

Taking Your HR Shared Services from Good to Great

Q&A with ScottMadden Experts

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Shared services organizations that have been operating for some time often struggle with identifying the appropriate actions to take to improve their performance. Meanwhile, the benefits of becoming a top performer are compelling. Read what our experts have to say about the benefits, typical challenges, and approaches you can use to advance your operations.

Q: Why should HR shared services organizations strive to move from “good” to “great”?

A: Organizations that have achieved great performance are benefiting from significantly better staffing efficiencies and operational costs, thereby increasing the value of shared services to the enterprise. Our analysis shows that top-performing HR shared services organizations can serve twice as many employees per HR staff member and have operating costs that are three times better. Beyond the improved value to the company, top performers also have better operational metrics that improve their internal customer experience and create an environment that promotes staff retention and development.

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Q: What kinds of challenges hold HR shared services organizations back from reaching peak performance?

A: Challenges can occur in many areas of a shared services organization. Not having strong governance for the organization or high turnover are issues we see. Another common challenge relates to processes. Even if they were redesigned initially, lack of adherence to processes or continued manual workarounds can cause problems. With technology, we often find minimal integration across platforms and low adoption of employee-facing tools. Finally, HR shared services may be too internally focused and use ineffective performance metrics. All these areas can hold an organization back from reaching peak performance.

Q: What kinds of solutions have you seen work for addressing these challenges?

A: We like to consider four broad areas for improving operations (shown in Figure 1 below). Here are a few examples across those areas. The first is people and organization—do you have work aligned appropriately with your roles and do you have the right governance structure in place? The second is policy and process—is there a need to redesign your processes with your customer in mind? The third is tools and technology—do you have the right tools in place, are you using the full functionality available,

and are your technologies well integrated? Finally, the fourth is data and knowledge—how are you using metrics to manage your operations and are they the right ones?

Figure 1: ScottMadden SSO Accelerator Components



Q: What advice would you give to an HR shared services organization that is embarking on a major performance improvement initiative?

A: One of the most important things is to not underestimate the need for effective change management. This should include communications, education and training, and marketing of the change. It is important to consider how people want to hear from you or how they learn best and be prepared to adapt plans based on early feedback and data. A second recommendation is ensuring that all stakeholders and impacted organizations are involved. It is important to think broadly about how your initiatives affect others. Third, we suggest providing continued support during the stabilization of the change. This allows you to apply best lessons learned and adapt as you achieve stability with your operations.

Q: What recommendations do you have for how HR shared services organizations can sustain peak performance over time?

A: In order to sustain a high level of performance, we think it is important to adopt a continuous improvement approach that is based on metrics and customer feedback. Having a team within your organization focused on operational support is an effective way to do this. This team handles things such as performance metrics, training and development, quality, systems management, etc. This team can look across the organization and process areas to stay focused on continuous improvement versus getting bogged down with day-to-day operations.

ABOUT THE AUTHORS

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