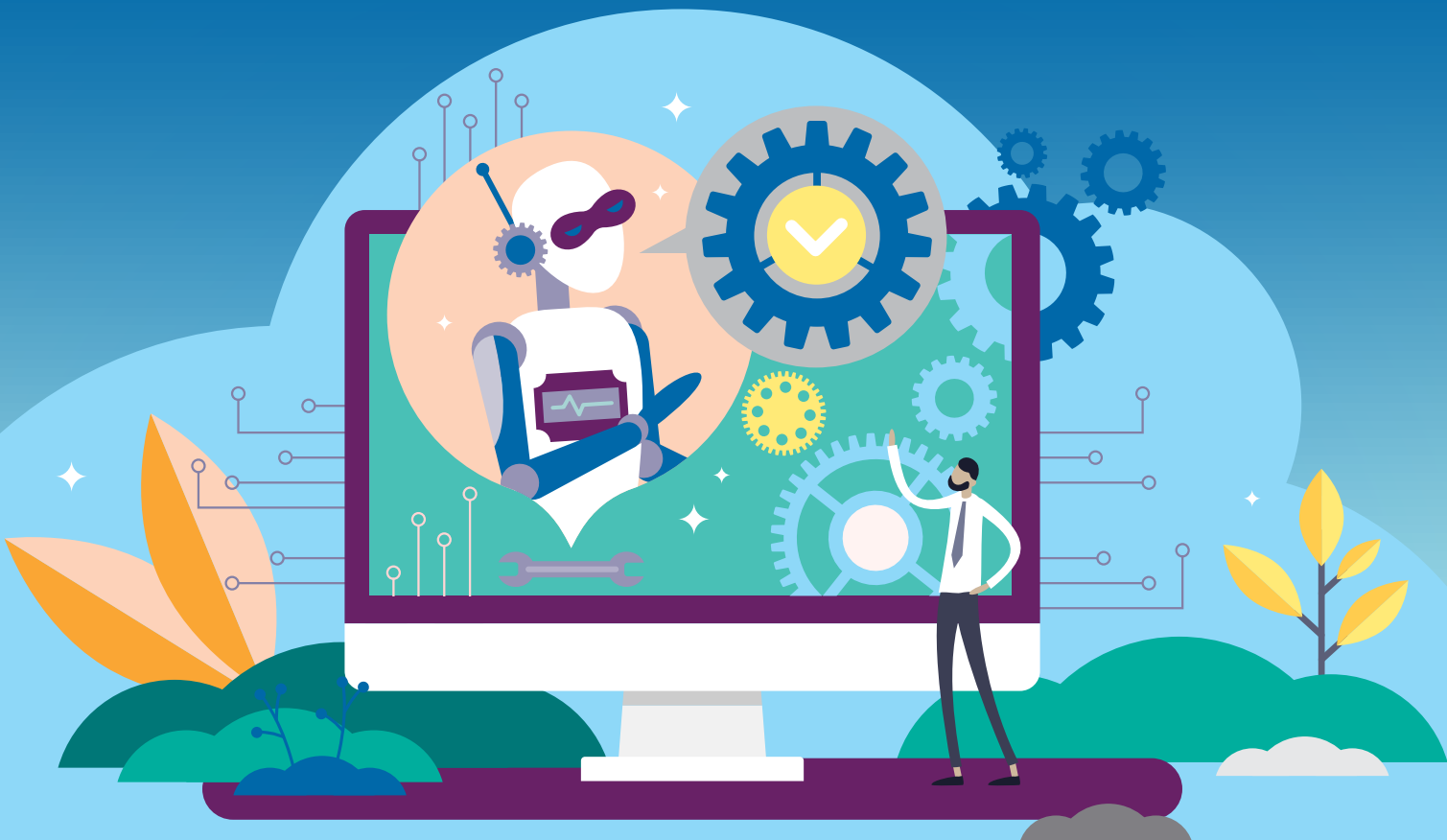


DATA-DRIVEN HR

Large corporations must radically transform their operational and organisational structures. The future lies in skills-based organisations, where talent is the cornerstone of success





Many corporations find themselves trapped in a bygone era. Their functionally and geographically siloed structures, characterised by hierarchies and inflexibility, struggle to compete with the agility of new entrants. These newcomers often focus on solving specific problems with laser-like precision, leveraging the power of data and AI to personalise customer engagement.

"We're seeing a lot of disruption that's being driven at pace by technology, but also by people who are coming into markets and industries with different perspectives on how to solve problems," explained **Davy Price-Stephens**, Managing Director of Organisation Strategy at Accenture at Criticaleye's 2024 Human Resources Directors Retreat.

