



BEST OF BRITISH

How the UK's HR functions can
maximise workforce productivity

INTRODUCTION

Boosting workforce productivity in the UK

In recent years, the UK has endured a prolonged period of low productivity, contributing to an equally prolonged period of low economic growth. From 2010 to 2022, the annual average increase in UK GDP per hour worked was just 0.5%.¹ Improving workforce productivity is therefore central to revitalising the UK's economy.

That being said, the UK is also home to several powerhouse businesses that lead the world in their respective sectors. From financial services giants such as Lloyds Banking Group and engineering leaders like Rolls-Royce, to globally-recognised consumer brands such as John Lewis & Partners, there is a wealth of expertise to learn from.

Meanwhile, digital tools, and particularly advances in artificial intelligence (AI), continue to offer new opportunities to supercharge work. As front-runner businesses diffuse this technology across their workforce, it's important to understand emerging best practice to promote adoption.

Through in-depth research interviews with experts, as well as new opinion research with 500 senior business decision makers, Public First has sought to better understand how top British businesses maximise their employees' potential. This report distils our findings into a series of instructions for efficient and effective workforce management in the private and public spheres.

The recipe for effective workforce management

Learning from business leaders across the UK's most successful organisations, we postulate that the best British businesses:

- **Treat workforce management as a critical strategic function.**
- **Take an evidence-led approach.**
- **Streamline processes as much as possible.**
- **Embrace consumer-grade digital tools.**
- **Focus relentlessly on workforce skills.**
- **Stay agile as tech advances, particularly AI.**

By adopting these principles, HR leaders can unlock their workforce's full potential, ensuring sustained growth, operational efficiency, or a competitive edge in an ever-evolving economy.

¹ [The Productivity Institute, 2024](#)

FOREWORD

It's *both* what you do, and the way that you do it.

Whilst those of us of a certain age will forever associate it with Bananarama, it was the jazz musicians Melvin "Sy" Oliver and James "Trummy" Young who wrote "Tain't what you do, it's the way that you do it", with the original 1939 recording featuring the immortal Ella Fitzgerald. In the world of jazz (or indeed pop) the sentiment might hold true; but in business, particularly in the somewhat more regulated confines of Human Resource Management, it's probably fair to say that *what* you do you do, is at the very least, of equal importance to *how* you do it.

In 2005, Workday pioneered cloud-based enterprise applications for Human Capital Management, delivered using the "Software as a Service" (SaaS) model. This approach disrupted the market for legacy enterprise software, which had increasingly become something of a watchword for lengthy and expensive implementation programmes. With traditional "on-premises" HR systems, customers can become stuck on outdated versions because customisation has rendered upgrades prohibitively expensive. In contrast, all of Workday's more than 10,000 customers use exactly the same software, and always run on the most recent version. This means they are able to harness the latest functional enhancements, including a powerful suite of AI tools.

Customers align SaaS tools with their specific requirements through configuration, not customisation. To facilitate this approach, the capabilities of Workday products supporting requirements such as integration with other systems, business process configuration, reporting and functional extension are integral to the product itself, not through outsourced custom coding tasks.

Relying on the inherent power of Workday to adapt in the face of evolving requirements frees up HR leaders to focus on more strategic questions – like how their function can best serve their organisation. That's why Workday has commissioned this report, to look at how the best British businesses are structuring their HR departments, and using modern technology, including AI, to maximise the value they get from their people.

Not all the organisations polled by Public First for this report are Workday customers, and we deliberately asked an external firm to conduct this analysis so their work would not be influenced by Workday's capabilities or our worldview. Nevertheless, we are pleased that their research has delivered a powerful "recipe", setting out six principles by which the best-run HR teams operate, and delighted that each of these can, in turn, be facilitated by Workday's technology.

