

# The HR Business Pyramid

BUSINESS  
STRATEGY  
&  
LEADERSHIP

STRATEGIC  
HR

PEOPLE  
DEVELOPMENT

OPERATIONAL HR

CORE PEOPLE MANAGEMENT

HR POLICIES AND PROCESSES

# BUILD ON SOLID GROUND – WHY HR FOUNDATIONS MATTER

Before you think about performance reviews, engagement surveys, or employer branding, you need strong foundations.

- Legally compliant policies
- Clear employment contracts
- Defined processes for onboarding, leavers and discipline
- Accurate record-keeping and GDPR compliance

These are not just admin tasks. They are your protection, your consistency, and your credibility as an employer.

Businesses that skip this layer often face costly mistakes, employee disputes, or inconsistent practices that hold growth back.

Your HR strategy is only as strong as the ground it stands on.

# CORE PEOPLE MANAGEMENT – WHERE LEADERSHIP HAPPENS DAILY

This is the layer where your managers make or break the employee experience.

It's about how people are led, supported and held accountable.

Strong day-to-day people management means:

- Clear communication and regular feedback
- Confidence handling conduct and performance issues
- Awareness of workload and wellbeing
- Practical line manager skills, not just instincts

Train your managers well. They carry your culture and drive your team's success.

# OPERATIONAL HR – KEEP THE BUSINESS RUNNING SMOOTHLY

Operational HR focuses on the day-to-day implementation of HR policies and procedures. It supports the business by managing core HR functions and ensures HR processes run smoothly, efficiently, and legally to support the overall functioning of the workforce.

It includes:

- Recruiting the right people and onboarding them effectively
- Managing absence, holidays and working patterns
- Reward, recognition and benefits
- Handling grievances, disciplinaries and employee relations issues
- Keeping HR data up to date and compliant

Get this right and HR becomes a smooth part of operations, not a firefight.

# PEOPLE DEVELOPMENT – INVEST IN YOUR TEAM’S GROWTH

People stay and perform better when they see a future with you.

This layer focuses on:

- Performance management that’s clear and fair
- Training and skills development
- Career conversations and development paths
- Building a culture of feedback and learning
- Engagement initiatives that actually matter to your team

People development turns good employees into great ones – and keeps them with you longer.

# STRATEGIC HR – ALIGNING PEOPLE WITH BUSINESS GOALS

This is about shaping the people side of the business to support long-term goals.

It includes:

- Workforce planning and succession
- Organisational design and culture
- Employer brand and talent strategy
- Data-led decision making
- Supporting leadership with people insight

Strategic HR makes people a driver of growth, not just a cost to manage.

# BUSINESS STRATEGY & LEADERSHIP

This sits above Strategic HR and represents the core direction and leadership of the business. HR contributes to and aligns with this, but it's not HR-specific.

Key Components:

- Vision, Mission & Values
- Business Goals & Growth Strategy
- Leadership & Executive Oversight
- Corporate Governance
- Investor / Stakeholder Expectations
- Risk Management & Sustainability
- Mergers, Acquisitions, or Exit Planning

Strategic HR aligns people strategy with the business strategy.

The business strategy itself defines the "why" and "where" the business is going and the Strategic HR then answers the "how" in terms of people, structure, culture, and talent.

# EVERY LAYER MATTERS – BUT START FROM THE BOTTOM UP

A great business strategy needs great people to deliver it. And great people need support at every level – from vision to day-to-day structure.

Here's how it all stacks up:

- Business strategy sets the direction
- Strategic HR aligns people with goals
- People development builds skills and engagement
- Operational HR keeps things running smoothly
- Core people management shapes the everyday experience
- And at the very base...
- Robust HR policies and processes hold it all together

You can't scale performance, culture or growth without solid foundations. Cut corners here, and everything above is at risk.

Strong HR starts with structure, and grows with strategy.



**“CLIENTS DO NOT  
COME FIRST.  
EMPLOYEES COME  
FIRST. IF YOU TAKE  
CARE OF YOUR  
EMPLOYEES, THEY  
WILL TAKE CARE OF  
THE CLIENTS.”**

*Richard Branson*