SPECIAL REPORT:
10 Characteristics of Top Performing HR Service Organizations

What sets the top 20% apart?

The transformational approach to HR Services: What drives success, performance, and results!

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Presented by HR Services specialists **ScottMadden** and the **Shared Services and Outsourcing Network (SSON)**.
Based on an **HR Shared Services Benchmarking Study** conducted by **ScottMadden** and **APQC**

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INTRODUCTION

HR services has emerged from the back office to play a significant role in supporting CEOs' strategic imperative to optimize human resources. In its new role, HR services is no longer just about effective recruiting and career management, however, but about developing and supporting talent, ensuring it's productive, and providing the framework and tools to create *improved* value-add for the business. In line with operational excellence guidelines, the modern HR solution leverages strengths and knowledge where these are needed and diverts activities to self-service or automation where that serves the purpose best.

Some organizations have pulled ahead, recognizing the impact of a best practice approach. For these organizations, HR service does not just provide efficient and effective solutions, but also valuable problem-solving and analytic capabilities that support business success. These HR services stand out on the basis of significantly higher performance metrics, and operate at lower staffing ratios, cost and response time.

ScottMadden, a leading HR shared services consultant with a track record stretching back more than three decades, has surveyed HR shared services for the past seven years to identify the *one in five* organizations whose achievements identify them as **Top Performers**.

Including:

A Best Practice HR Services Model
Scott Manning, Partner and Practice Lead, ScottMadden

Transforming Field HR as a Core Strategy for Optimized Services
Courtney Jackson, Partner, ScottMadden

Designing HR for Strategic Support
Scott Porter, Senior Vice President, Human Resources, Corporate and Technology, Turner

How Technology is Making HR Services More Effective
Sanjeev Sahgal, Director, HRSS, The World Bank

How Tiered Services Drive Operational Excellence in HR
Janet Gilmore, Vice President, HR Operations and Leigh Mangum, VP, Shared Operations, HCA Healthcare

These Top Performers have **10 characteristics** in common that determine their success. The main differentiator is a best practice HR service delivery model that leverages the process expertise of a COE; transactional efficiencies of a Service Center; and skilled localized field HR deployed across three different levels of support: strategic advice for business leaders; advisory support for middle managers; and administrative support where locally required.

As Courtney Jackson, Partner at ScottMadden explains: "Trying to fill all local requirements via one role presents a similar problem to the one this model is trying to solve, i.e., HR resources that are either overqualified or underqualified trying to 'do it all'."

Top Performers also make more use of 'tiered' service delivery than do their peers; have developed new competencies for field HR staff; and actively leverage technology – nearly two-thirds are committed to robotic process automation, and over half are evaluating artificial intelligence's use and application.

This report provides a detailed analysis of an optimized HR services framework and advice on how to redesign HR to reflect the best practices of today. The latter involves leveraging a three-pronged approach that improves transactions, provides expertise where needed, and problem-solves; leaving the business free to focus on … well, its business.

The report also includes case studies from **Turner**, on how to leverage competency assessments as a basis for developing new field HR roles; **The World Bank**, on how to employ technology to improve HR service delivery; and **HCA Healthcare**, on how tiered services are driving operational excellence.

For executives in search of a more effective HR model, this report presents a valuable guide on how and where to focus their efforts.

Barbara Hodge
Global Editor
Shared Services and Outsourcing Network

HR SHARED SERVICES: EVOLUTION OF A MODEL

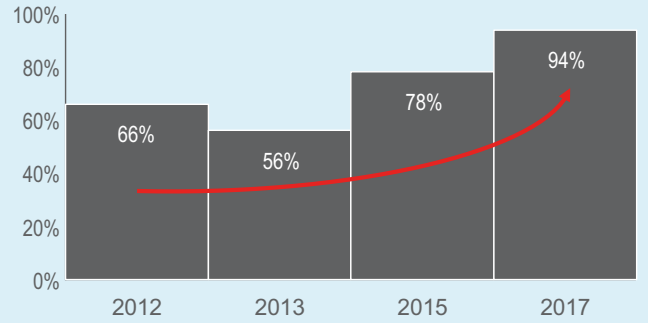
The HR service model has undergone significant changes over the past decade, under pressure to support the business more effectively with its talent challenges, and has shifted towards shared services as a means of optimizing HR service delivery.

