

HRM Structure: An Overview

Here is a comprehensive explanation of the HRM (Human ResourceManagement) structure, covering its evolution, common models, andkey components, presented in a clear, structured manner.

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An HRM structure refers to the organization of the Human Resourcesfunction within a company. It defines how HR responsibilities aredistributed, how the HR team is organized, and how it delivers servicesto the business, managers, and employees. The goal of a well-designed structure is to align HR services with the strategic objectivesof the organization efficiently and effectively.

The Evolution of HR Structures: The “Three-Legged Stool” Model

The most influential modern HR structure is the HR Business Partner (HRBP) model, often visualized as a “Three-Legged Stool.” Developedby Dave Ulrich in the 1990s, this model aims to make HR morestrategic and efficient by separating its key functions.



Leg of the Stool	Primary Focus	Key Activities	Analogy
1. Shared Services Center (SSC) (Operational & Administrative)	Efficiency & Standardization	– Payroll & benefits administration – Employee data management – HR inquiries & helpdesk – Onboarding paperwork – Policy administration – Talent Acquisition (Recruitment) – Learning & Development (L&D)	The Foundation: Handles routine, transactional tasks for all employees. Often uses a portal or call center.
2. Centers of Excellence (COE) (Specialist & Design)	Expertise & Innovation	– Compensation & Benefits (C&B) – Employee Relations (ER) – HR Analytics	The Experts: Deep specialists who design programs, policies, and strategies in specific HR domains.

Legs	Stool	Primary Focus	Key Activities	Analogy
			– Strategic consulting with business leaders – Organizational design – Change management – Talent management – Interpreting HR data for the business unit	
	3. HR Business Partners (HRBP) (Strategic & Consultative)	Business Alignment		The Strategists: Embedded in business units, they translate business needs into HR priorities and leverage the COEs and SSC.

How it works: An employee has a pay issue (SSC). A manager needs a new sales compensation plan designed (COE). A business leader is planning a restructuring (HRBP). Each “leg” handles a different type of need.

Common Types of Organizational HR Structures

