

# Reinventing the HR Operating Model in higher education



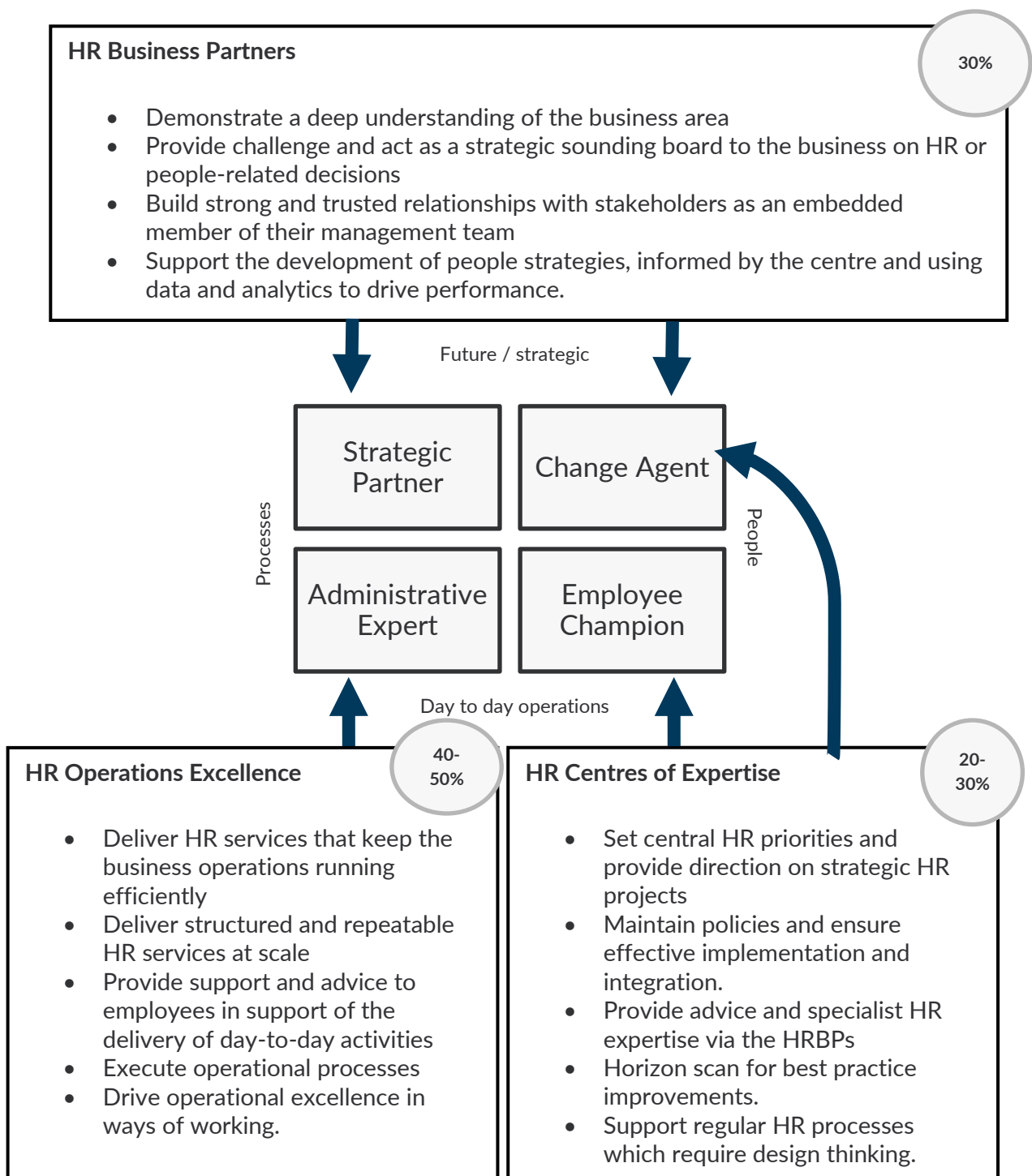
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# 1. The 'Current' HR Operating Model

One of the most common HR service models used within Higher Education (HE) is the Ulrich model, a combination of the use of centres of excellence / shared service centres and Business Partners, introduced by Dave Ulrich in 1996.

Shifts in innovation, ways of working, and changing workforce expectations mean that if HR is to remain relevant and act as a strategic contributor it must transform. HR's role in the traditional Ulrich model is to be an agent of change, support stakeholders with embedded resource and ensure business strategy is reflected in people-related operations.

