

REDEFINING THE HR OPERATING MODEL: THE TENSIONS RESHAPING HOW HR FUNCTIONS NEED TO WORK

crf
CORPORATE RESEARCH FORUM

Conversations about HR operating models typically begin with structure. Increasingly, this may be the wrong place to start.

Our conversations with CPOs and HR leaders highlight that the pressures reshaping HR functions today are not fundamentally structural problems but environmental ones.

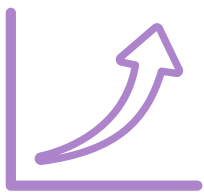
These pressures are not new, but it is the speed and simultaneity at which organisations need to react to them that is redefining what HR is being asked to lead and what an operating model needs to be capable of supporting.

As a result, the most important question is no longer: “*What is the right HR operating model?*” but “*What does HR need to be capable of balancing?*”



THE ORGANISATIONAL PRESSURES RESHAPING HR'S STRATEGIC ROLE

Higher productivity, less resource.



Boards and CEOs are increasingly expecting organisational growth and transformation without proportionate increases in headcount. That places greater pressure on HR to support workforce planning, automation, prioritisation and capacity management under conditions of uncertainty, and raises the need for more targeted deployment of people and skills against shifting priorities.



AI is changing work, not just improving efficiency.

AI is reshaping roles, workflows and capability requirements. As a result, organisations need HR to support work redesign; automation, reskilling and organisational adaptation. This increases demand for more integrated expertise, faster decision-making and closer alignment between HR capability and business transformation.



Embedding new ways of working is becoming a continuous organisational challenge.

For many organisations, deploying technology is proving easier than changing behaviours, management practices and organisational norms quickly enough to realise value. This increases demand for HR capability in change, organisational effectiveness, leadership and behavioural transformation, often requiring more cross-functional and less siloed ways of working.

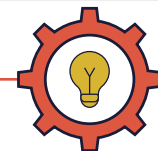


Organisations are reconsidering where human interaction genuinely adds value.

As self-service and automation expand, organisations must become more deliberate about where human judgement and interaction improve performance or risk management. This changes how organisations think about shared services, HRBP support, employee experience and the balance between digital delivery and human intervention.

HR is now expected to lead through uncertainty rather than manage toward stability.

This creates a growing set of tensions around how capability is organised.



CRF'S SEVEN KEY PRINCIPLES FOR AI IN HR

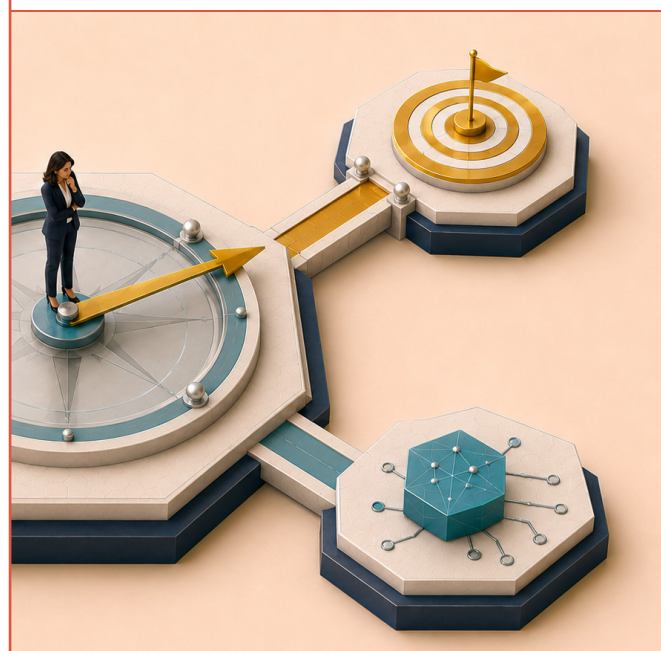
AI is everywhere in HR right now – the claims are big, the pace is fast, and the pressure to 'just get started' is real. But the question we should be asking isn't whether to use AI. It's when, why where and how.

To help you answer that, CRF has launched [Seven Key Principles for AI in HR](#) – a practical framework to help you cut through the noise and make sure AI actually adds value to your organisation, not just activity.

You don't have a choice about whether or not to use AI in HR. But you do have a choice about whether or not you do so wisely.

These principles will underpin an upcoming new CRF series, **AI in HR** – bringing together live webinars and events, on-demand learning, cohort programmes, hackathons and research to help HR teams build genuine AI capability.

[FIND OUT MORE](#)



REDEFINING OPERATING TENSIONS

These tensions cannot be permanently resolved, only continually rebalanced as organisational pressures, technologies and workforce expectations continue to evolve.

Specialist depth vs integrated capability

The traditional architecture of Centres of Expertise and Business Partners was built on a clear division of labour that is becoming harder to sustain. COEs risk becoming technically excellent but operationally distant from the problems they exist to solve. Business Partners risk becoming relationship managers and coordinators rather than genuine contributors to organisational performance. Both reflect the kind of disconnect many HR operating models were intended to avoid.

Rather than resolving this structurally, many organisations are shifting their focus from reporting lines to capability orchestration: asking not where expertise formally sits, but how different capabilities can be brought together around a shared organisational challenge. In practice, that often means forming more fluid cross-functional teams around specific business priorities rather than relying solely on fixed functional ownership.

That requires a different kind of HR leadership, one that is comfortable operating across boundaries and connecting pieces rather than owning them and being clear about business priorities.

Efficiency vs humanness

Technology now brings the opportunity to automate a significant proportion of HR's workload. However, treating this purely as an efficiency calculation risks hollowing out the strategic role of the function. We are seeing organisations making a deliberate design choices when it comes to automation: identifying explicitly where human interaction matters most to organisational performance and protecting it accordingly. Even where doing so is not the most efficient option by conventional HR metrics.

