

A photograph of two women in a professional office environment. The woman on the left, with dark curly hair, is smiling and pointing towards a laptop screen. The woman on the right, with long brown hair, is looking at the screen with a focused expression. They are both dressed in business attire. The background is bright and slightly blurred, suggesting a modern office space.

UKG™

The HR–Operations Divide and How to Close It

Improve collaboration to attract, develop and retain your talent and drive your business forward

Introduction

There is no doubt about it. There are grey areas of difference in the way HR and Operational teams think, act, and collaborate with one another within many businesses. What causes these differences, how does it affect the way a business operates, and what is the impact on the employees who work there? To explore these issues, UKG worked with HR.com to survey 600 HR leaders and 600 Operational leaders to get to some answers.

Differences in perspective are inevitable — and sometimes healthy — in pursuit of better outcomes. But unspoken and unresolved differences that create persistent misunderstandings and misalignments are not. What can be done to minimise that latter — and maximise the benefits this creates?

Define the business impact

To make a strong business case for new payroll technology with your organization's leadership decision makers, it helps to show the true cost of your current system — both the obvious expenses and the hidden ones. You'll also want to highlight where a modern solution can save money and improve efficiency. The following five areas are a great place to start building your case for change.

This report is based on a global survey across seven countries that compares the responses between 600 HR leaders and 600 Operations leaders on the three top priorities of both the HR and Operations departments. It examines the differing expectations and tensions across a spectrum of important business practices such as management, administration, recruitment, onboarding, retention, learning, and the disconnect between Operations and HR's work and people systems that result in a non-employee-centric alignment.





The HR-Operations gap: a luxury that business can no longer afford

While there was little that was positive about the COVID-19 pandemic, it did at least help businesses to get to know, like and trust the people working within them, maybe more than they did previously. For many, the mandate to work from home created an insight into the broader lives of employees, a blurring of the boundaries between their personal lives and who they were at work.

Now, as organisations grapple with defining a long-term vision for a form of hybrid working that works for everyone, there is an acute danger that this deeper understanding could be lost. Many organisations are still trying to figure out how to make hybrid work for their business. Many more are realising already that hybrid work might not be for everybody and cannot be provided for every job. It's simply not possible for every employee to work remotely, which can lead to even greater tensions in how HR and Operations manage fairness in the workforce. For organisations to return to the old way of doing things, and for misalignments between HR and Operations to persist, when the potential for a deeper understanding of employees is so great, is clearly a luxury that no business can now afford.

A deeper understanding of how employees think, feel and act

There is great pressure on all businesses to understand far more about how their employees think, feel and act on a daily basis. And for those who continue to work remotely there is clearly an impetus to find new ways to keep the employee relationship going.

To achieve this, imagination and creativity must be involved, particularly in the way new technologies and systems are used. With so many employees working from multiple places – on-site, in the field, and at home – the information and advice that they need to remain engaged will need to be available anywhere, and at any time. And the opportunity for employees to give feedback to the business how they are feeling, quickly and easily, will become increasingly important.

The consequences of doing nothing

Why does this matter? Because most businesses are struggling to recruit, develop, and retain talent, meaning they need to work far harder to pick up any weak signals within a business, especially the employee's experience and how engaged (or otherwise) they may be feeling. There is also the risk of damaging gaps between HR communication as part of the employer brand, and the reality of work at an operational level once a candidate joins the workforce.

Organisations needed to become razor sharp in a their customers through the pandemic, just to survive – and now they need to do the same with their employees. Only then can they hope to get, grow, and keep the most talented. Therefore, there is no room any longer for the luxury of misunderstanding between the HR Department and Operational areas of business.

There are, and will always be, grey areas in any business. While the term usually implies uncertainty of terms of responsibility and action, it doesn't have to be this way. Grey areas can become sources of positive creativity, where differing parts of the business commit to collaborating more effectively in the interests of all, despite temporary ambiguity. And it is in this spirit that we chose to undertake this survey.

What the UKG survey shows us

Our survey started by highlighting where areas of uncertainty between HR and Operational areas lie. But first, some definitions.

HR and Operations defined

Human Resources

The HR department is defined for our survey as the department that is responsible for effectively managing employees and other human resources (for example, contingent workers). HR recruits, hires, compensates, trains, administers benefits and otherwise engage in a variety of talent-management activities. In many organisations, HR reports to senior management but it supports Operations as well as employees.

