



Elevating the value of HR

Transforming people practices
People & Change



August 2022

Has your business undergone a recent transformation or strategy refresh?

We recognize where a transformation may be essential to re-imagine the role of HR within the business.



Changes in business strategy, mandate or culture

An HR function that is not fully equipped to deliver the organizational mandate, strategic needs and organizational culture requirements



Inability to adapt to new ways of working

Time and attention are consumed with day to day operations resulting in complacency with obsolete ways of working and leaving little or no capacity to introduce improved ways of working



The need to improve employee experience (EX)

Organizations increasingly want to achieve higher employee satisfaction through a comprehensive reimagining of the entire employee experience



Lack of HR infrastructure

Lack of policies, frameworks and systems that HR requires to attract, source, engage, grow and retain talent needed to optimally deliver organizational requirements



Changes in the external environment

Unforeseeable changes in laws, regulations and business landscape leaving HR as well as the whole organization vulnerable



The overall digitization journey

Clients are looking to digitize HR to increase speed, efficiency and user experience at all stages across the business

79%

of CEOs agree that establishing the right culture for the company is critical and HR plays an integral role in culture transformation

58%

of CEOs and CXOs say that their organizations consider HR to be an "administrator" rather than a value driver

60%

of CHROs say that their HR function needs to completely reinvent and transform itself



How have we recently elevated the perception of HR to help drive value?

HR Transformation for a regional financial regulator
Re-building the ship whilst it was sailing.

We have recently led an HR transformation engagement with a regional financial regulator over a 12-month period. Our highly skilled team was deployed to perform and function as the crew on the ground and be the change catalysts to help deliver on HR transformation objectives, as well as run HR operations in parallel to aligning HR to a new organization strategy.



Key benefits



Aligning leadership vision to the recognize HR's strategic role in the organization



Ensuring a seamless integration of the HR team to the new ways-of-working



Building in-house capability to sustain the new and enhanced HR operation



Maturity shift of HR from Level 2 (Basic) to Level 3 (Established) across various HR components



Managing resistance to change across multiple HR workstreams running in parallel

Key project outcomes

01

Redesign of performance, talent and L&D strategies to drive business strategy

02

Oversight of the digitization program of the new IT architecture

03

Re-design of organization structure, HR strategy, transformation roadmap and HR policies

04

Overhaul of rewards, compensation, benefits and employee grading structures

05

Revamp of end- to-end employee experience and talent acquisition journey

Key project statistics

30%



Reduction in hiring duration for new joiners across the organization

80%



Reduction in hiring costs as a result of overhaul of talent acquisition and rewards practices

\$20 Mn



Estimated annual savings delivered as a result of project recommendations

How is an HR transformation delivered?



Think it

Envision the future state operating model by defining the HR strategy in the context of both overall organization strategy and HR leading practices.

During our most recent engagement, we began by identifying maturity gaps and supporting the development of a targeted strategy.



Decide it

Define the target HR operating model, agree on the transformation roadmap to achieve the desired future state and formulate a business case to substantiate the need for change.

We worked closely with our most recent client to create the overall "game plan" for the HR transformation to help guide the change.



Design it

Develop and reach consensus on the detailed design, based on the outcomes of the 'Decide It' phase.

In our most recent engagement we used proprietary tools, methodologies and solutions to help accelerate the design of the transformation journey. Our leading global experts were also contacted to provide their proven experience and technical expertise.



Build it

Tailor and test the solution design to ensure it effectively meets the objectives the transformation.

We aimed to remain agile to cater to evolving needs of the organization and leverage our partnership with key stakeholders to ensure robustness of the transformation methodology.



Implement it

Deploy the solution and drive the transformation through a comprehensive project management approach.

We utilized our project control framework comprising of schedules, scope, controls and protocols to ensure strong project governance that enabled a seamless implementation of the transformation roadmap.



Improve it

Achieve steady-state HR operations with the implemented solution.

We worked to ensure a comprehensive handover of the deliverables and provide the necessary support to the client HR team for sustainability of the transformation solutions in practice.



What are the key challenges to transform?

Leadership sponsorship and motivated employees drive the transformation. Using an engaging approach, we help organizations get a better return on investment and drive business results.