Figure 1: Ulrich HR Operating Model



For those who have led HR functions, the reality of the Ulrich model has often been different from the theory. Typical issues have included:

1. HR Business Partners are too focused on transactional and/or employee relations activity, rather than being a strategic sounding board
2. HR Business Partners lack the skills and time to keep up with latest external HR developments
3. The supporting architecture for HR Operations; systems, processes, and ways of working, are archaic and not customer-focused
4. Centres of Expertise are inflexible with little engagement with the customer; meaning policies and change are difficult to operationalise
5. HR is reactive and provide 'concierge-style' support; with little proactivity or influence on leadership.

Recognising the challenges with the Ulrich model and the need to respond to new and emerging challenges, this thought piece proposes that universities and their HR leaders might rethink their operating model.

## 2. Challenges

Turbulent and unpredictable environments at work, with social contracts changing and different employee expectations, are creating a culture shock that is driving a need for change. There is recognition that HR needs to:

1. Support their institution to become more agile and fluid, to be more responsive and creative to create more harmonious workplaces
2. Focus more on employee experiences and customer journeys
3. Support end-to-end processes that span all areas of the university and include strategic and cross-functional priorities
4. Improve operations, with greater digitisation: automated processes, informed by data, improved self-service capabilities.

In reinventing HR, it is worth thinking about some underpinning key design principles, for example:

1. Creating value for **all stakeholders** (inclusive of students, staff and leaders)
2. Contributing value through human capability
3. Up skilling the service.

## 3. Potential New HR Operating Models

Underpinned by the suggested principles and enabled by improved data and more efficient service delivery; there are different types of model which could be considered:

1. **Agile delivery:** a smaller number of HR Business Partners, a shift to counselling the 'top table'. Centres of Expertise lead on data, analytics, workforce planning, diversity and inclusion. There's an increased involvement in cross-functional project delivery.

An issue with this approach is that HR may need to accelerate and adapt to change at a speed which is unachievable, leading to them hindering rapid transformation.

2. **Customer-experience driven:** focused activity on processes or activities which have an impact on employee and customer experiences. This might, however, result in siloed and misaligned approaches, a focus only on talent and differentiated priorities.
3. **Leader-led:** key HR activities (e.g., recruitment, onboarding, development, etc.,) are transferred to managers, to free up HR resource for other critical activity. Concerns around management capability and potential impact of poor management should be considered with this approach.
4. **Machine-powered:** the use of AI enables greater data and analytics, enabling HR to work on the people-centred activities. The existing digital architecture and internal system capabilities are potential blockers of this approach.

We would recommend taking a blended, hybrid approach with a strong focus on shifting to Human Capability.

## 4. The Shift to the Human Capability Model

The Human Capability model works by centring HR activities around key areas; talent, leadership, skills; informed and supported by good HR practices, metrics, and people. It includes proactive and front-loaded support, aligned to customer needs and provides opportunity to be agile.

It aims to focus decision-making on delivering internal value, to focus on the right initiative, while enabling leaders to learn to lead and improve the culture. The key building blocks of this model are:

### A. Talent Management

Talent is essentially informed by an individual's competence (their ability to do the work), commitment (engagement and willingness) and contribution (growth mindset that finds meaning from the work).

HR should have a clear focus on their talent initiatives, for example:

1. Bringing in the right people
2. Managing and developing employees
3. Retaining employees through good experiences, and enabling positive exits
4. Tracking engagement and progression to get meaningful data and insight
5. Creating a positive employee experience.

## B. Leadership

There is recognition of the need to improve effective leadership, whether that is through using different leadership models, understanding required capabilities, or investing in future talent. The focus and/or approach will be dependent upon the needs of the institution and require HR to have a full and in-depth understanding of the gaps to advocate where change is necessary and thereafter provide support for development.

## C. Organisation

The architecture of an organisation should be rooted in having the right culture; informed by purpose, values, beliefs and brand. The culture of an organisation is probably not going to feel very different for staff and students, which reinforces the requirement for HR to include all areas of the institution within their stakeholder analysis. Defining culture and understanding what the institution wants to be known for is imperative, which then drives the priority areas and activities which HR focuses upon.

## 5. HR Evolution

HR needs to as a minimum evolve, to know, deliver, and show value in a completely different way to deliver the needed capabilities for their institution. To help you think through this, we suggest you start by considering the following:

1. What is the HR department known for by stakeholders?
2. Who are the customers?
3. What is HR's purpose?
4. How is it currently organised? Is that right?
5. Where does HR have areas of high / low maturity?

The answers will help you to focus your activities for the future, and go on to ask:

1. What does HR at this institution need to know, be and do, to be effective?
2. What are the key influences which should drive HR to change its operating model?
3. What are the shifts required (considering limits, feasibility, scale and impact of change)?

For further information on any of the above please contact SUMS [sums@reading.ac.uk](mailto:sums@reading.ac.uk).

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