- Our powerful reporting tool, Workday Prism Analytics, lets organisations make better business decisions by unlocking access to all their industry-related operational and legacy data, enabling HR teams to **take an evidence-based approach**.
- Workday's Business Process Framework contains more than 850 prebuilt processes which customers can configure, copy and extend. Customers' own functional experts can be empowered to modify process flows, with zero programming skills required, whilst remaining confident that all transactions are always auditable, allowing organisations to **streamline processes as much as possible**.
- Workday introduced **consumer-grade digital tools** to the world of enterprise software and has continued to innovate in this space ever since, as an early adopter of mobile technology, through industry-leading integration with productivity tools like Slack and Microsoft Teams, and more recently, through a reimagined AI-powered user experience, including a new Workday Assistant, designed to help employees find and complete complex HR and finance processes in real-time so they can focus on the work that matters.
- In a world where the nature of work has never been more dynamic, our AI technology enables organisations to **focus relentlessly on workforce skills**. Built from more than 200 million pieces of skills-related data, Workday Skills Cloud helps businesses to quickly understand and act on skills across their entire workforce, create better people strategies and meet organisational needs by upskilling, reskilling, redeploying and hiring new talent with ease.
- For nearly a decade, Workday has been investing in Artificial Intelligence and Machine Learning. Today AI is at the very core of our platform so teams can use these features as part of their natural workflow, enabling our customers to **stay agile as technology advances**.
- Workday enables HR teams and businesses to do routine work more efficiently, freeing them up to do the next acquisition, to work on the next business strategy or to provide better analytical support to their business partners, and in doing so, to **treat workforce management as a critical strategic function**, not an administrative overhead.

We hope that HR leaders, regardless of the sector of the economy in which they work, will find the insights in this paper to be helpful.

James Johns
Head of Corporate Affairs and Public Policy
Workday UK

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TREAT WORKFORCE MANAGEMENT AS A CRITICAL STRATEGIC FUNCTION

Workforce performance directly influences an organisation's ability to achieve its long-term goals. A well-managed workforce drives productivity, innovation, and operational efficiency, helping businesses adapt to changing market conditions. Strategic workforce management ensures the right skills are in place, fosters employee engagement, and reduces turnover, which ultimately improves financial performance.

However, human resources (HR) are often dismissed as "corporate policemen or women". **1 in 5** senior business leaders said their organisation did *not* treat workforce planning as a strategic priority – and only **1 in 3** said they measured the success of HR initiatives against company-wide productivity and efficiency gains. Our interviewees also noted that HR can quickly resort to superficial initiatives that have little demonstrable return.

Successful businesses will ensure that workforce management is tightly aligned to corporate governance. A company's HR team(s) should be elevated as a critical strategic function, with meaningful board representation, transparent obligations for directors, and a clear alignment with the company's overarching mission.

“ We're here to enable everyone else in the organisation to be more effective at their jobs. ”

HR Director
Retail Chain

“ A good business sees people as absolutely core to its success, and thinks about workforce planning as critical to business strategy. ”

Peter Cheese
CIPD

Expert Recommendations:

- Formalise HR's strategic role in governance frameworks.
- Appoint a dedicated HR representative to the company's board.
- Establish an oversight sub-committee dedicated to workforce strategy.

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TAKE AN EVIDENCE-LED APPROACH

The most effective businesses ensure that workforce management decisions are based on data, facts, and real-world outcomes rather than unsubstantiated assumptions. This leads to more effective strategies that can be measured and adjusted for optimal results. By relying on evidence, businesses can reduce risks, improve efficiency, and allocate resources more wisely.

Whilst a majority of business leaders understand the importance of an evidence-led approach, a significant minority (**13%**) admitted that their company does *not* systematically use data analytics to inform their workforce planning.

84%

of business leaders agreed that good workforce planning is evidence based

71%

of business leaders said they use data analytics to inform HR decisions

In an information age, companies often have a wealth of data points available to them. This can be invaluable; but also overwhelming. The most confident HR leaders therefore prioritise data reporting systems that are tightly aligned with their key performance indicators. This is not about measuring for measurements sake, but meaningful metrics that help inform decision making.



The greatest truism of life is what gets measured gets done.



Director, People & Places
Retail Bank



Good workforce management is evidence based and outcome driven. You have to understand what you are trying to achieve, and not get distracted by gimmicks.



Gemma Dale
Liverpool John Moores University

Senior HR experts are similarly clear that evidence should be gathered through a variety of methodologies. Any workforce is a collection of unique individuals acting in (sometimes) unpredictable environments, and discrete metrics may fail to fully capture their real-world experience. For example, internal data might show that an employee is taking longer than expected to complete a task – without capturing *why* the individual is struggling and *how* the issue can be resolved.