Traditional HR support was generally based in the field and embedded into business operations where it primarily provided administrative services on-site. This decentralized model is now recognized as a fairly inefficient means of supporting today's increasingly global and digital organizations, and is being widely replaced by modern, *optimized HR operations*.

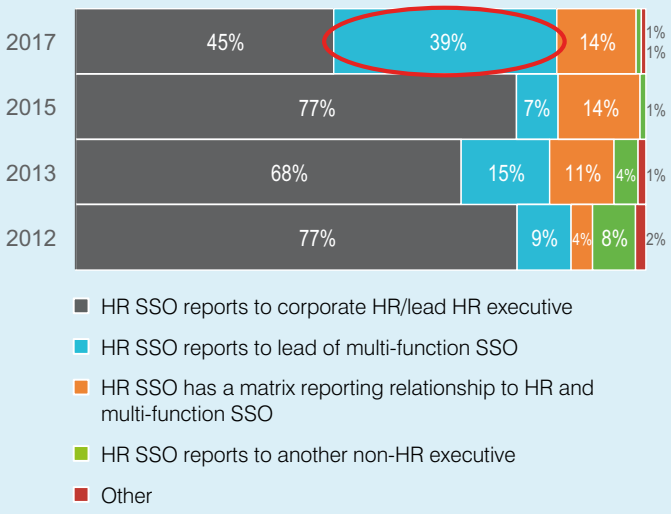
To more accurately gauge the extent of this transition and understand the details of its underlying framework and drivers, ScottMadden, in partnership with APQC, ran a series of studies that measured HR service and performance, specifically across four key areas:

1. Delivery Model & Operation
2. Staffing
3. Performance
4. Management Infrastructure & Technology

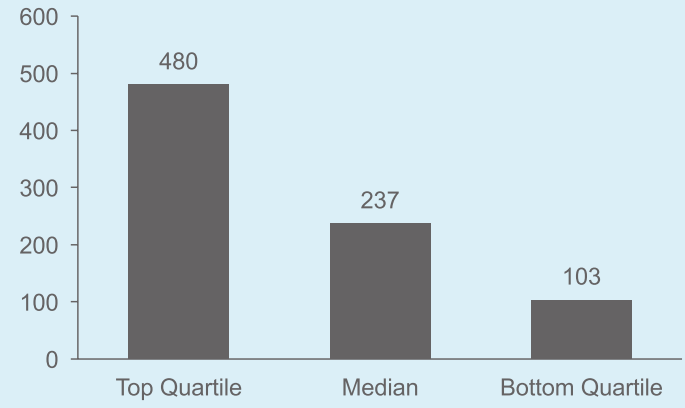
Use of Tiered Model



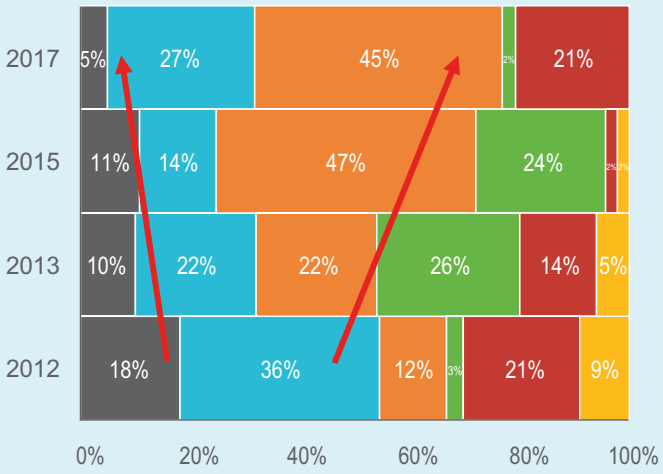
SSO Governance Model



Total Company Employees per Field HR Headcount



GBS Models Are Increasingly Popular



The latest study highlights some unique trends in HR shared services' strategic evolution: today, more HR organizations are using a **tiered approach** for service delivery, and the trend is clearly towards reporting to **multifunction shared services heads**. The study also indicates that **field HR organizations** are being redesigned with the result that the top quartile of respondents now service *twice as many company employees* per field HR employee as the median level (and more than *four times* the bottom quartile).

