# AI is Redrawing the Line Between HR and IT



Artificial intelligence is shifting from back-office tool to core strategic driver, forcing companies to rethink the long-standing divide between HR and IT. Businesses such as Moderna and Peabody are aligning people strategy, data and digital capability in single operating models designed to scale AI responsibly while keeping workplaces adaptive and humane.

Moderna has embedded thousands of bespoke generative-AI models across its operations, built an internal ChatGPT, and merged HR with technology into a “people and digital technology” function — a structural change the firm says has accelerated adoption and efficiency, albeit alongside some role reductions.

Peabody’s transformation has centred on a people-data team and localised HR partners, combining analytics with community-level needs, and creating an internal academy to grow apprenticeships and skills. Both models fuse human insight with digital capability.

Regulatory pressure is adding urgency. The EU AI Act now requires transparency for high-risk and certain consumer-facing systems, while the UK’s Information Commissioner’s Office is mandating Data Protection Impact Assessments and robust monitoring for recruitment AI. Global moves toward algorithmic accountability are reinforcing expectations that AI must be auditable, explainable and contestable.

The strategic case for HR-IT convergence is clear: shorten fairness feedback loops, embed learning into automation, and integrate data stewardship into everyday processes. McKinsey estimates that well-designed reskilling programmes can lift productivity by 6–12% while improving retention. Internal academies and adaptive learning platforms can redeploy staff into roles shaped by digital transformation.

Risks remain — bias, privacy breaches and the pace of change can damage trust — but can be managed through diverse design teams, transparent redeployment, and continuous measurement of fairness and inclusion.

For UK firms, this is a leadership opportunity. Organisations that align governance, proactive reskilling and people-centred design can turn compliance into competitive advantage, attract top talent and show that AI adoption can be both powerful and principled. The task for HR is to become steward of a technology-enabled future that is productive, fair and deeply human.

Created by [Amplify](https://www.hbmadvisory.com/amplify): AI-augmented, human-curated content.

## Bibliography

1. <https://www.peoplemanagement.co.uk/article/1928757/merging-hr-competitive-advantage-ai-age> - Please view link - unable to able to access data
2. <https://news.modernatx.com/news/news-details/2024/Moderna-and-OpenAI-Collaborate-To-Advance-mRNA-Medicine/default.aspx> - Moderna and OpenAI announced a collaboration to embed generative artificial intelligence across the company, positioning AI as a core element of research, manufacturing, legal and commercial activities. The press release describes Moderna’s internal instance of ChatGPT (mChat) and adoption of ChatGPT Enterprise, noting high internal uptake and the creation of multiple purpose-built GPTs to assist employees. It emphasises responsible deployment, data governance and accelerating drug development while maintaining patient safety. The statement frames AI as a productivity amplifier that augments human expertise, enabling personalised assistance across functions and supporting Moderna’s strategy to scale its mRNA medicines pipeline in the future.
3. <https://www.wsj.com/articles/why-moderna-merged-its-tech-and-hr-departments-95318c2a> - The Wall Street Journal reports that Moderna merged its technology and human resources functions into a single people and digital technology organisation, elevating Tracey Franklin to lead this combined role. The article links the reorganisation to Moderna’s partnership with OpenAI and rapid internal adoption of generative AI, noting the deployment of thousands of bespoke GPTs across the business. It discusses workforce redesign, automation of routine tasks, job reconfiguration and a recent reduction in digital roles amidst cost-efficiency efforts. The piece frames Moderna’s move as an example of how firms are rethinking operating models to harness AI while oversight remains human.
4. <https://www.cipd.org/en/knowledge/case-studies/operating-model-peabody/> - The Chartered Institute of Personnel and Development presents a case study of Peabody’s transformation of its people operating model after merging with Catalyst. Peabody redesigned HR roles into strategic partners aligned to local neighbourhoods, created people consultant roles, consolidated reward and talent teams and converted learning and development into an internal academy delivering apprenticeships. The case study highlights the establishment of a dedicated people data team producing dashboards to inform strategy, better alignment of people activity with local needs, improved use of apprenticeship levy funds and clearer accountabilities across the function. Outcomes included stronger localised people plans and data-informed wellbeing initiatives.
5. <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2024/11/thinking-of-using-ai-to-assist-recruitment-our-key-data-protection-considerations/> - The UK Information Commissioner’s Office published guidance and audit findings on the use of AI in recruitment, warning that AI tools can exclude candidates or breach privacy if misused. The ICO sets out key data protection considerations: carrying out a Data Protection Impact Assessment, identifying lawful bases for processing, documenting responsibilities between controllers and processors, ensuring tools mitigate bias and operate transparently, and minimising unnecessary data collection. The regulator’s audits yielded nearly 300 recommendations to providers and recruiters, and the guidance emphasises candidate rights, clear privacy information, retention limits and ongoing monitoring to ensure fairness and compliance with UK GDPR.
6. <https://commission.europa.eu/news/ai-act-enters-force-2024-08-01_en> - The European Commission’s announcement notes that the Artificial Intelligence Act entered into force on 1 August 2024, establishing the EU’s first comprehensive regulatory framework for AI. The Act adopts a risk-based approach, imposing stricter obligations on high-risk systems while requiring transparency for certain applications such as chatbots. It aims to protect fundamental rights, ensure safety and foster trustworthy AI by setting obligations for developers and deployers, introducing governance through national authorities and a new European AI Office, and providing enforcement mechanisms and fines for breaches. The Act seeks to harmonise rules across member states and shape global AI governance.
7. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-economic-case-for-reskilling-in-the-uk-how-employers-can-thrive-by-boosting-workers-skills> - McKinsey’s analysis argues that reskilling and upskilling offer measurable economic returns for employers, noting that many reskilling efforts yield productivity improvements and pay for themselves. The report defines upskilling as enhancing existing capabilities and reskilling as training employees for new roles, and quantifies potential productivity uplifts and retention benefits. It recommends strategic workforce planning, targeted training, leadership sponsorship and building cultures of continuous learning. The study finds that reskilling can deliver 6–12 per cent productivity gains in many cases and that a skills-led approach helps organisations adapt to automation and AI while retaining institutional knowledge and improving engagement.