Operations

For the purposes of this survey, Operations refers to the daily management of employees or teams of employees who participate in the production or delivery of products, goods and/ or services, whether they are in a core business function or in a support function. Sometimes referred to as line managers or people managers, these managers are the interface between an organisation and its workers. However, these managers may also include middle management and senior management positions when their jobs pertain to the production or delivery of products, goods and/or services.

HR agenda: broad agreement about what HR is there to do

Operations and HR agree broadly on what HR is there to do. The stated priorities of the HR department, through the eyes of both Operations and HR, are similar, though there are some differences of emphasis.

The top 3 priorities of the HR department according to HR

HR operations and administration 36%

Training, learning
and development 33%

Employee well being 30%

The top 3 priorities of the HR department according to Operations

HR operations and administration 34%

Training, learning
and development 33%

Employee well
being 27%

These are similar to the priorities for HR according to Operations managers. Their priority areas for HR, are the way HR operates and administers (34%), along with training, learning and development (33%). This is encouraging, but there are differences. While HR places a premium on the well-being of those already in employment, not a surprise given the impact of the Covid-19 pandemic on physical and mental health, Operations managers instead put more emphasis on the effective recruitment of employees (27%). Again, this is understandable, given that many organisations are experiencing difficulties with talent attraction in the post-pandemic world.

Operations agenda: the cracks start to show

We then asked both HR and Operations managers for their views on the priorities for the latter. Here, greater differences started to emerge. What becomes immediately clear is that the HR department views the operational priorities of the organisation through HR-tinted glasses.

While both HR and Operations put a high priority on performance management — it is the second most important priority for both, other priorities are seen quite differently.

Operations top 3 priorities according to Operations

Providing structure, direction and guidance to your teams 29%

Performance management 27%

Planning and scheduling 26%

According to operational managers, their success or failure lies in the day-to-day practicalities of giving structure, direction, and guidance to their teams (29%), and planning and scheduling (26%).

Operations top 3 priorities according to HR

Training, learning and development 26%

Performance management 23%

HR operations and administration 22%

The HR department, however, sees operational challenges in terms of areas in which HR departments have a keen interest. i.e., through providing training, learning and development (26%) and the operation and administration of HR (22%).

It is clear, HR views Operational priorities quite differently from those working on the front line, and so acts to deliver on them in a way that those in Operations may not expect or want.

Why this matters

It matters because so much of the discourse around whether HR and the business are aligned focuses on vertical alignment — whether HR understands what senior business leaders want and then acts to deliver on it. For example, if the business needs to grow in a new direction, does the HR department understand what this means for the talent and skills that need to be brought in — and the learning required for existing employees?

There is far less debate among HR professionals around horizontal alignment. In the absence of closer alignment, the Operations manager in a business could have received the same set of high-level business objectives as HR, but each may have set up strategies and practices which conflict with each other.

For example, Operations teams may implement cost control and productivity measures to offset rising cost, but don't fully consider needs of their employees and subsequent impact, leading to staff burnout, high absence rates and greater turnover. And people teams implementing new HR processes to drive recruitment and compliance, without considering the extra burden placed on managers, can inadvertently and adversely affect manager morale and productivity.

Businesses need to find a way to close perception gaps around what both Operations and HR are there to do. Only when aligned horizontally, as well as vertically, can they make better decisions around productivity, performance, talent acquisition, development and retention that are central to business success and employee lives.

The operational side of the business must accept that people management is a major part of their job. It is not something that can be put off or deferred to others to do. And HR professionals need to understand more clearly the challenges facing the business and put themselves in the shoes of the line manager working daily in the business. Sadly, very few organisations encourage rotation between HR and line business roles; as a result, most HR people become functional or technical experts and miss the nuances (or basics) of the business. And, even when they do, the formal role of HR Business Partner in closing the gap between HR and the operational side of a business remains underused.

Successful employee engagement hinges on Operations and HR, not only thinking similarly in terms of priorities, but also agreeing on who is responsible for which areas of action — and why. But when there are misunderstandings and misconceptions, around what they are there to do, let alone how they go about doing it, important tasks fall between the gaps, and the tensions between the two can start to simmer. And when this happens, everyone — and especially employees — lose out.

Simmering tensions: when HR and Operations don't see eye-to-eye

The relationship between Operations and HR is a complicated one in many organisations. The expectations that each has of the other can be high. When these expectations are neither understood nor met, tensions will clearly grow.