In addition, there has been a shift toward **Global Business Services** (GBS) over the past five years, with more HR services now run across regions. More than three-quarters of the organizations surveyed, in fact, now operate centers serving multiple regions or countries, *with global management and integration*. This trend toward GBS is particularly dominant in mature centers (>5 years), which also tend to run multiple shared services centers (SSCs).

The latest study highlights some unique trends in HR shared services' strategic evolution: today, more HR organizations are using a tiered approach for service delivery, and the trend is clearly towards reporting to multifunction shared services heads.

20% OF HR SHARED SERVICES ORGANIZATIONS ARE 'TOP PERFORMERS'

While there has been an overall shift toward better practices, one out of five respondents set themselves apart by their *significantly improved performance metrics*.

This differentiation is particularly apparent in three core measures:

1. Total employees (and retirees, where relevant) served per total HR headcount (60% higher for Top Performers compared to comparison group*).
2. Total employees served per HR center employee (more than 100% higher for Top Performers compared to comparison group).
3. Total employees served per field HR headcount (nearly 300% higher for Top Performers compared to comparison group).

In terms of staff effectiveness, the study shows, Top Performers operate head and shoulders above their peers. This performance is reflected in higher customer satisfaction rates compared to their peer group, at >80% levels.

Top performers also demonstrate leadership in key performance measure such as first contact resolution, average speed to answer, employee turnover, and cost, whereby cost savings are apparent across a variety of measures:

- total service center cost per customer
- cost per transaction, and
- cost per call/inquiry.

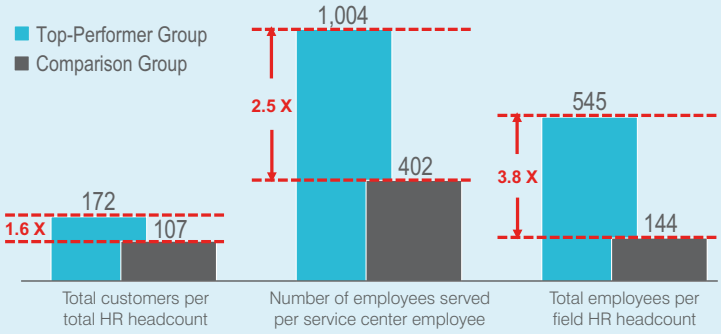
How are Top Performers Identified?

Among the more than three dozen metrics covered in the study, ScottMadden identified seven key performance indicators (KPIs). Study participants who performed in the *top quartile* for all these KPIs were labeled **Top Performers**, with all other participants falling into the 'comparison' or 'peer' group. ScottMadden then examined the characteristics of this group in detail, to determine *what drives top performance in HR service*.

Why Strive for Top Performance?

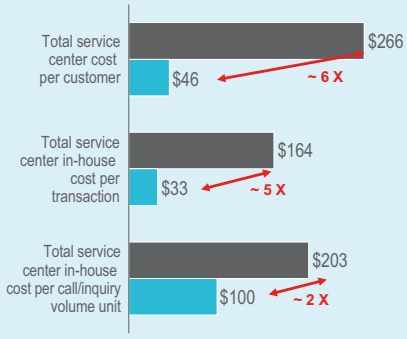
Top-performing organizations have significantly better staffing ratios, including in their employee service centers.

HR Staffing Comparisons
Top-Performer Group vs. Comparison Group



Top performers' service centers operate at a large cost advantage and show better operational performance.

Service Center Cost Comparison
Top-Performer Group vs. Comparison Group



First Contact Resolution
90% Top-Performer Group
82% Comparison Group

Average Speed to Answer
20s Top-Performer Group
25s Comparison Group

Service Center Employee Turnover
8% Top-Performer Group
10% Comparison Group

*the comparison or peer group reflects the 4/5 of respondents not deemed Top Performers

10 CHARACTERISTICS THAT SET TOP PERFORMERS APART

ScottMadden's study identified 10 characteristics of Top Performers.

