



Deconstruct your workforce to make the most of your organization



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Pulling apart jobs and putting them back together with an eye toward the future can encourage innovation, heighten morale, and create greater efficiencies.

– **Felicia Lyon**

Principal,
Human Capital Advisory

Introduction

The US has moved from an industrial economy to a knowledge economy, one that demands companies to excel at innovation, creativity, and efficiency to succeed. The old workforce models—some going back to the industrial revolution—simply won't work.

Companies today need a modern workforce of self-directed high-performing teams. That means replacing a hierarchical culture that impedes creativity and building a multidisciplinary enterprise-wide ecosystem with talent hubs that encourages collaboration and inclusivity and enables employees to pursue new and original solutions, thus inspiring continuous innovation. And as companies increasingly adopt new technologies such as generative artificial intelligence GenAI, this kind of workforce transformation will be essential if they want to successfully capture value from their investments.

In this paper, we'll look at how achieving this goal will require a deconstruction of the workforce—that is looking holistically at what each employee does and determining how each of those tasks can be optimized. We'll discuss how the organizational model will necessarily have to change, for example, a greater reliance on communities or pools of resources that can be drawn upon to address specific tasks at specific times, assigning people to projects to work as it makes sense for the business. And we'll discuss how this new organization model must include upskilling and reskilling to meet the business's needs, strategy, or structure.

A reconstructed workforce can result in a higher level of quality and attention to detail with the same amount, if not fewer, resources, and a flatter, less hierarchical structure that encourages employees to challenge old ideas and pursue new ways of thinking and doing.

Rethinking the traditional workforce

Many organizations still design their workforces around principles that go back decades to the industrial past.

Manufacturers use assembly lines where employees perform the same tasks over and over to each widget as it moves down the line. Although a revolutionary concept of efficiency at its inception, repetitive production work can easily lead to boredom and lack of creativity. Office workers, too, have their own transactional work that can become routine. For their part, managers are essentially overseers, responsible for ensuring that people do their jobs properly, so the product gets out smoothly.

Training and coaching are an afterthought—if thought about at all. These practices create environments where HR can essentially tuck employees into neat boxes—your job description is what you do.

But today, companies in every industry are facing challenging new workforce trends that are prompting them to reexamine their operating models. Technology is evolving faster and faster. Solutions associated with the cloud, digitization, and, now, artificial intelligence are forcing companies to confront the problem of balancing automation with humans. People's expectations about how, when, and where to work are dramatically changing. And an uncertain economy is creating a challenging job market, where in some industries there aren't enough employees to fill the available job.

If not addressed proactively, these disparate forces can overwhelm an organization. Employee tasks are redundant; communications between functions and employees are hampered; technology is used or deployed properly; departments are understaffed or overstaffed. All of these conditions can lead to inefficiencies, the stifling of innovation, and higher costs.



Deconstructing the role of individual contributors and managers

The remedy is to redefine the workforce composition to ultimately unlock improved productivity and better resource allocation, enhance agility for the organization, increase engagement and greater flexibility, and cultivate more opportunities for the employee to learn new skills.

A fundamental part of the process is the deconstruction of jobs. Described simply, it's looking at each employee's tasks holistically to determine what tasks and activities they do and then determining how those activities can be best executed, either by that employee or someone—or something—else.

More specifically, the process of job deconstruction involves organizations assessing which tasks are being done where and by whom and which skill sets they still need. With this information in hand, the organization can now better decide which resources to buy (full-time staff), build (upskill and reskill existing staff), automate (bot, AI), or borrow (contingent staff) and where to base the resources (location). In other words, this effort implies a careful evaluation of which skills, capabilities, and capacity are needed to fully support the future ways of working. Once the evaluation and deconstructions are completed, the organization can reconstruct its jobs in ways that skills, capabilities, and capacity are most effectively delivered—be it by humans or technology or combination, domestically or overseas.

It's important to note that the process of deconstruction shouldn't be limited to individual contributors. It can—and should—be applied

to the role of managers as well. For managers, it's not so much about reevaluating their role through an activity analysis. Rather, it's thinking less about oversight and more about coaching and empowering their teams. Another question to be considered: How many managers does the organization really need?

The goal here is to create a manager role that focuses less on day-to-day accountability and more on coaching and fostering collaboration. This creates a new type of management—one composed of a cadre of coaches that collaborates with self-directed teams that have the freedom and resources they need to be agile in solving the company's problems as they arise.

Deconstructing jobs will create organizational changes

Deconstructing and then reconstructing jobs in ways that tasks are performed differently, or by different functions or even in different locations, by necessity changes the organization's structure and the roles within the organization. For example, how many employees do we need for a certain job? What skills are now required for that job? What jobs should be replaced by technology? What tasks should now be accomplished by overseas employees? What full-time jobs can be replaced by contract employees?

New technology and deconstructing jobs

The deconstruction of the workforce must be part of any substantive digital transformation if organizations want to capture the workforce *value* from their technology investments.

Organizations need to reevaluate the parts of their workforce that makes use of the new technology, deconstruct that work, and reconstruct it in a way that's optimized for taking advantage of both the technology as well as repositioning for the future.

For example, a salesperson can spend considerable time researching prospective clients. But AI can do that initial research more quickly, perform an analysis, and create a comprehensive report. Now, the salesperson can spend time on higher-level activities, such as thinking through how to engage the clients more strategically.