“ You need qualitative information that offers insights on people and cultural dynamics, as well as quantitative metrics. ”

Peter Cheese
CIPD

“ It's really easy to dictate working conditions from head office. But you've got to remember that a floor manager will be having a different experience on the ground. ”

Director, People Operations
Retail Chain

Finally, timing is important. Successful British Businesses are moving away from annual surveys, towards a more regular feedback loop, favouring “pulse” surveys, focus groups, and open forums to gather real-time feedback from employees. This then helps HR teams stay attuned to workforce issues as they evolve, improving responsiveness and decision-making.

Expert Recommendations:

- Ensure that their HCM system can deliver robust HR analytics capabilities.
- Equip HR professionals with the right skills to interpret data effectively.
- Regularly audit the data sets available and assess their usefulness.
- Use quantitative *and* qualitative methods to get the full picture.
- Deploy continuous listening strategies.

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STREAMLINE PROCESSES AS MUCH AS POSSIBLE

Failure demand occurs when employees have to spend extra time correcting issues that arise from poorly designed processes, unclear policies, or a lack of easily accessible information. This in turn puts unnecessary pressure on HR functions, reducing productivity across the board.

Indeed, according to our research, just **29%** of senior business leaders were very confident that all their policies and systems can be accessed in one place. We can infer from this that more should be done to reduce complexity across the workforce.

British business leaders collectively agree that establishing “one best way”, overseen by a centralised HR function, will help with corporate efficiency. By streamlining HR services, leaders can eliminate inefficiencies, reducing the time spent on fixing avoidable problems. Ultimately, this allows HR teams to focus on strategic, value-adding tasks that drive organisational success.

“ *Most people reach out for help when something has gone wrong. If you can reduce failure demand by answering peoples’ questions the first time, you start to work more efficiently.* ”

Director, People Operations
Retail Chain

“ *When we were deploying new technology it was a useful moment to get the business together and determine the “one best way”. It helped to create a very clear set of design principles.* ”

Director, People & Places
Retail Bank

Expert Recommendations:

- Implement a “spine” of consistent processes across the whole company.
- Ensure HR policies are easy to access, and tailored to colleagues’ FAQs.
- Use technological transformation as an opportunity to revisit processes.

CASE STUDY: CAPITA

UNIFYING A GLOBAL WORKFORCE

Capita, a leading UK-based business process outsourcing and professional services company, faced significant challenges in managing its rapidly growing workforce. After a series of acquisitions, its **58,000+** employees were utilising a myriad of disparate systems and software.

This disjointed approach meant it would take days of combing through different systems to just figure out how many people worked at the company at any point in time. It was also difficult to manage and plan for other HR activities, such as forecasting recruitment activities or determining how much it was spending on external staffing vendors.

In 2018, Capita therefore decided it needed to fundamentally transform its people function across all areas of HR. One of the key elements of this transformation was to centralise its systems under one human capital management (HCM) solution powered by Workday.

The business's executives now have much more insight into its workforce. As a result, the company is now making more informed judgments about its employees, which has in turn reduced HR costs and external spend by over **£10 million** each year.²

² [Capita: A people-first transformation - PwC UK](#)

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EMBRACE CONSUMER-GRADE DIGITAL TOOLS

Employees should be able to work the way they live. In their personal lives, UK consumers can access increasingly sophisticated apps from a variety of devices. This allows them to seamlessly engage with everything from their bank to their favourite entertainment platform at the touch of a button.

As it stands, businesses are yet to fully harness technology for administrative purposes. Whilst **87%** of businesses use dedicated software to manage their payroll, less than half use specialist applications to schedule staff holidays (**49%**), manage staff shifts (**46%**) or assess employee engagement (**41%**). This represents a significant opportunity to automate routine tasks and boost productivity.

80%

of business leaders agreed that more tasks could be completed via a “self service” platform

18%

of business leaders admitted that their company does not offer any self-service HR tools at all

Businesses should therefore work tirelessly to ensure that their workforce have an intuitive user experience behind the scenes. Consumer-grade digital tools, with self-service functionality, will help to minimise time spent on HR admin, refocusing time and attention on mission-critical workflows.

“ *It’s about giving people direct access to the things they need to do their job. And it becomes a virtuous circle because the easier it is, the more people use it.* ”

Director, Digital People Solutions
Healthcare Provider

“ *The benefits of being able to use tools on your mobile phone or tablet is that you can access data and tasks wherever you are.* ”

Director, Human Resources
Professional Services Provider

“ Employees are demanding a different experience from their work tools because of what they experience when online shopping or banking, or on social media. ”

Conal Markey
Workday

Expert Recommendations:

- Invest in a consumer-grade user experience for employees.
- Integrate multiple functionalities into a cohesive platform.
- Expand self-service functionality to reduce demands on HR colleagues.
- Ensure mobile compatibility, so employees can manage tasks from anywhere.
- Prioritise robust data security and privacy protocols.