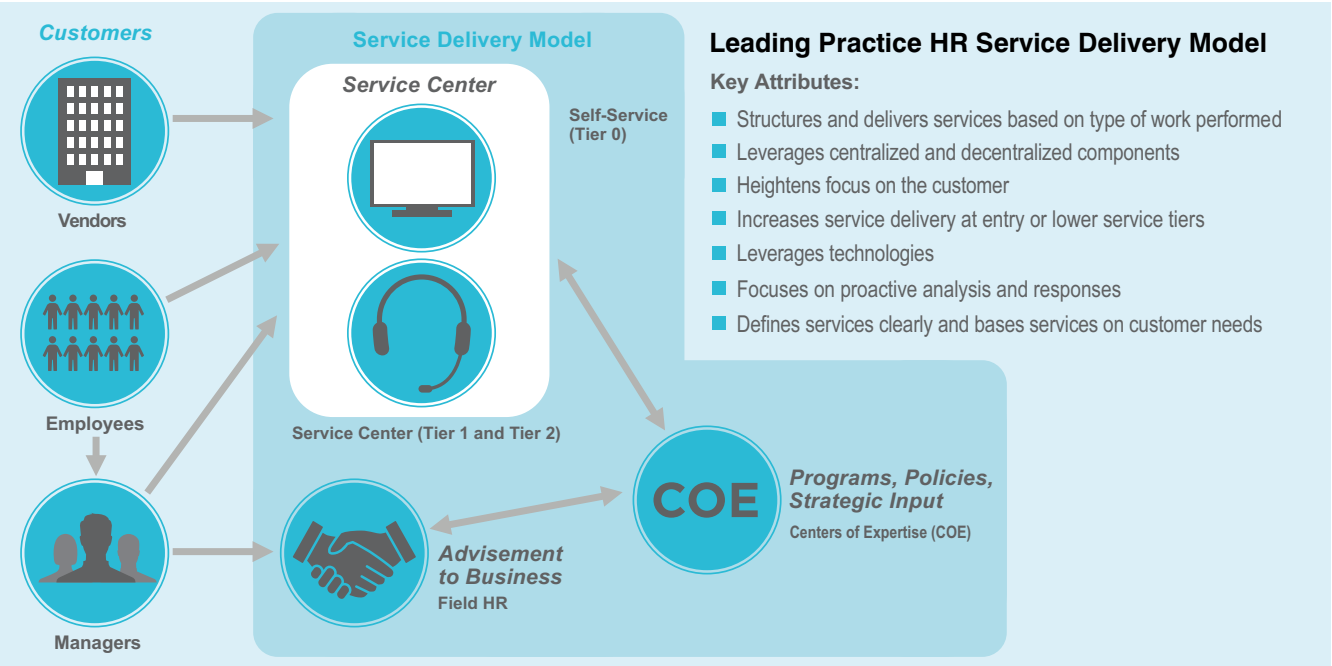
1.

A Best Practice HR Service Delivery Model

(see sidebar: A Best Practice HR Services Model: Scott Manning, Partner and Practice Lead, ScottMadden)

All Top Performers have moved away from the traditional HR model, which was siloed and vertical, and towards a best practice model that takes an **end-to-end process approach** and is structured horizontally across the business, providing various support services via appropriate resources. Its framework is based on **field HR staff**, a transactional **service center**, and **Centers of Expertise**.

The advantage of this framework is that it leverages strengths and knowledge where these are required and diverts activities to self-service or automation where that approach serves the purpose best. The objectives that guide this model are efficiency, reliability, effectiveness, and partnership. It presents an optimal use of HR resources while differentiating various levels of support needed and leveraging appropriate skillsets. The result is maximum value and maximum cost effectiveness.