"I don't think we've been in a time when so many industries are going through such a fundamental shift in how they operate and deliver value for customers."

The Retreat, which was held in partnership with [Accenture](#) and

“The HR function itself is evolving, demanding a different skillset from its professionals and the confidence to make bold strategic decisions when the business needs it”

Jamie Wilson

[Workday](#), explored how the future lies in skills-based organisations where talent is the cornerstone of success. **Zahed Kamathia**, VP and Global Head of Talent at the LEGO Group, said: "At the heart of this transformation, we want to support each colleague to know what skills they have, build the skills they need, and grow and succeed together."

Zahed emphasises the importance of focusing on development, not just outcomes, as part of this skills-driven transformation journey. LEGO's approach is twofold: a 'hook' to engage leaders and employees and an 'anchor' to provide ongoing support. This journey prioritises employee skills and development, fostering a culture of agency and growth.

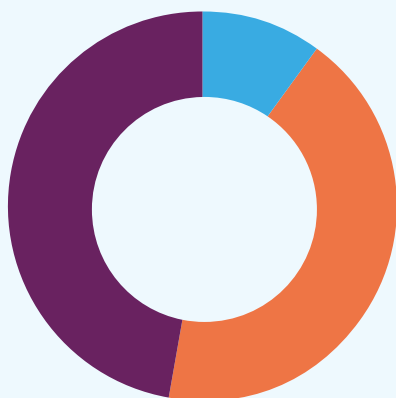
LEGO is dismantling functional silos, replacing them with skills-based teams, explains **Zahed**: "We've created five skill families in our organisation, each responsible for building a cross-section of the key skills we need in our organisation for anyone who needs them."

This paradigm shift has implications for how organisations plan and operate, leveraging skills data to inform strategy and utilising AI to enhance HR functions (see poll). "One ambition I have is that when we plan next year's strategy, we will be able to use skills data to inform what we should do and how we should do it," said **Zahed**.

"In the coming years, we will have real intelligence on what skills our people have, allowing us to inform what commercial business choices we should make going forward."

At the FTSE 100 renewable energy company SSE, Group Human Resources Director, **John Stewart**, outlines that strategic workforce planning is a crucial aspect of their business strategy. By utilising data and AI, they can build the right skill profile for the massive projects they will undertake in the next five to ten years. >

How prepared is your organisation for the potential disruption of new technologies like automation and AI on the workforce?



Very prepared 10%
Somewhat prepared 43%
Not prepared 47%

Source: Attendees polled at Criticaleye's recent Human Resources Director Retreat



"It's not just building a spreadsheet," said **John**. "It's building something from your HR system that is intuitive to predict some of the skills you're going to need in the future, to model some scenarios and then map out how to get there."

"That's important because there are some skills there are not enough of; some have a three to five-year lead time. So, we need to be able to think about how we can take steps to build these skills."

Workforce planning is just one piece of the puzzle where HR departments can strategically impact the business. By creating a cross-functional synergy, HRDs can use technology to demonstrate how accurate data can lead to better outcomes for the business.

"We've worked with other functions because some of the data isn't solely yours and needs to be consistent. We're trying to blend HR, finance and purchasing data together," **John** explained.

This is then used this to drive business performance. He told the audience: "We've come up with four or five use cases and said, 'Look, we think this is really helpful from a predictive point of view. For example, are we losing high-performing talent and what's causing us to do that?'"

People First

Strategic HR plays a crucial role in shaping and delivering business strategy. "The HR function itself is evolving, demanding a different skillset from its professionals and the confidence to make bold strategic decisions when the business needs it," said **Jamie Wilson**, Managing Director of Group Services at Criticleye.

"I don't think we've been in a time when so many industries are going through such a fundamental shift in how they operate and deliver value for customers"

Davy Price-Stephens

While technical expertise remains important, a deeper understanding of the business and the ability to advise and engage with stakeholders is becoming increasingly crucial. "HRDs who remain detached from the core business and lack knowledge of the product and processes will struggle to adapt to the changing landscape," added **Jamie**.

While the path to strategic HR presents challenges, the opportunities are immense. By embracing the evolutionary shift and harnessing the power of data and technology, HR can secure its place at the strategic decision-making table and ensure success in the years to come.

"It's ultimately about ruthless simplicity, driving transparency and clarity of accountability," said **Davy**. "This is the basis from which you can create more flexible, more agile and more responsive organisational models."

"The time is now for HR given the impact of people and [organisational] trends across all industries, but I don't think the challenges have ever been greater for HR Directors and Chief People Officers." ■

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Featuring commentary from:

Zahed Kamathia
VP and Global Head of Talent
LEGO Group



Davy Price-Stephens
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John Stewart
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