Our UKG survey took a deeper dive at all people-related areas across the employee lifecycle and asked a very simple question of both Operations and HR:

Where should HR take the lead?

	OPS	HR
Candidate recruitment	70.2%	80.7%
Interviewing candidates	56.2%	69.4%
Onboard employees	62.6%	66.4%
Scheduling staff	45.6%	44.6%
Manage employee absenteeism	57.1%	52.3%
Performance appraisal	44.9%	48.6%
Staff training	46.8%	64.1%
Employee well-being and motivation	53.4%	63.8%
Employee health and safety	56.9%	63.4%
Handling employees' requests	58.9%	57.8%
Managing employees' files	68.5%	70.3%
Managing payroll and labour admin	69.4%	67.2%

Across the spectrum, there are markedly different perspectives between HR and Operations in answer to this question. The differences are most striking in two areas: candidate recruitment and interviewing candidates.

HR enthusiasm, operational reluctance

Talent attraction: recruitment, interviewing and onboarding

We saw earlier that Operations felt that recruitment should be higher on the HR set of priorities. While 70% of them are happy to let HR take the lead in this process, a significantly higher figure of 81% of those working in HR wanted the same thing. This suggests that there may be tensions in some organisations about control over candidate recruitment. For example, Operations may place more importance on the actual selection of candidates, whilst HR may feel it is more important to be accountable for the whole recruitment process, including subsequent pre-boarding and onboarding.

When it comes to interviewing candidates, the gap is larger still with 56% of Operations managers and 69% of HR professionals content to let HR lead the way. It seems that while many Operations managers want to see HR support, a significant minority do not want to see an HR takeover in this area. This suggests a discomfort among some that HR may lack enough Operational insight or expertise into what a suitable candidate looks like in the line manager's eyes.

Once the recruitment decision is made, other tensions can emerge. Onboarding, for example, may be something a manager wants to do, but which in practice usually ends up with the HR department. In truth, onboarding is a mix of administration from Operations and HR. Aspects of it are necessary admin — for example, getting a contract or other key paperwork signed — but the manager would prefer to focus on what's important in getting new employees settled, such as meeting people, understanding the culture and answering important early questions they may have. What HR and Operations would agree on, however, is that getting the balance right early on is crucial when it comes to how long an employee ultimately stays with a business.

Talent retention: learning, well-being, scheduling and employee requests

The survey also shows us that both Operations and HR understood the importance of learning and development. Here again, however, HR is significantly more enthusiastic in taking the lead in staff training (64%) than the Operations team is to let them (47%). Everyone has an interest in seeing employees properly trained, but it may be that tensions emerge around the areas for which training is required – not to mention the time that significant amounts of training may take an employee away from operational duties. During the pandemic, well-being has become a vitally important area. HR has in many organisations been given extra responsibilities for the mental and physical health of employees. But here too, there are marked differences between well-being where HR feel they should lead (64%) versus those in Operations (53%) who feel responsible for the day-to-day engagement and care of their workforces.

We do see a consensus between HR and Operations on who they think should handle employee requests (with 60% agreeing it should be HR) and in practice this is shown to be the case. Where we may see additional tension is in scheduling, with HR mostly agreeing that Operations should take responsibility (55%) but the reality being that it often falls to HR to take on this role (52% of HR currently are the primary authority over scheduling, whereas 53% of Operations think the role should fall onto them).

Operational enthusiasm, HR reluctance

In contrast to those areas where HR seeks to take a lead, with operational managers less enthusiastic to let them, there are tensions created when HR does not get as involved as Operations feels it should.

72% of managers are spending more than 3 hours per week managing HR-related admin tasks

In your organization, how much time do you spend per week on low-value transactional administrative activities related to people operations (for example, employee requests, paper forms, gathering files)?

4% None at all

21% 1 to 2 hours per week

31% 3 to 4 hours per week

26% 5 to 6 hours per week

16% 7 or more hours per week

4% Don't know

The number one priority of the HR department, according to both Operations and HR itself, is HR operations and administration. And yet nearly three-quarters (72%) of operational managers spend more than 3 hours a week on HR-related administration tasks.

Line managers often feel they lack the necessary expertise to deal with these tasks — they expect and want more help from HR. Some do not fully accept their own accountability for managing people, and instead want and expect HR to do all the admin for them. This creates tensions for HR as well.



