

A Key to Success for HR: Optimizing Field HR



Field HR often represents a big opportunity for reducing or shifting administrative work. Recognizing and acting on this opportunity is key for operating a successful HR organization. On average, about 40% of HR time is spent on low-value-added activities, such as performing routine transactions and general administrative support. Compared to a leading practice HR shared services model, a typical pre-shared services organization (SSO) tends to spend significantly more time performing transactional work activities (40% vs. 15-20%) and significantly less time on advisement activities (32% vs. 50-60%) than organizations with shared services (see Figure 1).

Shifting and streamlining administrative work allows for field staffing efficiencies.

Shifting the bulk of administrative work to the service center enables an organization’s field HR to operate more efficiently and strategically and thus outperform its counterparts. Top-performing organizations have less field HR staff and much fewer field HR administrators compared to other organizations. As Figure 2 shows, the top performers—at the median—are able to operate with

a third of the staff. Field staffing efficiency is also gained through the reduction of field HR administrator headcount. It is clear that the top performers leave the comparison group far behind. More importantly, despite having less field HR headcount, those top-performing organizations generally have higher customer satisfaction rates. Thirty-three percent of top performers reported having their customer satisfaction rates over 90%, while only 22% of SSOs in the comparison group indicated high levels of customer satisfaction.

Leveraging Tier 2 specialists enables less field HR staff.

The amount of time spent on administrative HR activities can be greatly reduced with centralization of work into service centers, process improvement, and automation. Setting up a service center with tiers enables HR to shift both common and specialized administrative work from the field. Our data show that organizations with robust use of Tier 2 specialists are able to operate with fewer field HR staff. What’s more, synergies achieved through pulling administrative work out of the field enable resources to focus more on advising and coaching managers and employees

