

Executive Summary

Research Question

Blurring line between HR and Technology – how HR needs to change its operating model to align more to changing times? Earlier HR had a well-defined model consisting of HRM (generalist), HRBP (business HR) and Functional CoE. These three together provided a fundamental structure to the HR operating model in organization. Now, with rapid change brought in by technology and focus on agility, how would the HR operating model change or evolve?

Introduction

The workplace is being shaped by many changes, including digitalization, globalization, demographic shifts, leadership transitions, and organizational redesign¹. Over the last 10 - 15 years, many large organizations have gone through a structural transformation of their HR function centering on the “three-legged stool model” which distributes HR work into three key groups: HR Business Partners, Centers of Excellence, and Shared Service Centers. This model initially allowed HR to become leaner, less administrative & more strategic², although the adoption and results of the model have been mixed. Inconsistent implementation of theorist recommendations, HR role changes over time, and the changing needs of organisations and how those needs might be fulfilled have signaled a need for further HR change³. As the rapid growth and usage of technology has digitized service delivery and customer engagement in every business sector, the HR operating model will need continuous transformation⁴.

Moving Towards a Better Model: Business-Led People Operations

The ‘old rules’ of the still widely-used three-legged stool model with separate HR leaders across different functions needs replacement.⁵ Company HR leaders should shift to focusing on the complete employee experience, including career journey, engagement, and company culture across the business cycle end-to-end, rather than just one facet. Coupled with cross-organization collaboration and communication, HR leaders can provide a positive and successful employee experience with integrated practices and leadership across business functions. The future of HR means an integration of all facets of an employee’s journey with the company, using an operating model which focuses on breaking down barriers between HR team members and services, business leaders, and employees, while providing increased transparency, information access and use, with a more simple and streamlined approach.

This multi-layered operating framework fundamentally challenges the principles of the ‘three-legged stool’ by blurring traditional HR operational boundaries in favor of collaborative, multi-dimensional disciplines and a holistic employee experience.⁶

- **Inner Core of Corporate Leadership:** The core leadership team sets the business strategy and mission, reinforcing business priorities to all employees by inspiring and engaging the workforce.
- **Supporting Network of HR Professionals:** A supporting network of HR professionals, spanning proactive, integrative, consultative and business-savvy advisors, enable credibility with senior leaders and managers.
- **Environment of Innovation:** The next wave of HR services should focus on innovation, leading practices, process improvements, and decision analytics- complementing future manpower with artificial intelligence and digital workforce. An innovative environment that delivers next-generation solutions and tools to improve quality, increase speed and decrease operating costs requires multi-dimensional practitioners across all aspects of HR as well as key business stakeholders with the goal of improving people practices and strategies across the enterprises.

How Can Workday Power Transformation?

As the CAHRS partner implements Workday, the single-system technology will provide increased data accessibility, ease, and streamlining which cuts down on HR administrative activities and costs. Firms such as PwC⁷ and Accenture⁸ have found a more agile and integrated HR model with the use of Workday, positively shifting employee experience and HR performance.

- **Employee Experience:** Workday allows for greater transparency and access to data to employees throughout the firm based on their positional needs, rather than closing off access to only HR professionals. Automated business approvals allow for less intermediary work and faster and more direct exchanges between HR team members and employees in other business units.
- **HR Performance:** Workday's simplicity reduces administrative tasks, providing HR professionals with more time to focus on larger people needs. HR team members are more easily and fluidly able to transfer and share information, with increased transparency. Business stakeholders are able to use Workday to generate their own reports, further reducing HR time and workload, and allowing business leaders greater insight to HR data needed for decision-making.

What Makes a Future-Oriented HR Business Model Successful?

