

Organizational Transformation: Creating a culture of change

KPMG Privately Speaking podcast transcript | Episode 13



Erika

Well, I'm very excited to have these two lovely ladies here today, Michelle and Leila. And we are going to talk about organizational transformation today, or culture. Maybe that's a lot of what this is about. But so, really excited to have you both here today. And I'm going to let you both introduce yourselves really briefly. And Michelle, start with you.

Michelle

All right. So, Michelle Kent. I have been with KPMG for 13 years, almost 13 years, and I help our clients focus on the people side of transformation. So, helping them achieve their business outcomes, but thinking about the people component, how we make that change experience the best experience it can be, and how we get the most from the talent in an organization.

Erika

Great. Leila.

Leila

Hi, my name's Leila. Been around KPMG almost as long as Michelle has. But also very passionate about uplifting the employee voice, the experiences that matter the most, to ensure that you're getting the best out of your people as well, but that you're also retaining them, given all of the things that are going on in the world today. And making sure that their experiences in the workplace are the best that they can be.

Erika

Perfect. Well, thank you both for being here. I really appreciate your time. And I'm going to refer to a thought piece throughout this session that both Michelle and Leila were involved in crafting. And I think it's got a lot of good nuggets of information, I think that will ring true to those who are listening and also things to think about. It's called "Redefining the Rules or Organizational Transformation." I wanted to start towards the end of the piece. And there was a discussion about looking at everything that you do through an employee lens. And I

really want to hear your thoughts on that and maybe dig into that just a little bit deeper. Because I think a lot of organizations try to do that, including KPMG, but I just think that that's a wonderful way to look at how we're trying to change and maybe how things have changed over the last couple years. And Michelle, maybe you can start.

Michelle

Yeah. Well, I like starting there because it's actually starting with the end in mind, which is how do we make the employee experience better and change how we do things and change the experience of change itself. So, our talent's everything, but if we focus on that a lot more, we're going to get the outcomes that we want. And then you back up and say, "Well, how do we design things and make improvements or changes that make that experience better?" We're going to achieve those outcomes. And it's a lot more fun to do it that way. I think the other thing is, if you want to move faster, and we have the hypothesis that organizations' competitive advantage is going to be its ability and speed to change. If you want to change faster, you could make that experience of doing the work and being an organization better, people are going to change faster.

Leila

And I think building off of that, I think the employee expectation is higher. You see all the stats of the Great Resignation and over 40 percent are looking for new jobs every day, and the number of people have switched jobs. And I think with folks, especially over the last couple years, trying to really think about what is it that they want out of their life, doing a lot of self reflection as you're stuck at home day in and day out, that they're expecting different things. "I want more flexibility. We were able to do that over the last two years. I want different things out of my life. There's things that I've rediscovered that I want a new career."

Leila

And so, I think the experience that you make in the midst of all this change that you're going through in an organization, the expectations are higher from an employee perspective. So, if you don't center on the employee voice and really listen to what are the things that are concerning them, what are their pain points, and really focusing on making sure that they're brought into that conversation, you are going to start to lose more people as you start to try to do more transformation.

Erika

But in terms of data and how do you get what you need to look at things through the employee lens, whether that's—I know we talked earlier about surveys or are there other ways that we can really truly understand where employers, employees are at today, tomorrow, et cetera, what level of frequency, how do we know?

Leila

Yeah. I think in general, when you think about the data you're collecting, yes the surveys, and I'm pretty sure every company over the pandemic has done a lot of those check-ins. I know us, as a firm, I think we've got multiple every month and every other month, and just to make sure we were feeling rainy or sunny and those kind of things. And I think that's important. But again, if you don't dig into the why or get the anecdotal as well, that holistic view of why are people not feeling good, not everyone's going to be in the same place and for the same reason. And having those conversations to really round out the data that you're getting possibly from a survey, you're still not going to be able to address the right things in order to make sure your employees are feeling supported and doing the right things from a leadership perspective.

Michelle

Well, and I'll just add. During times of change, it's really easy to just listen to the loudest voice or the noise. And so, if you're not using data, you're going to overreact or potentially not focus on the right things, or really not have an understanding of the entire organization and where it's at. That's not to say like sort of fringe your pockets where there's challenges or noise that you shouldn't listen to it, but you need to understand that it's a pocket and maybe just target that group. And so, that's why, in our opinion, trying to get that data and do more data-driven insights in regards to the organization and in regards to change. It doesn't mean change direction, it just means do something and maybe do something differently, or confirm things are working and recognize different parts of the organization really need different things.