Or consider the role of the auditor. AI can perform much of the initial reviews of financial material, such as policy and procedures, process flows, etc. The auditor can then spend more time looking for issues and problems. More significantly, this reconstruction means that the role of the auditor will shift and now will be more of a business partner, and the professionals filling those roles will now require more relationship-building skills.

Companies embarking on a workforce transformation will need to evaluate their organizational structure in light of these questions and make necessary changes. For example, a workforce redesigned around deconstructed/reconstructed jobs can offer greater flexibility and agility around staffing. As companies pursue this organizational transformation, their ultimate goal should be to create a multidisciplinary innovation ecosystem with hubs across the business functions, rather than a hierarchical culture that impedes creativity and innovation. One model is the community pool or homeroom structure. In this model, employees are grouped by skills in a talent community. For example, tech would have a community for software engineers, another for data scientists, and another for data security specialist. If a business needs to staff a strategic initiative, it can pull the resources from the relevant talent community, and the employees are assigned to the initiative temporarily.

Assigning people to projects in this manner creates a better organized workforce, allowing employees to serve the organization with a higher level of quality and attention, with the same amount of—if not fewer—resources.



Upskilling must become a key component of new workforce thinking

A new organizational operating model that puts a greater focus on employee skill will also have to ensure that the organization's current skill set doesn't limit the future. That means incorporating upskilling into the operating model that will enable the organization to adapt to changing and business context and needs.

The process of upskilling begins with a skill and capability assessment for all employees. Once the current state of the workforce has been assessed, the process moves to determining what skills will be needed in the future compared with what skills are available today. The next steps are to analyze the talent, skill, and capability gaps and create a capability map, develop a mitigation plan and roadmap, and link capability and skill gaps to learning needs. The final phase involves upskilling the workforce by building into the flow of work and through formal and informal mechanisms.

Organizations that can effectively assess their workforce, plan for the future, address gaps, and upskill their employees will be able to meet the demands of the ever-changing business landscape.

For tech ROI, turn to HR

If organizations want to realize business performance and profit from their digital transformation, they will need to include HR in their efforts.

According to the KPMG 2023 Technology Survey, 56 percent of US executives said returns from their digital transformation investments had exceeded their expectations. However, 51 percent admitted that they hadn't seen increased performance or profitability from those same investments.

One reason is that organizations haven't implemented the associated workforce organization changes required to activate value from new technology such as generative AI (i.e., margin, profit, and cost savings).

HR is the only function within the enterprise that has the capabilities to help optimize their organization, reshape their workforce, and reset their talent while providing change management support.

Conclusion

As innovation and creativity increasingly become the main driver of business success, organizations need to reject traditional workforce structures that rely on rigid job roles and hierarchal management.

To ensure they have the skills needed for the future, organizations must embark on a workforce transformation to produce high-performing teams that are agile and flexible, allowing for better resource allocation, greater productivity, and heightened employee engagement.

Reaching that goal involves deconstructing workforces' jobs to determine what skills will be needed in the future and reconstructing them so that the needed skills, capabilities, and capacity are delivered most effectively, whether it's by humans or bots, or a combination, domestically or overseas. Organization will also need to recreate their managers' roles, focusing them less on oversight and more on coaching and developing staff.

A workforce transformed in this way will be equipped with the skills and capabilities for the future while fostering greater autonomy that leads to higher-quality results and better efficiency, fostering greater autonomy that leads to new and innovative solutions.

How KPMG can help

KPMG Human Capital Advisory practice

Enterprise organization strategy and vision

Deconstructing and reconstructing jobs is just one of many ways the KPMG Human Capital Advisory practice helps organizations become future ready.

Organizations are rethinking their workforce strategies to address changes fueled by innovation and employee preferences. The KPMG Human Capital Advisory practice helps companies organize their people to drive results in alignment with their business strategy. Our global operating model transformation helps organizations create an enterprise job architecture, identify needed skills, and implement enterprise organizational design.

Our strategy services are focused on driving follow-on operating model transformations and include:



Organizational strategies and design

Alignment of organizational structure, talent, leadership, processes, and culture to business strategy

Enterprise, business unit, and functional-level organizational design and implementation

New ways of working strategy and implementation

Job architecture design and implementation





Talent strategies and workforce transformation



Global HR and payroll strategies



Our professionals are committed to accelerating and sustaining organizational performance through innovative people solutions and insights. They have deep experience across all industries and the knowledge to help them transform human capital by leveraging data analytics and technology to support effective leadership, upskilling, organization design, career mobility, and talent management. In short, we help reimagine talent and organizational strategies so that the companies we work with can drive a better employee experience and shape the workforce of the future.

About the author

Felicia Lyon

Principal, Human Capital Advisory

Felicia is a partner in the KPMG Human Capital Advisory practice working with clients in solving their most challenging people issues. She supports Fortune 500 leaders when they face outside influences that require a focus on business growth or managing costs. Felicia helps her clients create a paradigm shift so they can organize work more effectively, engage and inspire their teams, and exceed their business goals.

Contact us

For more information

Felicia Lyon
Principal,
Human Capital Advisory
T: 406-425-5878
E: felicialyon@kpmg.com

John Doel
Principal,
Human Capital Advisory
T: 503-820-6471
E: jdoel@kpmg.com

Ling Shen
Director,
Human Capital Advisory
T: 213-659-1968
E: lingyishen@kpmg.com

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