It leaves HR professionals acting like the process police and chasing after recalcitrant line managers, which does very little to enhance the relationship [while at the same time] too many HR people don't take the time to truly understand their company's business and the pressures facing its managers.¹



Harvard Business Review

HR professionals often feel bogged down with these administrative tasks and requests from line managers, who want an immediate response — and are unforgiving it takes longer. HR can, additionally, often get bogged down in bureaucracy of its own making. If HR professionals are busy with paperwork that serves the interests of HR rather than Operations, then trust can only falter and tensions rise between the two.



Why this matters

What will inevitably be lost in simmering tensions over roles and responsibilities between Operations and HR are the needs and concerns of the employees working in the business.

Admin can be complex, but the COVID-19 pandemic highlighted the needs of people are even more so. Businesses everywhere need to accept the complexity that every employee faces and make sure that Operations and HR are collaborating to ensure that those needs are met.

In the process, HR and Operations need to understand that they need each other. HR needs line managers on their side — they're the ones who turn HR policies into day-to-day inspiration of employees. And managers need to bring HR's knowledge and expertise to bear on employee needs and concerns.

So how can we move closer to a more employee-centric alignment between Operations and HR?

Getting from awareness to action

The better news about the differences in the thoughts and actions of HR and Operations is that it is possible to harness them for the good of the business.

Both sides can agree on a common purpose — that the experience felt by employees, the people who work for the organisation, is the most important issue they collectively face. And that HR and Operations, and the way organisations work, should be in service of people, not only processes.

The road to alignment for HR and Operations begins with this awareness.



What prevents HR and Ops better working together?

	HR	OPS
Roles and responsibilities are not clearly defined	1	1
Disparate systems with no or limited integration	2	2
Lack of knowledge of the pain points / challenges of the other party	3	3
Inability to speak the same language	4	4
Objectives are not aligned	5	5

Awareness of the challenge

We already know that HR and Operations are aligned in understanding the necessary priorities of the HR department, but much less so when it comes to an awareness of operational priorities.

According to our survey, HR views the operational priorities of the organisation through HR-tinted lenses and begins to interpret and act in ways that can diverge from those that the business requires.

The road to closer alignment begins when one sees how closely aligned HR and Operations are in at least diagnosing the challenges to a better relationship.

Remarkably, both HR and Operations responded with the same top five reasons for why their relationship can falter — and in the same order.

- A lack of definition in roles and responsibilities. If HR and Operations don't know their roles and responsibilities, it is no wonder that misunderstandings and grey areas emerge.
- Disparate systems with limited or no integration. This is a major cause of frustration. If there is a misalignment of technology and other systems within a business, it is no surprise that a sharp focus on people can become lost.
- Poor knowledge and understanding of the others' pain points. Not enough HR managers spend time understanding the jobs, concerns, and aspirations of line managers in the wider business. And too few operational line managers engage HR colleague in business discussions, and so don't understand the impact of discussions on employees.
- Operations and HR speaking different languages. Communication between the two can often become lost in translation. The notion of 'fluffy' talk from HR is abating slowly, but still exists, while operational managers should not assume that HR will understand commercial discussions without any explanation.
- Objectives are not aligned. As we have already seen, only when HR and Operations are aligned in their objectives horizontally across the organisation, can both make better decisions. But when the objectives are unclear, both inevitably blame the other for not fulfilling their roles.



Action required

An awareness of the challenges is a good start, but HR and Operations need to find more common ground to solve them. The path to a better way forward begins with four key areas in which both HR and Operations can find a common cause. This can lead the way in minimising the five ambiguities listed above — effectively the grey area between the two.

At UKG, we have identified four areas in which both HR and Operations could agree that improvements need to be made. If the purpose of HR and Operations is truly their people, then they both need to form a permanent partnership which lets them both, amongst other things:

- Collaboratively manage people-related information and processes.
- Adapt with agility to meet global challenges and have a common interest in compliance.
- Work more strategically, and less tactically — aligning customer demands, business objectives, and the needs of people to retain talent and deliver against top- and bottom-line goals.
- Foster a culture of trust, inclusion, and transparency to become an employer of choice.

The important role of technology

This UKG survey shows that disparate systems, with limited or no integration, is a cause of irritation and misunderstanding within the business. But it doesn't need to be this way. Our view is that technology is the best starting point as a long-term partner in enabling these four areas of improvement. It has been the great enabler in driving businesses, and their understanding of and engagement of employees, through the pandemic. And it now has a crucial role in aligning HR and Operations to drive all businesses forward.