CASE STUDY: JOHN LEWIS & PARTNERS

FIT-FOR-PURPOSE SYSTEMS

John Lewis Partnership is an employee-owned retailer, with two main business divisions: the John Lewis & Partners department stores and Waitrose & Partners supermarkets, along with their respective online arms. Only a minority of the **84,000+** workforce is office based, with most working on a shop floor or as part of the ecommerce supply chain.

When deploying Workday Human Capital Management and Payroll solutions at the height of the Covid-19 pandemic, it was therefore very important that employees had **mobile-optimised** access to critical HR functions, including payslips and timesheet management. This reflects the situational reality of most employees working without ready access to a desktop computer.

Overall, the priority was to create a digitally enabled service that enables partners to spend more time serving customers and less time navigating HR admin.³

³[John Lewis Partnership: How to Enable Digital Disruption During Crisis - Workday](#)

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FOCUS RELENTLESSLY ON WORKFORCE SKILLS

Skills continue to be at the forefront of employers' minds. The UK's skills gap remains a significant challenge, with industries across the board feeling the impact of a workforce lacking the necessary competencies to meet evolving business demands. This gap has been exacerbated by rapid technological changes, shifting economic landscapes, and emerging business needs.

In our polling, senior business leaders consistently identified their talent recruitment pipeline, and the professional development of their existing workforce, as their number one priority across a list of options.

31%

of business leaders said that finding qualified candidates was amongst their biggest challenges when recruiting

26%

of business leaders said that upskilling and reskilling their existing workforce was their biggest HR priority

This growing focus on skills has prompted leading HR experts to call for a fundamental shift in hiring practices. Rather than placing emphasis on past credentials, businesses should adopt a skills-based talent strategy. This approach prioritises core competencies and practical abilities, ensuring that employees are evaluated and developed based on the actual skills they bring to the table, and not just their academic or job history.

“ *The whole world is starting to revolve around skills. Skills are the new currency. In the past, the taxonomy of the workforce has been based on a person's occupation. Whereas now the narrative needs to be focused on their capabilities.* ”

Director, People & Places
Retail Bank

In addition to reskilling their teams, HR functions themselves must lead by example, ensuring that they invest in their own development. HR departments should focus on innovating their practices by learning the latest in data-driven HR management, technology adoption, and employee engagement techniques. This way, they can better guide the workforce while staying agile in an ever-changing business environment.



For too long HR functions have worried about everybody else's skills and capabilities, but not usually done enough to build our own. We need to invest in our own skills as professionals, so we can step up and innovate.



Peter Cheese
CIPD

Expert Recommendations:

- Adopt a culture of continuous learning.
- Consistently audit the existing skill-sets of your employees.
- Promote cross-functional training and internal mobility.
- Monitor emerging industry trends and update training accordingly.
- Invest in the HR team's own professional training and development.

CASE STUDY: ROLLS-ROYCE

ENGINEERING A SKILLS-BASED FUTURE

Rolls-Royce, an industrial technology company specialising in power units for aerospace, defence, and nuclear sectors, faced a significant challenge in developing talent across its workforce. With a strong legacy in engineering excellence, the company discovered through engagement surveys that employees felt confined to siloed career paths, limiting their ability to gain broader experience across the organisation.

In 2020, the company implemented Workday Skills Cloud alongside Talent Marketplace to transform its approach to people development. The traditional path of specialists remaining in narrow technical roles needed to evolve to support emerging technologies like electrical flight and small modular nuclear reactors.

The implementation began with a targeted pilot in aerospace engineering, involving 500 employees. The results exceeded expectations, with **60%** of participants completing Skills Cloud profiles and actively seeking new opportunities. The program's success led to rapid organic growth, expanding from **4,000 to 10,000** employees, with new departments joining every two weeks and maintaining a **40%** adoption rate.