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A Best Practice HR Services Model

By Scott Manning, Partner and Practice Lead, ScottMadden

Scott Manning, Partner and Practice Lead at consulting firm ScottMadden, on the modern approach to HR Services that is worlds apart from the reactive function we all knew. Scott explains how to redesign HR to reflect the best practices of today, leveraging a three-pronged approach that optimizes transactions, provides expertise where needed, and problem-solves – leaving the business free to focus on…well, its business.

Q: Scott, based on your years in HR practice, what are the key components of a truly modern HR delivery model?

Scott Manning: The traditional HR model was siloed and vertical. By contrast, the modern version takes an end-to-end process approach and is structured horizontally, cutting across the business needs and providing *appropriate* support via *appropriate* resources. As per operational excellence guidelines, the modern HR solution leverages strengths and knowledge where these are needed and diverts activities to self-service or automation where these serve the purpose best. The objectives are efficiency, reliability, effectiveness – and partnership.

In contrast to the traditional model, modern-day HR support breaks down into three key components: *Field HR*, which provides strategic support to business leaders and managers onsite through business partners; *Centers of Expertise (COE)*, which offer functional or technical support in things like total rewards and talent acquisition and talent management; and *Service Centers*, which provide support for the main employee base.

What this means – and that's the beauty of the model – is that a problem is more easily or quickly resolved because the *right HR staff* are deployed at the right juncture. For example, if a sales team is not working well, field HR staff work with the business manager to identify the solution – perhaps compensation needs to be aligned with desired outputs. The business partner then works with the COE to devise and roll out the plan, and the Service Center answers questions pertaining to the plan.

What differentiates this model is that it is significantly more *proactive* than the traditional model. This is because it is more customer centric and, with clearer definitions around process ownership and accountability, the underlying data is more easily acted upon. Compare this to the traditional model, which has HR *responding* to issues via a series of fire-fighting activities.

The key difference is that in a best practice model, outputs are focused on business needs and business leaders get the support they require to achieve their business objectives.

Q: What makes each of these components so essential in providing more customer-focused service?

Scott Manning: Although the model is based on three components, its real power derives from the *end-to-end focus*. Each channel plays its own significant role in the process. The key is that these components are interconnected. Running each component in isolation effectively sub-optimizes the model. As roles are tightly defined and allocated, it creates clear accountability for ownership of a specific part of the work. Contrast the traditional model, where field staff simply react to what needs to be done without much structure or strategy.

Another benefit is that HR operates with a heightened sense of business acumen and, in understanding the business better, is able to drive continuous improvement and proactive solutions.

For the customers, a key advantage is that there are clear and very obvious entry points for any query. Employees can go to the Service Center; business leaders with a strategic challenge consult their HR Business partner and tap into the COEs; business managers have the field staff to partner with. By improving the *quality* of services in this way, it also reduces the *time spent* "answer shopping" in seeking an optimal solution.

The model also, and importantly, aligns work with the *particular skill* sets of your HR resources. Highly skilled (and paid) field staff – i.e., business partners – are not distracted by transactional work and can focus on adding value according to their capabilities.

Q: How does the model benefit the organization compared to a traditional decentralized or even centralized model?

Scott Manning: There are very real and measurable benefits resulting from the modern HR services model. In fact, it is constantly surprising how many organizations still have not transitioned to the best practice approach or have only done so in a haphazard manner, i.e., committing only to part of it, rather than all, thereby reaping only limited benefits as the true value comes from end-to-end integration. Unfortunately, HR is still not well recognized as the strategic resource it truly is. It doesn't quite get the attention of the executive board the way sales and product development do.

Where the power of this model becomes apparent is where organizations that have transitioned have reaped unexpected or *non-traditional* benefits. The platform-based approach means access to specific data sets is easy, and we have seen plenty of unplanned benefits accrue by being able to tap into core data immediately and easily, for example in emergencies.

One of our client's operations was in the vicinity of a natural disaster. Because of HR's new structure, the Service Center was able to offer *reworked support policies* within half an hour of learning about the disaster – just because the data was stored in the right way in the right place, and process owners knew how to get to it and where to update policies. The goodwill this generated was immeasurable, as you can imagine.

