

HRD

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ZOE BRUNSWICK
GROUP HR DIRECTOR
RSK



SHINE A LIGHT

Traditionally, HR shared services were built to centralise processes, to achieve cost and time savings and bring consistency to practices. Payroll and onboarding were the typical remit but increasingly, recruitment and talent intelligence are being incorporated into global centres of excellence. But HR shared services has the potential to be much more impactful and strategic, making inroads into new areas of workforce intelligence such as, skills hiring, real estate optimisation and diversity data, especially in the truly global talent market.

"THE COST OF AN EMPTY SEAT ON THE BOTTOM LINE IS DRIVING AN INCREASED FOCUS ON TALENT ATTRACTION, ENGAGEMENT AND RETENTION, IN A WAY WE HAVE NEVER SEEN BEFORE"



ARTICLE BY ALISON ETRIDGE, CEO & CHIEF BELIEVER - STRATIGENS

There is a recognition that the skills we require are all in demand and there is no secret talent pool. Indeed, labour skills shortage joined the top external business disruptors, alongside geopolitical instability, inflation and other sources of financial/market instability, which have remained the top disruptors during 2023. The future demographics of a country can be easily predicted, based on only a few factors, such as birth rates, excess mortality and life expectancy. Notably, almost every Western country has a population demographic graph that shows a shrinking population. According to the United Nations Population Division, the entire global population is ageing and the traditional 'triangle' shape of population is no longer predicted, we have an increasing older population and fewer people entering the workforce. Looking at economic migration, globalisation is leading to the continued growth of emerging economies and the movement of talent around the globe. According to the OECD, permanent economic migration to OECD countries is at a record high, with labour migration comprising 21 percent of all migration in 2022, a rise of 36 percent on the previous year. Let's look at talent shortages, by 2030, Korn Ferry estimates that the global talent shortage could reach 85.2 million people, resulting in the loss of trillions of dollars in economic opportunity for companies. This skills shortage is compounded by low unemployment, with the OECD unemployment rate remaining below 5.0 percent since July 2022. Therefore, recruiting costs will continue to be high and hiring will remain difficult. With the fast pace of digital transformation, generative AI, cyber security and an increase in soft skills demand also bringing new challenges to the fore. Bringing in strategic work intelligence with a global enterprise lens, will inform almost every area of the organisation's strategy. These forces combine, meaning that hiring is time-consuming, costly and risky and in this environment, mistakes are inevitable.

The cost of an empty seat on the bottom line is driving an increased focus on talent attraction, engagement and retention, in

a way we have never seen before. This context means that organisations are increasingly considering working in a different way, through strategic work planning - to build, buy or borrow the skills an organisation needs - based on the length of time they are likely to be required on a project. By looking through this lens, companies are focusing on building enduring capabilities that are flexible enough and provide enough fleet of foot, to be relevant in today's world. Here lies the opportunity for HR shared services, the prime function being the ability to see all talent globally. This worldview of the workforce and workplace, through a centralised global and data capable team, can impact almost all elements of people strategy. Any

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enterprise talent strategy would benefit from a global view of talent mobility, talent development and skills gaps. It can show if there is internal capability to fulfil a project anywhere in the organisation. It can assess whether the current contract base could cover work and as to whether to second contractors? It can help to reduce or increase reliance on transient skills. Indeed, an external view offers this insight on skills supply globally.

Imagine a view of the world that said, "we can't hire our way through this growth, we must borrow these skills, internally or through contractors, as well as hire". Then in this same world, consider a shared service that shows where to hire from, who to hire from and how much that talent will cost. Imagine seeing your actual addressable talent market, the talent that doesn't work for you, or your supply chain, in context with the skills you need? Then consider a service that shows the

total workforce, internal, external and available through a skill lens. Armed with that data, a strategic workplan is born and the global nature of the market is a powerful asset to be capitalised upon. Bringing in strategic work intelligence with a global enterprise lens, will inform almost every area of the organisation's strategy. Now that there is a truly global talent marketplace, data and intelligence must be centralised to provide the most effective and current view of the global talent landscape. Answering pressing questions about talent and skills is fundamental to being able to compete in increasingly tough environments and the onus is on HR to deliver and interpret real-time and intelligence-enabled data for decision-making, as well as providing support and delivering strategic, analytical value. Data is more powerful with a wide-angle lens and most impactful when internal and external data combine. HR shared services are in a position to leverage both - to look at the macro level landscape and to evaluate it alongside the micro level - using their own internal global business data. Talent intelligence can inform strategic decision making at the top of the organisation and across borders, affording new value and direction to the shared services function.

Success relies on a different approach to how work is carried out and that means a combination of rigorous screening, balanced with a healthy dose of pragmatism, because the future relies on mutual trust and transparency. As organisations, pivot and transform, the services HR provides must be above all confident, cohesive, relatable, readily available, immediate and equitable, bringing visibility and connectivity across the organisation, as well as improving and streamlining end-to-end process. Offering this through a shared services centre makes absolute sense and combining efficiency and expertise of shared service provision - with the data and insight capabilities of leading HR functions - is a winning formula.

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