Figure 1: Leading Practice FTE Allocation and Typical Activities

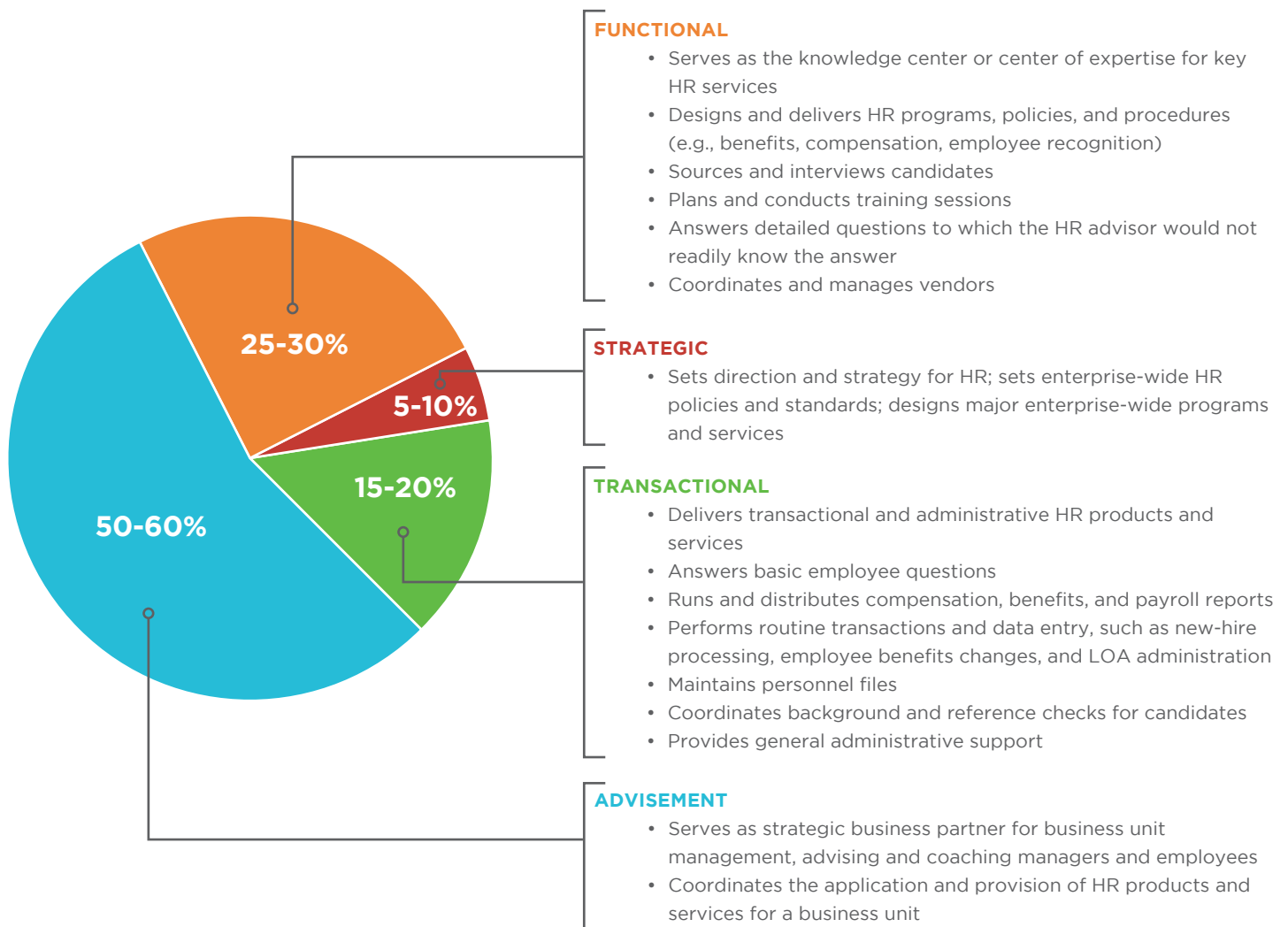
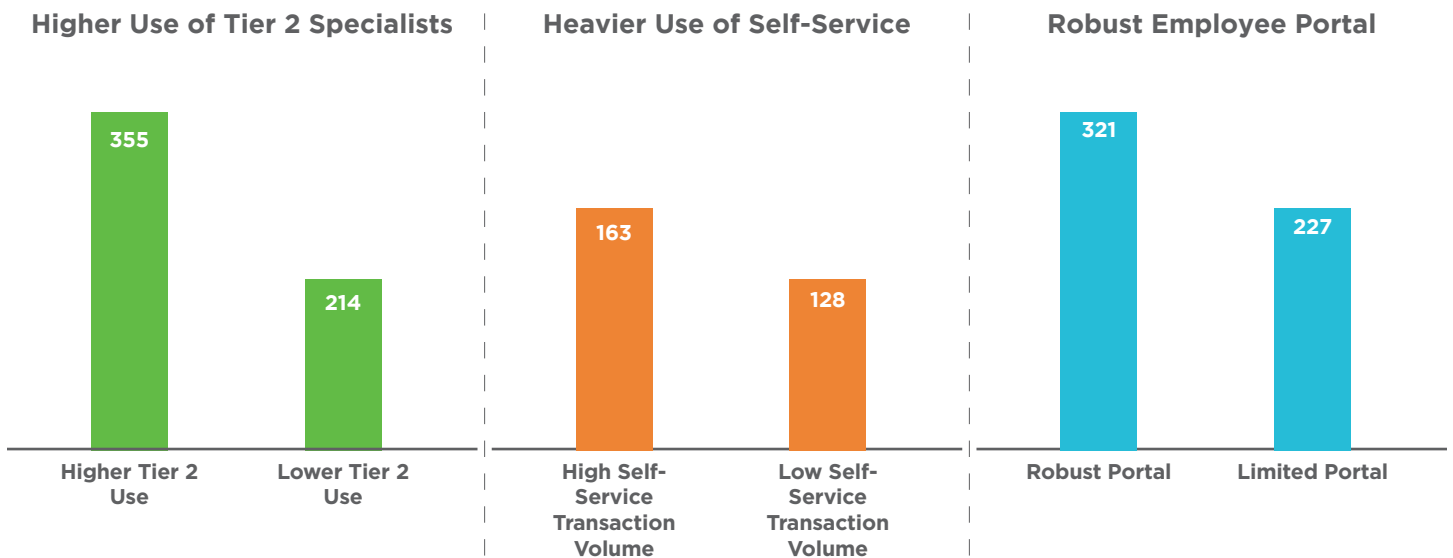


Figure 2: Total Company Employees per Field HR/Field HR Administrator Headcount



Figure 3: Enablers of Optimized Field HR



and other strategic initiatives, such as training and organizational development. With a more advanced tiered service center, field HR business partners are able to focus on strategic issues that add value for the business.

Portals and self-service can also enable the shift of administrative work.

Service centers employing robust employee portals with their SSOs are able to operate with lower field HR staffing levels. Likewise, organizations with higher self-service use also show more efficient field HR staffing. See Figure 3 for a summary of these enablers.

An organization looking to optimize its field HR organization and improve field staffing efficiency should focus first on removing or shifting administrative work. Leveraging a tiered model and robust technology can facilitate this process and thus drive field HR to operate more efficiently and strategically. This shift allows field HR business partners to focus on strategic, value-added contributions to the business. It is important to note that shifting the work alone does not make field HR strategic. This change must be paired with evaluation and development of HR business partner competencies.

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