Michelle

In the era of digital, it's actually much easier to get that data. And in fact, when we do change projects, we've got a tool to help do that, deploy information to you as an individual based on who you are and how things are

impacted and get immediate feedback and data in terms of what you need, how you're feeling, how certain things resonate so we can be a lot more iterative. And that's what data allows us to do, is meet people where they're at, recognize those differences, and be more iterative in terms of how we change and evolve.

Erika

And Michelle, the stat that you shared earlier, so you've got to give the details because I'll get it wrong, but I thought it was really interesting in terms of people who have left.

Michelle

Well, and this goes back to that experience point that Leila made of like, right now, everybody's trying to figure out what do I need, what do I want. My experience in the world has been really tough, and a lot of experiences at work have been really tough. I think with all of changes, people are feeling really overwhelmed, trying to figure out really what matters for them professionally. So, focus on that experience, because recent research has shown, people who left looking for something new, after six months about 40 percent of them didn't get the experience that they wanted. So, it means two things. One, you can go back and maybe see if you really can improve the experience. And two, you may be hard pressed to retain some of those new hires, if you aren't focusing on that experience.

Erika

And Leila, I think you had said earlier too, in addition to the data gathering and the surveys and things like that, digital forums also just being close with your team and checking in and asking how they're doing. I think I shared with you earlier, I do ask my teams how they're doing and I really want to know. Those ways of really not just what's the data show, but actually, how are they feeling is important.

Leila

And I know it's hard, because as leaders or managers, no matter where you are in the organization, you got a lot going on. And so, capacity to find the time, to check in with someone or to check in with your teams when you've got so many other things on your plate, and you're just trying to get through the day can feel like, "Well, I'll check in with them later. I just need to get this one thing done, or I need to get this email out." But sometimes those little things can really make an impact on someone, like you were saying, your manager and that can go a long way to retaining, keeping that person who can continue to be engaged and really be impactful in the business.

Erika

So, I think this is a good pivot to trust. And I think, how do you build that trust in a completely different way than we did before? For the most part, many of us were in

person in offices together, whether that was at client sites, whether that was at our own office buildings, et cetera. And now it's a combination of some people are more than ever, completely remote, or we've been remote for a year and a half or however long it's been, there's hybrid. I know there's some companies that are back in person, there's some companies that never left. Those I think are fewer. But what are your thoughts on that? How do you build that trust in a completely different environment than we've had in the past?

Leila

I think one of the areas that's interesting to think about is, did you really have the trust pre-pandemic? I think one of the thought pieces that we did recently during the pandemic was around this culture of now digital and how you actually have the right behaviors as you go more digital and go more remote. And it was really about how do you really think about driving more around the values and the behaviors that you're looking for, because now you can hide behind a screen. You don't have to see someone's face and somebody can just be texting somebody else and it's not noticeable like when you were in person. And so, I think it's really thinking about as a leader, what's the culture been like, has it gotten worse or better? I think that's one of the first things to drive whether or not you feel like you have trust in your organization.

Leila

But I think, ultimately it's how authentic you are as a leader, being transparent about things you know and don't know. It's been pretty proven over the last two years, nobody really knows what they're doing in terms of what's next and are we going to get out of this or not, or where the market's going to go. I mean, no one can predict these things anymore. So, the more authentic you are and the more transparent you are, and then really asking for help in areas that you do want. Again, back to that employee voice for people to really shape the solution together and shape the outcome together. I think that's really going to drive more trust in how your teams interact with each other and with you.

Michelle

I'll just add, I think that the pandemic was this point in time to actually build more trust. You actually have more moments now to create that. And I think it's during difficult times, during difficult conversations, when you can rise to the occasion and build that trust. And it's through being authentic, it's through admitting you may not know, or even sometimes admitting mistakes like, "I didn't know this was the call I made, and here's why. And I recognize now that probably wasn't ideal, but here's how I'm going to take it and learn, and now we're going to move forward together." But in difficult times, if you're trying to paint a rosy picture, it's not always rosy and that's just going to erode trust.

Michelle

And it's at those junctures that you can really take it and say, "Wow, I can do something different. I can be authentic." And the organization's like, "I'm going to trust that person, because it may be a hard message, it may not be shiny, happy, but they're going to be real and they're going to be truthful."

Erika

No, exactly. I completely agree. And I think the other thing too, that the last few years have taught us and frankly, unfortunately the world continues to teach us, is just being ourselves and being vulnerable. And like we talked about earlier, asking people how they are and really actually caring. Not that we didn't care before, but we might care a little more now. I mean, I think there's just a lot of terrible things that have happened and people have lost a lot of loved ones. And I think we all might actually care a little bit more. But that also goes to the employee experience and really wanting to get the most that you can out of work without maybe working quite as many hours, because you want to spend it with your family or doing things that are important to you.

