



# Attract, retain, and manage the right talent

## The #1 challenge for Global Business Services

Attracting, retaining, and managing skilled talent will be the #1 concern facing most global companies for the foreseeable future, according to a recent KPMG study<sup>1</sup>.

Global Business Services (GBS) organizations feel the talent challenge especially acutely. As the demand for GBS grows, and the nature of its services moves from transactional to insight-driven and analytical, the skills needed are harder to find in the marketplace, and harder to scale.

While GBS organizations continue to place significant emphasis on attracting external talent, many are failing to adequately analyze and remediate their current capabilities to develop and retain existing internal talent.

What's needed is better utilization of techniques such as workforce analytics to identify and assess talent. Lacking adequate analytical skills, many organizations are unable to determine if untapped talent exists internally, resulting in efforts being focused on the more costly acquisition of external talent.

### What is GBS?

Global Business Services is a next-generation operational and organizational model for enterprises to deliver business processes such as HR, finance, IT, and customer care to internal and external customers. It's often applied on a global scale using multiple service delivery models, including outsourcing, shared services and, increasingly, cloud solutions.

Why are organizations considering significant investment in GBS? Because it can help them:

- reduce costs
- get to market faster
- drive process excellence
- unlock the power of data and analytics
- mitigate overall business risk and ensure compliance
- enable excellence and consistency in the customer experience
- build an internal repository of high-quality talent
- establish a consistent brand experience
- accelerate time to benefit from mergers and acquisitions.

<sup>1</sup> KPMG International, Top Trends and Predictions for 2015 and Beyond: 1Q 2015 Global Sourcing Advisory Pulse Survey.

# Four key imperatives

Companies face four major challenges to attracting, retaining, and managing skilled talent:

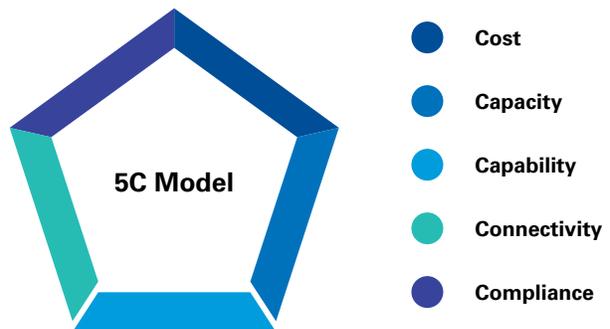
- **Find experienced leaders.** Because GBS is an emerging capability in most organizations, there are few seasoned GBS leaders in the market. Organizations must put a premium on finding GBS talent that is experienced in governance, relationship management, and process ownership, among other capabilities.
- **Move up the value chain.** As technology continues to automate transaction processing, GBS should expand its portfolio with more value-added services, such as insight-driven analysis. However, the talent needs to follow suit and possess more analytical skills, for example.
- **Re-skill the retained organization.** The people left behind in the retained organization are often earmarked to focus on more strategic work and become business partners, providing decision support once transaction processing tasks are removed. However, typically these people need to be re-skilled and up-skilled to offer those insights. As this is not always possible, new talent must be found in the market.
- **Nurture future C-suite executives.** The traditional career path for C-suite leaders—particularly the chief financial officer—used to start in the back office and move upwards from there. Now, with back-office operations increasingly outsourced or centralized in shared services operations, often in remote locations, that career path no longer exists. However, because of the breadth and scale of services provided, GBS operations offer unique opportunities to nurture future leadership talent. Skills learned in GBS service management, for example, translate to any industry where it is important to maintain client and customer loyalty. Career paths for senior leaders need to be rethought, and GBS should play a vital role in that revamped approach.

# KPMG’s 5C Model

We believe that GBS can be a key lever to help organizations transform their business, and that talent management and leadership development should be integrated as core elements of the journey.

To help achieve this goal, KPMG’s 5C Model (Figure 1) uses analytics to predict the performance impact of solving workforce issues across five key areas – cost, capacity, capability, connectivity, and compliance.

Figure 1



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# The way forward

We recommend the following actions to help your GBS organization to attract and develop the right talent, and keep up with demand:

- **Invest in centers of excellence (COE) and high-value services.** High-volume transaction centers will be much less common and in some cases obsolete as robotic process automation reduces the need for human talent to perform certain activities. As a result, organizations can reposition talent for more value-driven activities. With a greater emphasis on value-added services, COEs can provide deeper business insight that leads to better decision-making, while also becoming more attractive to higher-skilled workers.
- **Create incubators for value-added services.** Pilots and proofs of concept enable organizations to fully test skills requirements before deploying services globally. They also provide the blueprint to industrialize as much as possible over time and acquire enough skilled resources to deliver.
- **Be proactive in hiring to get the skills you need.** Build alliances with local universities—through sponsorships, scholarships, business challenges, rotations, and internships—to create the talent pool up front and have your brand associated with long-term career opportunities.
- **Think differently about employee value propositions.** Rather than promotions based on team size and seniority, base today’s opportunities on doing interesting work with career paths into the business.
- **Overhaul workforce planning.** Higher-value services are often created from scratch, and workload is not directly linked to transaction volumes. Plan for growth and flexible resources by thinking in terms of short-, medium-, and long-term timeframes.
- **Develop new reward and recognition systems.** Secondment and travel can be more valuable than cash incentives to some workers, especially Millennials, as are opportunities to get involved in new service development.

## KPMG’s GBS framework is optimized and enabled by 10 dimensions



### Critical questions to consider about attracting and developing talent:

- What should be your GBS talent management strategy, and how does that support the business?
- How do you build the right talent to meet tomorrow's needs? What skills do you need to make your GBS organization work well? What do you need in your retained organization? Where will your future leadership come from?
- What does talent look like today, versus how it will look five to 10 years from now by market?
- How do you re-skill your workforce to make your GBS organization more mature?
- What is the career path for running a GBS organization, and what's the incentive to lead one? How do you share talent between GBS and functions?

### How KPMG can help

KPMG recognizes that today's enterprise business services leaders face increasingly complex demands and challenges.

Globally integrated teams from our Shared Services and Outsourcing Advisory (SSOA) practice, in seamless partnership with professionals from KPMG International's broader set of member firm capabilities in risk, transactions, tax, and compliance, help our clients transform their business services to deliver improved value, increased agility, and sustainable business performance.

If your organization is seeking innovative ways to achieve genuine business services transformation, KPMG SSOA can help. For more information, there's no better place to start than by accessing our research and thought leadership on the [KPMG Shared Services and Outsourcing Institute](#).

[Read more of KPMG's core success factors for GBS here.](#)

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