The future success of HR's business model depends on four key areas⁹:

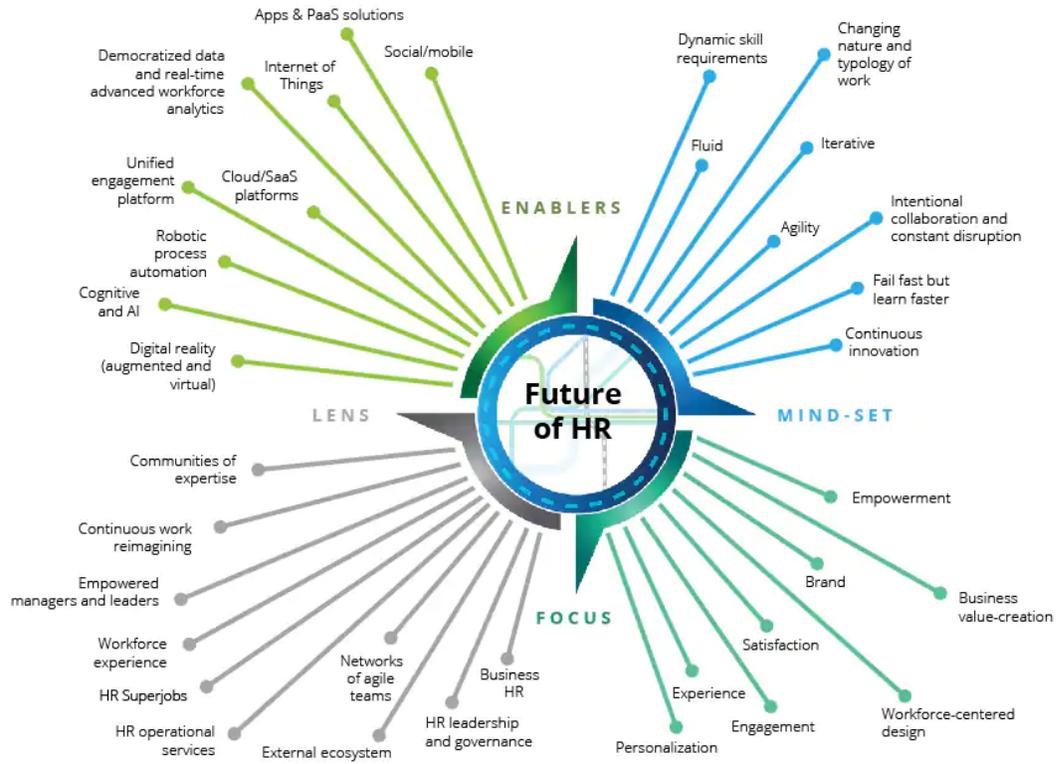
- **Mind-Set:** The mind-set of HR practitioners requires change as agility and collaboration become increasingly important. While the traditional model created silos of talent and information, HR transformation requires breaking down these silos and allowing a more fluid and collaborative approach. With increased digital demands, dynamic skills and continuous innovation are needed.
- **Focus:** While HR leaders still need to focus on employee engagement and satisfaction, focus needs to broaden to the employee experience across the business, not just where it applies to HR functions. HR strategy needs customer-centric focus with workforce-centered solutions.
- **Lens:** HR leaders need to approach future HR strategy with a lens of constant improvement, empowerment, and the continuous reimagining of work. Networks of agile teams provide cross-collaboration and strong ecosystems beyond organizational restructures.
- **Enablers:** Advanced digital solutions and technologies enable HR leaders to better adapt to an increasingly fast-paced digital world. Importantly, these technologies need to be integrated and unified, rather than a 'patchwork' of many different technologies or HR systems.

Conclusions

The traditional HR operating model no longer serves companies who desire increased innovation, strategic insights, and a disruption of out-of-date solutions. The use of Workday to transform HR services and employee experiences, while effectively serving business needs, requires HR teams and leadership to rely on service-oriented, data-driven, agile, and network-connected HR practices.¹⁰

- **Service-Oriented:** Transform the traditional transactional 'silo' HR approach to reorient around HR outcomes and strategy, while meeting the needs of both employees and managers.
- **Agility:** Embrace continuous change and navigate technology improvements such as Workday by engaging and prioritizing business needs, identifying operational priorities, and establishing tools to drive transparency and measure outcomes of HR services.
- **Embed Data-Driven Approach:** Use data to help business managers make better decisions and drive better business results through easily accessible analytics through a network of HR professionals, business leaders, and employees.

