

Gartner for HR

# 5 Imperatives for the HR Operating Model of the Future

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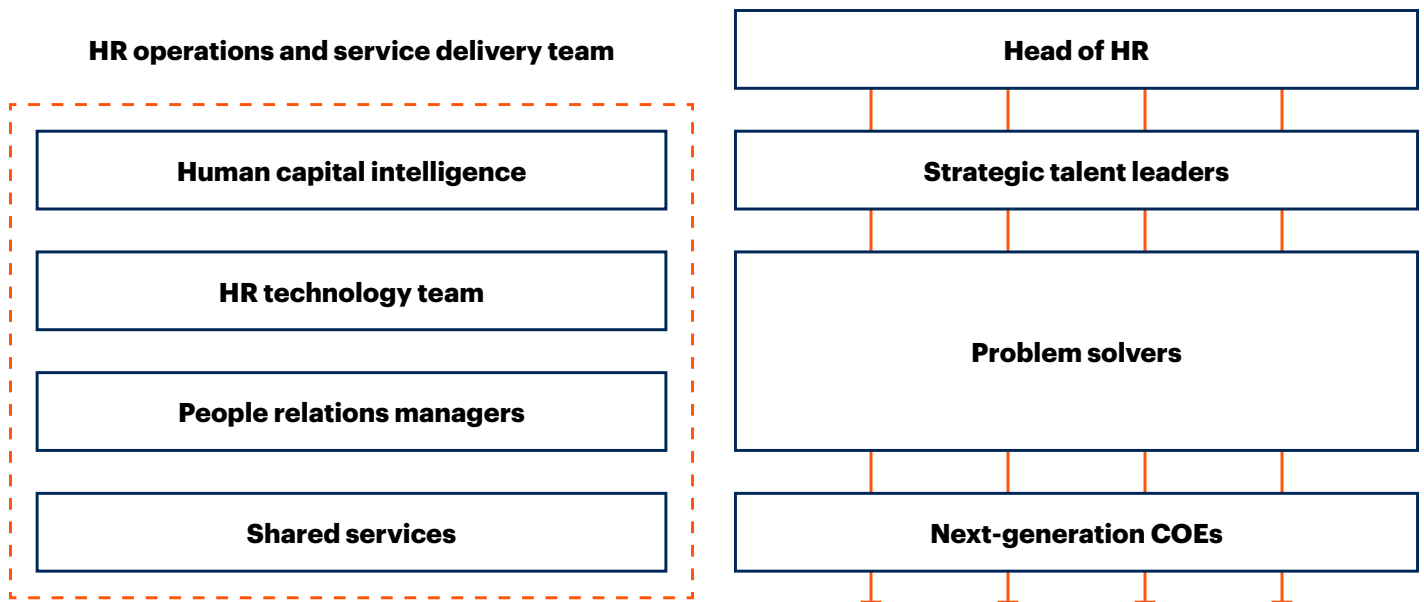
## The HR operating model challenge

The global business environment is changing: Its fast pace, increasing technology use, rising employee expectations and increasing cost pressures have shifted organizational priorities. As such, HR leaders are questioning whether their current ways of working will serve organizations in the coming years. Many are exploring new ways to organize the function to be agile, strategically aligned with the business and customer-centric about employee needs.

We have developed a vision of the future HR operating model to address this reorientation (see Figure 1). The goal is to help CHROs identify how their functions can operate differently in the future as well as highlight the steps they should take to get there.

The most effective problem solvers are comfortable with experimentation.

Figure 1: The HR operating model of the future



Source: Gartner

## Five imperatives

The HR operating model of the future is driven by five imperatives, which are outlined below along with recommended staff allocation.

### 1 Replace the HRBP role with strategic talent leaders

**Allocation: About 10% of HR staff**

Many HRBPs today aspire to be more strategic. However, the breadth of work, time-consuming employee-relations tasks and capability gaps limit their strategic impact.

Strategic talent leaders are an evolved form of the VP-level HRBP who tackle the most pressing talent opportunities and challenges throughout the organization. They are aligned with a specific business unit or function and they own the talent management strategy for that group. Success in this role requires strong partnership skills and the ability to influence the aligned business unit or function leader. They have distinctive problem-solving skills and are adept at collaboration, business acumen and data analytics.