Erika

Well, I think this brings us to... I thought this was interesting too, that was in the piece, just the pressure for leaders to take a stand on world, political, and social events, more than ever. Not only does it seem like there's been an abundance of that in the last couple of years, but the pressure on leaders to respond. Would love to hear your thoughts on that as well.

Michelle

Every organization's going to be different in terms of what makes sense for who they are. And culturally, it doesn't always have to be a stance. Sometimes it's just recognition as a leader, that things are happening and they're going to potentially impact people in the organization. And I think that without that, as a leader, as an organization, you're likely going to create a disconnect with your people, because they are still people and they are still impacted in what's happening in the world around them and you just can't ignore it. And so, I think that's finding that balance, but at least doing that either on a broad, like true organizational level where you're out making announcements or at an individual level, but doing something.

Leila

Yeah. And I think on that individual level, I think the first step of that is really awareness. I've been having a lot of conversations. I lead DEI for my teams and there's an interesting conversation of, well, how much is really happening in the world that's impacting everybody on a day-to-day basis, outside of the bigger headlines? And I compiled through the month of March, here's the headlines that impact LGBTQ or people of different races or different genders. And it was astonishing what

the mainstream headlines were saying and how many of them there were, and I think it shocked a lot of people of, I had no idea. And so, I think as a leader, really taking the time to build your awareness, to know that these things are happening. And then to again, check in with your teams and make sure they're doing okay.

Leila

To Michelle's point, it's sometimes not a stance, but just knowing there's impacts and just making sure employees have a voice to say, "Hey, you're right, I'm not okay and this is impacting my performance, and it's because I'm distracted." And so, having that safe trust. It goes back to that trust angle of building that trust as a leader to say, "Yep, I think that's okay. And if you need to take time, I think that's okay."

Michelle

And I'll just add, I think asking the question, I mean, as leaders we can't know everything, but when we're out there asking and seeking to understand how do our people feel about it. I mean, that's how we're going to learn more as leaders and be able to be more empathetic and make sure we're doing the right things or what we can, but if we don't ask, we won't know.

Erika

And I think you said this earlier, and it might have actually been both of you, taking the time to do that. And it does take time, but man, the cost of not doing it is frankly too high and it's higher than it's ever been. Both of you, if you can, what are your final thoughts that you want to make sure that the audience hears?

Michelle

Yeah. I think it's a really tough time to be a leader. You're trying to do everything you can to support your people and the organization, keep things going. And it's really taking its toll on leaders and I think we need to recognize that as leaders. Hopefully, other people in the organization will recognize that. And then I think we've got to recognize that as one another, leader to leader of how do we support each other, how do we help one another. It's tough to be resilient. And so, I think knowing we're in it together and helping one another, just continue to support in light of all the challenges facing us, keeping our head high and our energy and knowing we're doing the right things. But it's tough.

Leila

I think in addition to that, I think it's just how do you as a leader, even if you don't know the answer, try to provide clarity in your communications. And just be as clear as possible of, "I know there's a lot going on, here's the priority of the day or the week or the month or the year," and just trying to stick to that. So, that again, in the midst of all the chaos of the personal and the world and the work, that there is some north star you can track to or know what you need to be focused on. Again, a lot of the premise right now is there's multiple transformations going on at the same time. And so, communications are lost and people aren't clear and that leads to burnout.

Leila

And there was an article about how the U.S. has this corporate grind culture and it's not okay to take time off and it's always seen as a bad thing. And I had a client today, he said, "Look, I've got a little bit of a cold," and pre-pandemic, you would've almost been forced to come in to keep working, and now it's okay to stay home because nobody wants to see that.

Erika

So, now you almost have to stay home or nobody wants you to come in.

Leila

I know. And I think some of that needs to stay. There's some things that have shifted. And so, clarity, communications, trying to focus people and really, again, not making it so much of a grind that your people burn out because they're confused, I think it's going to be important as well.

Erika

Well, thank you both for taking the time today. I know our listeners are going to enjoy this. So, if you want more information, the article that was discussed, which is "Redefining the rules of organizational transformation," can actually be found on this podcast's KPMG webpage under related content. So, thank you both so much. Really, really appreciate your time and look forward to seeing you both soon.

Leila

Thanks, Erika.

Michelle

Thank you.

Erika

Thank you.

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