Technology, systems, and software are often used interchangeably as terms but can mean different things to different people and parts of the business. They can measure levels of performance, competency and give a platform for learning more. They can be collaborative, make working with one another far easier. And it can help them produce the good or services the business sells.

The common thread is that they can bring HR and Operations managers more closely together, to seek to understand both the life and work of employees. Not just to understand the way that employees work, but in the way they collaborate and to everything that is happening in their daily lives.

Currently, different systems and software harden the differences in perspective, with HR tools focusing on service delivery and giving HR the data it wants about people, and workforce management tools helping managers deliver greater cost control, performance and productivity. The key to bringing together the four areas of common cause lies in understanding what HR, HR Service Delivery and Workforce Management tools are trying to achieve. Let's call them People Systems and Work Systems.

What do we mean by

People systems

This effectively means employee details and documents, people processes such as hiring, onboarding and performance, HR records, requests and queries, and access to people policies and related information.

Work systems

This involves systems for work patterns, time and attendance, scheduling, absence management, gauging productivity, labour analytics and improvements in process.

Too often, people systems and work systems haven't been connected to one other, so they reinforce differences, rather than foster any alignment between the HR and Operational sides of the business, let alone in the four areas in which they have common cause.

This can only be achieved by combining the best of people systems, usually held within the HR department, with the best of the work systems typically used by the line manager. But how?

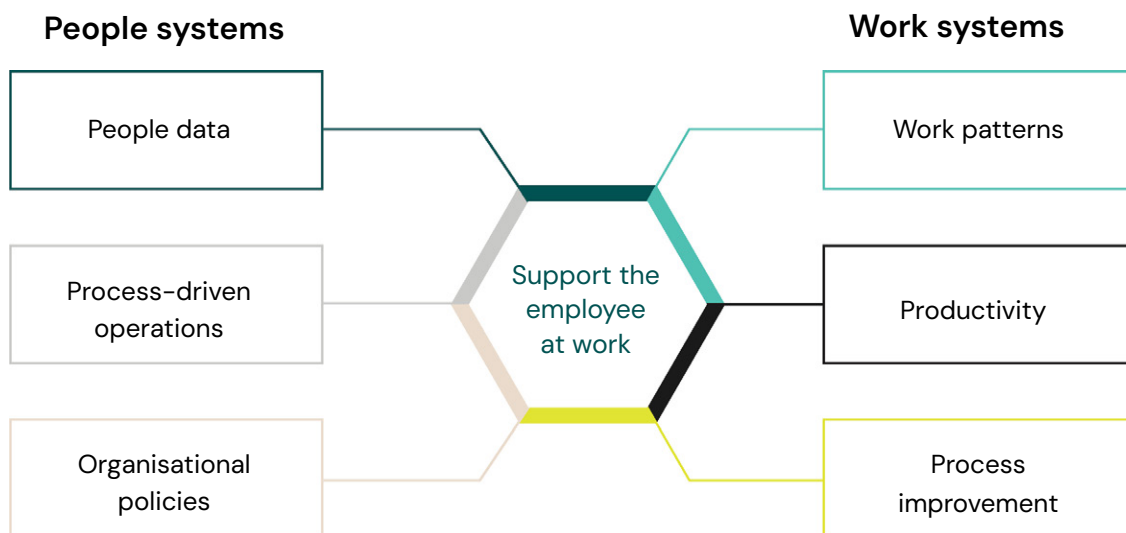


Introducing People Operations

If traditional HR and technology solutions are not what is needed to bring the alignment so many businesses need, then they need to look at things in a different way.

If we fuse together what the HR department and the Operational part of the business both want to achieve, then we arrive at the concept of people operations. This draws together the needs of HR, operational line managers, and people – giving everyone the tools and knowledge needed to meet customer demand, business objectives and employee needs.

Traditional approach



People Operations approach



The purpose of People Operations then begins with a commitment and mission to align HR, Operations, and employees to embrace your people and performance.

To do this means combining the best of HR, HR Service Delivery and Workforce Management solutions – which helps to inspire people and allows work systems to thrive.

People systems

People systems can inspire employees by giving them a deeper understanding of themselves, their colleagues, and their collective aspirations.

Work systems

Work systems can help employees and the business to thrive because they tell us a lot about work patterns, efficiencies, and behaviours.

When brought together, the resultant people operations can bring gains that help HR and Operations make collective and strong gains in their four areas of common cause.

