</sup>

## Ensuring success

Our research has highlighted that 90% of failed HR transformation initiatives surveyed had not identified measures of success.<sup>1</sup>

It's clear that to help ensure success requires a well-defined sense of where you are going and what you expect to achieve.

This can be best envisaged with a “future-state operating model”.

This vision of the organization of tomorrow can enable improved clarity when changing roles and structures in line with your transformation and help ensure you have the right change management capabilities in place. With a map of the “end-state”, streamlined processes and improvements in cost efficiency provided by new systems can often be brought forward.

A future-state vision cannot only help speed delivery; it helps stakeholder collaboration and extends the strategic conversations you are able to have—all without losing focus on your day job.



# Stop falling behind. Start taking the lead.

HR organizations on a clear path of transformation demonstrate strong, proactive and informed leadership—enabling HR teams to take on the role of change agent.

You are likely only to have time for this and be able to keep pace with the change trajectory with a clearly mapped out end-state model to work towards.

## What will be waiting for teams that embrace a new model?

- 1 **A new mind-set** that understands the digital era, one that is able to make the most of the potential of relevant technologies, enabling humans and digital to work together effectively
- 2 **A redefined understanding** of the value of the HR function—making it evidence based and providing a stronger voice within the business
- 3 **Deeper understanding of skills** and how resources can be best utilized in a changing and increasingly digitally led environment
- 4 **Workforces that are tailored** to your evolving business, with reskilling and recruitment more easily planned and effected
- 5 **Employees treated like customers;** driving deeper engagement and satisfaction levels that can help drive a competitive edge for your enterprise within its industry.





## With KPMG Powered Enterprise | HR you can:

- **transform** the way you run your business
- build **agile functions** that evolve as you grow
- help your people **adopt and embrace change**
- **exploit new technologies** for value and performance
- **drive future success** with the latest leading practice.

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

**[Read.kpmg.us/PoweredHR](https://read.kpmg.us/PoweredHR)**

1 Source: HR Transformation: Which lens are you using? KPMG International, 2017.

2 Source: 2019 HR survey, KPMG LLP

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