1

Aligning HR to vision and strategy

- It is important to align the HR agenda with the organization's strategy and operating model
- We invest time in engaging with organizational leadership to clarify the strategic vision and understand drivers of the transformation right from the start of the engagement

2

Maintaining agility and adaptability

- The success of any transformation requires the HR function to be agile and ready to adapt to any unexpected changes in the internal or external environment
- We work with organizations to enhance preparedness of the HR function and the wider organization in delivering its objectives, whilst leveraging emerging trends to support organizations in re-prioritizing

3

Engaging relevant stakeholders

- It is essential to engage key stakeholders throughout the transformation process and reinforce the importance of the change at all levels
- We gain sponsorship from the leaders and cascade their vision across all levels of the organization to facilitate interventions that build confidence of the stakeholders in the transformation process

4

Gathering technical expertise

- It is imperative that the right technical expertise are on board with leading edge tools to support the transformation
- We tap into our extensive expert pool of consultants that utilize their experience and technical know-how to enable seamless transformation using our repository of leading edge tools, frameworks and systems

5

Integrating change in day-to-day practices

- The value of the transformation is realized through the seamless integration of new/enhanced policies, processes, frameworks and systems in day to day practices
- We take a collaborative approach and work alongside the client HR team in partnership to support integration of proposed changes in practice whilst encouraging critical thinking and incorporate valid feedback for success of complex transformative journey for all parties involved



Why KPMG

At KPMG, we believe in creating fit-for-purpose people functions by aligning HR and business strategy and putting the appropriate structure, capabilities and systems in place that enable HR to deliver real value to the business.

Our approach

Our HR transformation journey provides a fit for purpose models that allows a consistent delivery of large, complex transformation programs, while also having the flexibility to capture only one (or more) phases based upon the client's requirements.



Our experience

Our in-depth domain knowledge and vast experience in delivering end-to-end solutions like HR transformation, review against market practice and current state assessments enable us to successfully deliver end-to-end HR transformations.

Our accelerators

Our KPMG Powered HR offering delivers a bespoke, next generation HR function within a 3-step approach for a tailored operating model incorporating leading practice organization, people, process and technology, whilst embedding KPMG's leading practice and expertise across HR.

Our team

Our team of dedicated 45+ professionals for this region allows us to bring evidence based HR practitioners who have real life experience with the challenges faced and exposure to corporate realities to make transforming a reality.

Our partnerships

Through our partnerships, we have access to a variety of robust technology platforms and systems to streamline the transformation journey and digitally accelerate the change for our clients.



About KPMG

For almost 50 years, KPMG Lower Gulf Limited has been providing audit, tax and advisory services to a broad range of domestic and international, public and private sector clients across all major aspects of business and the economy in the United Arab Emirates and in the Sultanate of Oman. We work alongside our clients by building trust, mitigating risks and identifying business opportunities.

KPMG Lower Gulf is part of KPMG International Cooperative's global network of professional member firms. The KPMG network includes approximately 236,000 professionals in over 144 countries. KPMG in the UAE and Oman is well connected with its global member network and combines its local knowledge with international expertise, providing the sector and specialist skills required by our clients.

KPMG is widely represented in the Middle East: along with offices in the UAE and Oman, the firm operates in Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Jordan, the Lebanon, Palestine and Iraq. Established in 1973, the Lower Gulf firm now employs approximately 1,783 people, including about 192 partners and directors across the UAE and Oman.

Our KPMG IMPACT initiative aims to help clients future-proof their businesses amid times of increasing focus towards issues such as climate change and social inequality. The goal is to help them achieve success across 17 major Sustainable Development Goals (SDGs) and become more resilient and socially conscious.

As we continue to grow, we aim to evolve and progress, striving for the highest levels of public trust in our work. Our values are: **Integrity**: We do what is right; **Excellence**: We never stop learning and improving; **Courage**: We think and act boldly; Together: We respect each other and draw strength from our differences; **For Better**: We do what matters.

To meet the changing needs of our clients, we have adopted an approach aligned with our global purpose: Inspiring Confidence, Empowering Change. Our three pillars – **exceptional quality of service, an unwavering commitment to the public interest, and building empowered teams** – are the foundation of our firm.

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