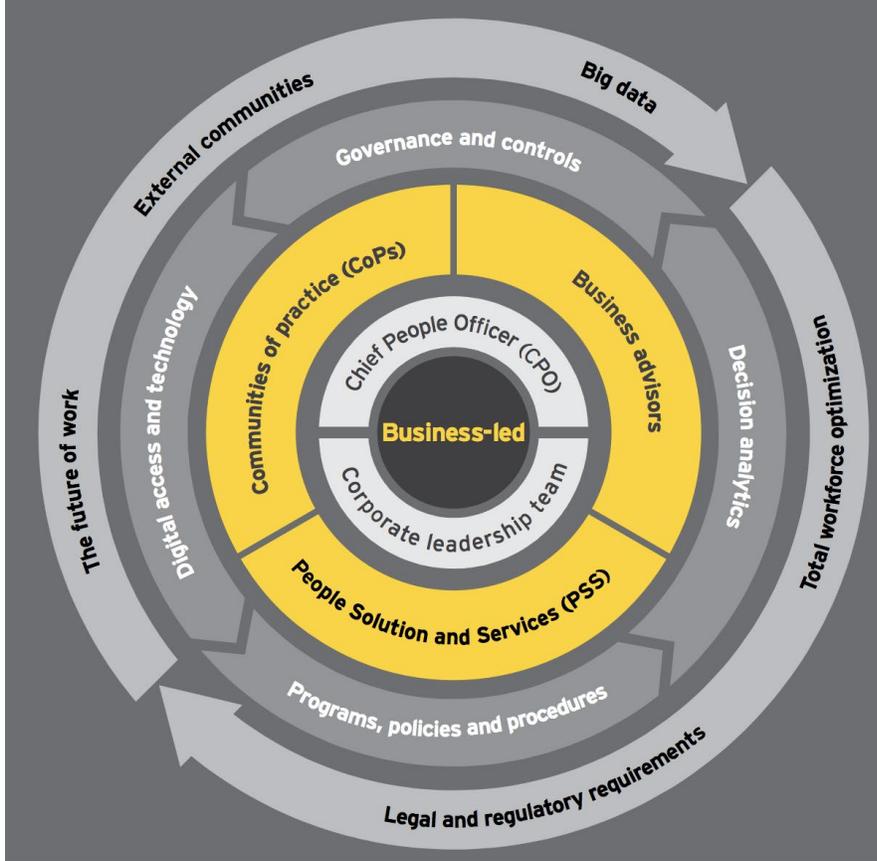
Appendix:



The Inner core

The Corporate Leadership Team and Chief Human Resources Officer sets the mission, vision, and strategy and reinforces the business priorities to all employees. This inner core must exhibit leadership, inspire, engage, and reinforce the priorities in all of its messages to the workforce.

The next inner layer of the EY Business-Led HR Operating Model has three (3) components: Business Advisors, HR Solutions and Services (HRSS), and Communities of Practice (CoPs).



Key drivers of HR transformations

Is your current HR organization equipped to support the business in meeting these challenges?



Works Cited:

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- ² “David Ulrich’s Model Benefits”, HRM Handbook <https://hrmhandbook.com/hrm/hr-model/david-ulrichs-model-benefits/>
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- ⁶ Zeoli et al. (2017), “The EY business-led people operating model”, EY [https://www.ey.com/Publication/vwLUAssets/ey-business-led-model/\\$FILE/ey-business-led-model.pdf](https://www.ey.com/Publication/vwLUAssets/ey-business-led-model/$FILE/ey-business-led-model.pdf)
- ⁷ PwC Canada (2018), “Driving HR Performance Through Workday”, PwC <https://www.pwc.com/ca/en/services/consulting/perspective-hr-function-transformation/driving-hr-performance-through-workday.html>
- ⁸ Miller (2018), “The New for HR”, Accenture <https://www.accenture.com/us-en/blogs/blogs-ed-miller-hr-transformation>
- ⁹ Mazor & Stephan (2018), “The Future of Enterprise Demands a new future of HR”, Deloitte <https://www2.deloitte.com/us/en/pages/human-capital/articles/future-of-hr.html?id=us:2pm:3ad:myilafy19:eng:greendot:em:fow:cn:futurehr:1x1:hbr:021119:56873283>
- ¹⁰ Miller (2019), “Elevating the Workforce Experience with Workday”, Accenture <https://www.accenture.com/us-en/insights/technology/workforce-experience>