



Talent strategy: Human Capital Diagnostic

Proactively identify, manage, and solve talent issues

What is a Human Capital Diagnostic?

KPMG LLP's Human Capital Diagnostic (HCD) enables organizations to discover talent opportunities and risks across six levers that impact employees the most. Driven by both internal and external factors, it is intended to allow leaders to measure the health of their workforce using data and obtain a comprehensive understanding of areas that affect the overall talent landscape from attraction to retention. Our HCD provides a clear maturity assessment of talent gaps within an organization's unique business context and leverages a consistent framework for examining gaps in talent strategies and programs.

Workforce resiliency is imperative

In the face of economic uncertainty, it is more important than ever to drive workforce resiliency within the organization.

As business transformations become the norm, new talent priorities are emerging.

As a result, diagnosing and evaluating an organization's talent strategy based on the current and future talent landscape will provide the insights that leaders need to make informed talent decisions and plan for the future.

What is the research saying?

In recent organizational surveys, research shows:

91% of US executives believe there will be a recession in the next 12 months, stressing the importance of keeping attrition to a minimum.¹

73% of organizations are concerned about their ability to retain talent due to increases in inflation and cost of living.²

62% of respondents say they are working harder in 2022 compared to the previous year.³

31% of the workforce reported they are actively thinking of leaving their organization.³

25% of CEOs are investing in employee value propositions to attract and retain the necessary talent.²

HCD's six strategic levers

Through the HCD maturity assessment and outputs, our clients can quickly identify gaps in talent strategies/programs and plan for the future. We help organizations by assessing them using the following six strategic levers:

Culture & Work Environment: Identifying improvements in ways of working and the cultural attributes and capabilities that contribute to success

Organizational Effectiveness: Developing plans to achieve leading practice functional operating models across people, systems, and processes

Total Rewards: Creating alignment across their total rewards portfolio to create shared goals, strategic objectives, and a consistent and equitable experience



Employee Enablement: Ensuring strategic and systematic practice of giving employees what they need to do their job to the best of their ability

Talent Attraction & Development: Cultivating talent to encourage employees to remain motivated and engaged to develop their careers

Leadership: Aligning leadership around strategic goals and developing high-performing talent to support sustained performance

Sources:

¹ CNN, "CEOs are preparing for a recession, and they don't think it will be short", October 4, 2022

² KPMG, CEO Outlook | People and talent trends, 2022




³ KPMG, "Seven Key Takeaways From the Third KPMG American Worker Survey", 2022

<https://info.kpmg.us/news-perspectives/industry-insights-research/2022-american-worker-survey.html>



What does an HCD engagement look like?

An HCD engagement with KPMG takes a three-phased approach to assess your organization's pain points, prioritize recommendations, and plan for the future. Our approach is intended to be customized depending on specific organizational needs.

	Our approach	Key outcomes	Impact
Assess 	<p>The HCD maturity assessment is performed via a live interactive survey and the results are assessed against the external talent landscape and workforce composition for opportunities and risks.</p>	<ul style="list-style-type: none"> External insights Internal HCD survey People analytics dashboard 	<p>An in-depth data-driven analysis of where you are on your current journey and the critical opportunities to address</p>
Prioritize 	<p>Focus group interviews are conducted to identify employee needs. A vision workshop is conducted with leadership to align on priorities and address gaps.</p>	<ul style="list-style-type: none"> Persona development Visioning workshop 	<p>A clear and thorough understanding of your key focus areas with aligned and empowered stakeholders</p>
Plan 	<p>Findings, themes, and talent solutions are summarized and presented in an actionable roadmap of quick wins and long-term efforts.</p>	<ul style="list-style-type: none"> HCD report Actionable roadmap Executive readout 	<p>An actionable path toward activating a talent strategy driven by data and insights that drives momentum across the organization</p>

The KPMG 2022 CEO Outlook survey provided insight into the mindset, strategies, and planning tactics that business leaders have adopted for continued growth opportunities. With concerns of a recession looming, CEOs cited **four key themes that would be critical for long-term success: economic outlook, technology, talent, and ESG**. Having previously navigated unpredictable economic and geopolitical challenges during the pandemic, CEOs remain optimistic with a deep focus on planning and agility.

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