The impact has been transformative, generating **1,000 additional hours** of project work through improved employee engagement, without requiring overtime. This skills-based approach has not only increased workforce flexibility but also provided greater transparency in career development opportunities, fundamentally changing how Rolls-Royce develops its talent for the future.⁴

⁴ [Rolls-Royce Engineers a Skills-Based Approach to Developing its People - Workday](#)

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STAY AGILE AS TECH ADVANCES

Technology is central to modern workforce planning, with businesses needing to stay up-to-date with evolving tools to remain competitive in today's fast-paced landscape. Done well, implementing advanced tools can streamline operations, reduce costs, and improve decision-making processes.

AI in particular is poised to revolutionise the landscape of UK businesses, offering unprecedented opportunities for efficiency, innovation, and growth. By automating routine tasks, enhancing decision-making processes, and providing rapid insights from complex data sets, AI could dramatically improve productivity across UK businesses. Our survey found that many businesses in the UK are already using AI in the workplace, with **74%** of business leaders reporting that their company deploys AI tools in some way.

In this context, HR functions must be prepared for the impact that AI might have on their organisation, and support employees to implement new technologies responsibly. However, as it stands, only **a third** of the business leaders reported that they have a code of conduct for employees on how to use LLMs in a corporate context.

29%

of business leaders reported knowing little to nothing about AI for themselves

60%

of business leaders said they do not have a finalised code of conduct for using LLMs (e.g. ChatGPT)

HR leaders must take ownership of this wave of digital transformation, and ensure that staff are appropriately supported to leverage the benefits of new tools – whilst also mitigating the risks associated with nascent technologies.

“

It's hard to predict what the next five years will bring, but it's important that organisations start to consider the question of what AI will mean for them. Disruption is inevitable.

”

Gemma Dale
Liverpool John Moores University

“ We’ve got to be prepared to experiment, learn and iterate as we go. The best way to predict the future is to shape it. ”

Peter Cheese
CIPD

“ We’ve got to get the balance right between the pace and speed of innovation, with all the constraints of being responsible when managing people’s data. ”

Conal Markey
Workday

Moreover, HR leaders need to consider what role AI can play in optimising workforce management activity. From automated applicant screening through to personalised training programmes. AI offers significant productivity savings; provided it is deployed sensitively and responsibly, with appropriate oversight.

79%

of business leaders would be more likely to adopt AI tools if deployed with human oversight

72%

of business leaders would be more likely to adopt AI if the AI tool was trained on business - specific data

Expert Recommendations:

- Define clear principles for AI adoption in HR & across the wider company.
- Foster AI literacy among employees.
- Promote transparency in AI usage to build trust.
- Ensure that SaaS suppliers take steps to mitigate bias in AI functions incorporated into their products.
- Adopt a continuous learning approach as technology evolves.

CASE STUDY: WORKDAY ILLUMINATE

THE NEXT GENERATION OF WORKDAY AI

Illuminate is the next generation of Workday's AI that's purpose-built to move HR and finance forward. Illuminate accelerates manual tasks, assists every employee, and ultimately transforms entire business processes.

Fuelled by the more than 800 billion business transactions processed by the Workday platform annually, Illuminate delivers insights for precise decision making and streamlined actions. This can help organisations drive productivity gains and significant cost savings in the following ways:

- **Accelerating common tasks with generative AI.** Illuminate leverages generative AI to expedite content creation and summarisation for things like job descriptions, talent highlights, messages, knowledge articles, contracts, and more. It also supports anomaly detection, auto-filling, prompting, and document scanning to streamline tasks.
- **Delivering real-time AI assistance in the flow of work.** The new Workday Assistant provides real-time guidance through complex processes to allow employees to focus on more strategic work.
- **Transforming entire business processes.** Illuminate will provide every user with a "team" of business process experts, or agents, that can operate with and on behalf of the user. Illuminate will also conduct end-to-end business process orchestration, coordinating multiple agents and managing complex cross-platform processes.

Fundamentally, Illuminate enables individuals to focus on the work that matters – from spending more time with customers, constituents, or patients to pursuing more creative and meaningful work to building critical peer, team, and stakeholder relationships.

ABOUT THE RESEARCH

Public First was commissioned by Workday to explore best practice across HR functions in the UK's biggest businesses.

In order to do this we:

- Conducted in-depth research interviews with HR leaders and sector experts.
- Conducted a survey of 510 senior business leaders with responsibility for workforce management.

We are particularly grateful to the following individuals for their contributions, cited in this report:

- Conal Markey, Workday
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- Peter Cheese, CIPD