- Increased HR and Operational effectiveness, in the way people-related information and processes are managed. Ornuu, a dairy co-operative based in Ireland, wanted to standardise and automate processes globally, in order to do just this. After implementing UKG's full HR Service Delivery platform it achieved major efficiency gains in areas like recruitment and onboarding, as well as improving the employee experience.
- Augmented flexibility, capability and security, to quickly adapt to global changes and safeguard a common interest in compliance. The airline Transavia, for example, needed us to provide both, with many of its staff of course frequently on the move. As a result of our work with them, flight personnel were able to sign documents securely anywhere and at any time.
- Exponential productivity gains, as HR and Operations begin to align customer demands, business objectives and people needs to work more strategically, and less tactically. When HSBC undertook a digital transformation, the business told us that it found that its people became more agile and innovative in the projects they were working on.
- Team optimisation, as the silo-driven mentality dissipates in favour of fostering more trust, inclusion, and transparency, helping to make organisations employers of choice. Electricity generator EDF found that the right UKG technology helped in the daily exchanges between its team members, with a much greater ability to share and get access to everything.

Conclusion

There are significant grey areas of difference in the way HR and Operational areas think, act, and collaborate with one another within many businesses. There is also great pressure on all businesses to understand far more about how their employees think, feel and act on a daily basis. And for those who continue to work remotely there is clearly an impetus to find new ways to keep the employee relationship going.

Many businesses are reporting acute difficulties in talent attraction, development, and retention. Just as they needed to become razor sharp in understanding their customers through the pandemic, just to survive — they now need to do the same with their employees. Only then can they hope to get, grow, and keep the most talented.

Our view is that technology is the best starting point as a long-term partner in enabling improvement in these areas. It has been the great enabler in driving businesses, and their understanding of and engagement of employees through the pandemic. Organisations who focus on transformation using a people operations approach will be the ones to thrive. By giving them the tools and knowledge to align HR and Operations, they can meet customer demand, business objectives and employee needs, to create a better and more fulfilling culture at work.

Methodology

Research findings are based on a survey conducted by HR.com on behalf of UKG across the UK, the Netherlands, Germany, USA, France, Spain, and Switzerland between May 13, 2021, to July 20, 2021. The survey was conducted in two separate groups: the first group consisted of 645 HR professionals, such as HR Directors, Heads of Employee Relations, and Heads of HR Administration and Payroll, and the second of 590 Operations professionals, such as Operations Managers, Contract Directors, and Plant Directors. Furthermore, it was coordinated across multiple industries, including manufacturing, retail, technology, finance and insurance, and professional services and consulting. The project's objective was to compare the responses from the HR leaders and Operational leaders in order to better understand unspoken and unresolved differences that create persistent uncertainty and misalignments between the two teams, explaining the HR-Operations Divide, particularly in the new future of work, where there is a higher importance placed on employee wellbeing, and no longer can the grey area between the two teams in communication and understanding exist. All responses were conducted online with adults 18+.

Further Reading

<https://hbr.org/2014/07/why-managers-and-hr-dont-get-along>

<https://www.forbes.com/sites/forbeshumanresourcescouncil/2019/06/05/hr-managers-align-your-department-and-company-goals-with-these-eight-tips/?sh=28b8920d56c1>

<https://www.xperthr.com/how-to/how-to-align-hr-strategy-with-business-strategy/25353/>

<https://www.modernjobsearchbook.com/hbr-blog-managers-hr-dont-get-along/>

<https://www.lucidchart.com/blog/aligning-human-resources-and-business-strategy>

<https://blog.shrm.org/workforce/hr-line-managers-can-t-we-all-just-get-along>

References

- 1 Sample size for Switzerland is much smaller in comparison to the other countries surveyed, which were all proportionate. Total sample size is 1,235 across all regions.
- 2 Results include leaders who responded, 'Don't know'. When included, at largest, the number is 1 out of 19 leaders.

To learn more about UKG and how it can improve the experience of your people and the performance of your organisation, visit ukg.co.uk, email TalktoSales@ukg.com, or call +44 (0)1189 789784.

About UKG

UKG is the workforce intelligence platform that puts workforce understanding to work. With the world's largest collection of workforce insights, and people-first AI, our ability to reveal unseen ways to build trust, amplify productivity, and empower talent, is unmatched. It's this expertise that equips every worker to deliver experiences that set their brand apart — because great organizations know their workforce is their competitive edge.



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