### 2 Create a dynamic pool of problem solvers

**Allocation: About 40% of HR staff**

Critical to the success of the future HR operating model is a dynamic pool of problem solvers who work on a variety of projects. This pool will be the heart of the HR function, creating and upgrading most resources, practices and policies used by HR and the workforce.

As the name suggests, the problem solver's primary job is to define talent problems and hypothesize, test and build solutions. Problem solvers work agilely on more temporary project assignments and can be redeployed based on need. Problem solvers work closely with their end users — employees and managers — and with the center of excellence (COE) team, which provides them with deep HR expertise to help them with their project assignments.

Ideal skills for a strong problem-solver pool include project management, critical thinking, experimentation and an ability to empathize with the end user. The most effective problem solvers also have an entrepreneurial mindset and are comfortable with experimentation.

Heads of HR can source their problem solvers from a variety of backgrounds and experiences:

- Internally from traditional COEs or as strategic HRBPs
- Externally as contractors, change managers and lean experts
- Outside of HR with backgrounds in marketing, customer experience of product development

The problem-solver pool comprises a flatter network of interconnected teams instead of a more traditional, top-down hierarchy. Moving in and out of project teams gives the problem solvers a broad appreciation of the business and opportunities to build a wide range of HR and business-advisory skills.



### 3 Provide agile support with next-generation COEs

**Allocation: About 10% of HR staff**

COEs today face an uneven demand challenge: While dominating a significant portion of the HR agenda and resourcing, COE utilization fluctuates greatly throughout the year. To address this, we suggest an evolution of the COE role.

COEs' goal remains the same: Focus on delivering skilled expertise throughout specialist domains. How they execute this, however, will change in production and delivery. Instead of being the sole producer of policy, practices and procedures, COEs should work with the problem-solver pool to develop policy, practices and procedures throughout HR. COEs will rely less on full-time, static teams and rely more on external, contract workers. This allows them to flex as talent needs change.

### 4 Evolve talent analytics into human capital intelligence

**Allocation: About 10% of HR staff**

The human capital intelligence (HCI) team is a deeply embedded analytics function to serve employee and manager needs, providing robust talent data to help leaders make better talent decisions. Projects for HCI may include discretionary effort and intent to stay trends, predictive models forecasting attrition or analyses of new benefits' impact on employee satisfaction.

HCI is consumer-centric, flexing its offerings as leader needs change. Success for HCI includes generating strategic insight to help HR partner with the business to achieve its objectives.

### 5 Build a robust HR operations and service delivery team

**Allocation: About 40% of HR staff**

The HR operations and service delivery team is led by an HR chief operating officer (COO) and is responsible for the function's operational support. It includes HCI, an HR technology team, people relations managers and shared services.

**Create an HR chief operating officer role for strategic oversight.** An HR COO specializes in the day-to-day administration and operation of the function and, in particular, how the function supports the business. With HR focused on breaking down silos, the HR COO is responsible for tying together different roles to maximize functional effectiveness.

**Build an HR technology team to own technical infrastructure.** To take advantage of increasingly necessary automation and analytics, HR should develop a dedicated and sophisticated HR technology team.

While this team will be essential to administer technical maintenance, the most innovative HR technology teams will use emerging and proven technologies to strategically evolve the function. The team will be responsible not only for providing and managing the technology itself but also for supporting employee experience and efficiency outcomes.

**Add people relations managers to provide necessary functional support.** Finally, to address employees and managers' most urgent needs, HR should add a centralized pool of people relations managers to the HR operations and service delivery team. People relations managers own much of the work that was previously owned by the HRBP role. Their tasks include compliance and employee relations issues as well as people manager support responsibilities, such as mediating workplace disputes, harassment claims or other legal matters and people-management coaching.

By handling much of the work originally done by HRBPs, people relations managers are critical for ensuring the strategic talent leaders thrive.

While the HR operating model of the future can be tailored to suit a particular organization, the underlying trends that inform each imperative reflect major shifts in today's business landscape. Addressing these trends will help your organization become more agile, strategically aligned with the business and responsive to employee needs.

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