Centralisation vs local responsiveness

HR functions are under pressure to maintain enterprise-wide coherence whilst being responsive to the needs and operating realities of their business units. Choosing one at the expense of the other creates risk. To balance this consistency and flexibility we see organisations relying less on formal structure. Instead, they are focused on creating consistent dialogue between the centre and business units, establishing clear principles about which decisions require enterprise alignment and which can be made locally, and empowering HR leaders to exercise judgment about when to hold the line and when to flex.

Governance vs distributed innovation

AI is democratising workflow innovation, often faster than governance frameworks can accommodate. This raises questions about who has the authority to experiment, how innovation flows through the function and how HR decides where to set the boundaries between permission and oversight.

Too little governance produces duplication, inconsistency and risk. Too much produces a function that is cautious, slow and unable to capture the productivity gains that technology is making available. In practice, many organisations are becoming more explicit about where experimentation should be actively encouraged, where oversight is genuinely necessary and how quickly those boundaries need to be revisited as both the technology and the organisation continue to evolve.

EMERGING CHARACTERISTICS OF FUTURE HR OPERATING MODELS

We see several consistent patterns emerging in how organisations are reorganising HR capability to support these external and internal pressures.



A tighter, more senior business-facing HR leadership

Organisations are reducing reliance on large populations of generalist HRBPs whose role is heavily relationship-based, operational or coordinating. They are instead moving towards smaller groups of senior business-facing HR leaders focused on workforce strategy, organisational priorities and commercial outcomes.

This shift positions HRBPs as strategic advisors and orchestrators rather than owners of delivery. Greater emphasis is being placed on commercial understanding, organisational diagnosis, workforce planning and the ability to coordinate specialist expertise against business priorities.



More flexible and integrated deployment of capability

While shared specialist expertise is not new, many organisations are becoming more deliberate about deploying that capability selectively against changing organisational priorities.

This means specialist expertise such as reward, workforce planning, organisational development, analytics, resourcing or change capability is increasingly treated as a shared organisational resource that can be directed towards areas of greatest demand, transformation activity or strategic importance.



More integrated and cross-functional delivery models

Traditional HR operating models often rely on relatively separate functional teams with clearly defined ownership boundaries and sequential delivery between different parts of HR. That structure can become difficult to sustain where organisations are managing large-scale transformation, rapid organisational change or complex workforce challenges.

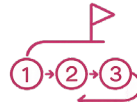
As a result, many organisations are increasingly bringing together different forms of expertise on a project-by-project basis, addressing specific organisational priorities, workforce problems or employee lifecycle journeys rather than relying exclusively on siloed functional delivery. In some cases, this includes greater use of agile methods or temporary cross-functional teams designed around particular business outcomes.



Leaner operational support enabled by technology

Many organisations are also simplifying operational HR support through greater use of automation, self-service technology and digital service infrastructure. This often includes leaner shared services models, clearer digital entry points and greater use of case management or automated workflow tools.

However, the objective is not simply cost reduction or maximum automation. Increasingly, organisations are trying to redesign operational support around user experience, responsiveness and ease of access rather than primarily around HR process efficiency.



More selective use of human interaction

As self-service and automation continue to expand, many organisations are becoming more deliberate about where human judgement, advice and interaction genuinely improve organisational outcomes. The question is no longer simply how much HR activity can be digitised, but where human support remains important for trust, judgement, employee experience or organisational risk.

This is leading some organisations to redesign service models around more selective and intentional use of human interaction rather than assuming either highly relationship-based or highly automated support across all areas equally.



Stronger prioritisation and orchestration

As HR capability becomes more flexible and less tied to fixed support structures, organisations are placing greater emphasis on prioritisation, orchestration and governance. Rather than assuming broad and stable coverage across all activity equally, HR leaders are increasingly making more explicit decisions about where capability should be focused, what work matters most and where resource should be redirected as priorities shift.

In practice, this may involve more continuous prioritisation processes, stronger governance forums or more deliberate mechanisms for allocating HR resource against strategic priorities and transformation activity.

The future effectiveness of HR operating models may depend less on the structures organisations choose and more on their ability to continuously rebalance competing demands as conditions evolve. In this landscape, operating models become more dynamic with clear principles favoured over rigid rules. HR leadership needs to be comfortable with ambiguity and prioritisation and coordination become core capabilities.

QUESTIONS WORTH ASKING BEFORE YOU REDESIGN



01

What are you actually being asked to do differently?

What does the business genuinely need from its people function right now? The gap between this and where HR currently delivers is where operating model redesign should start.

02

Where does your operating model create friction, and for whom?

Friction for the business, for employees or for HR itself? Understanding where the current model is failing and why matters more than benchmarking against what other organisations have built.

03

What capabilities do you actually have, and where are the gaps?

Structure without capability is reorganisation for its own sake. Before deciding where things should sit, it is worth being honest about what the function can effectively deliver and where it is currently falling short.

04

What needs to remain consistent, even as the operating model evolves?

Effective redesign is as deliberate about what it preserves as what it changes. Some ways of working, some relationships and some principles need to remain stable precisely because so much else is shifting around them.

05

Where does human interaction matter most, and are you protecting it?

As automation takes on more of what HR has historically done, the function needs a deliberate point of view on where human judgment, trust and relationship remain essential to organisational performance.

06

How will you know when the balance is wrong?

If many of these tensions are permanent conditions to manage rather than problems to solve, the more useful question may not be "have we got this right?" but "how will we recognise when the balance no longer works, and how quickly can we adapt?"