Another organization we supported through an HR modernization experienced the trauma of a school shooting in its vicinity. By leveraging the ZIP Codes of its employees, the Service Center was able to reach out to local hospitals and confirm their children's safety within 20 minutes.

These are rare examples, but all the more impressive because they underscore the immediacy of the model in all kinds of unexpected situations.

To answer your question more directly, there are of course clear and persuasive benefits. First and most obvious, it lowers costs by providing services through a model that optimizes different teams' skills. Administrative services are supplied by a cost effective Service Center in a low-cost environment; COEs provide skilled support for more technical requirements; and field staff provide relationship management and senior leadership support.

These services are also just "better," if I may say that. I have been lucky enough to witness many examples where the *objective* was lower costs, but the client reported *improved service overall*. This could be in terms of timeliness, appropriateness, quality, etc. Time after time, we have seen the *service play* trump the *cost play*, once the model is in full operation. What tends to emerge is that service delivers benefits above and beyond the original cost objectives. Of course, that carries a value – but perhaps not one you can easily measure in dollars.

Another significant advantage in today's world, and one that is still undervalued, is the ability to *leverage data effectively* to drive insights that really and truly improve the employee experience. As a result of the technologies put in place and the responsibilities assigned, there is better ownership of data and – and this is crucial – the resources to analyze it. Many COEs have built up data analytics as a key capability and it's making a discernable difference to how HR supports the business. This simply isn't an option in traditional models.

Finally, the new model provides improved consistency and control as a result of reworked policies and processes. This is critical to providing reliable, standardized HR services and is the result of stricter delineation and definition of roles compared to the traditional model.

Q: What is the key to getting the implementation right?

Scott Manning: Redesigning HR services within a modern best practice mold is not an easy transition, and that may be why so many organizations shy away from tackling it, preferring to fix a little bit here and a little bit there, despite the obvious benefits.

One key challenge is the *lack of experience* in actually designing and integrating the various pieces of this model. Redesigning a process itself might not sound hard. But now you're redesigning a *few* processes, and you're also harmonizing policies, figuring out the integrations and the dependencies … Suddenly, it's a bit like a Rubik's cube, and without experienced practitioners to guide the transition it can feel like a risky endeavor.

So, I think the first tip is to make sure you've got experience – either folks you've hired who have done it elsewhere, or a respected internal leader who complements their leadership skills with external partners who bring proven experience to the project. Without one of these two options it might take longer, be costlier, and create more stress. Getting it wrong is expensive.

Other tips include clearly *delineating ownership* of work, in terms of what is done in the COEs, what's done in the Service Center, and what's done by field HR. Specificity is crucial to ensure that unnecessary administrative activities are pulled from the field, which is really the basis of the model's success.

Harmonizing policies and processes is another important factor. It's not unusual to have lots of different leave or paid time off plans. We recently worked with a company that had more than 400 of these and brought them down to a dozen. The key is to ensure the number is manageable. Processes also need to be optimized and redesigned so that they work effectively with the new model and the technologies.

Organizational *structure* is important, meaning one that is consistent with the model *and* fits the company and its operations. You just cannot take a theoretical approach and drop a template onto different enterprises. A retail organization requires a different structure to a services business; a fragmented enterprise can't be treated the same as a centralized enterprise.

The area where I see most people making mistakes, though, and mistakes that end up costing the most – not just in money but also in goodwill and trust – is in not ensuring that new positions are matched up with the relevant skill sets. It's just so tempting to redeploy your old HR team into the new roles, but it's not fair on those employees, nor is it fair to the businesses you're serving.

In one case where the organization opted to redeploy its existing HR team, the entire team turned over within eight months of launch. That's a risky strategy. Frankly, you do your employee a *disservice* by forcing them into these new roles. The point about the model is that you leverage job specialization. The COE needs technical specialists that can guide business leaders; the Service Center needs customer-focused transactional or service specialists; and field staff need to be relationship specialists and problem solvers. You cannot magically transform a transactional specialist into a problem solver. It won't work.

Last but absolutely not least, don't neglect communications, change management, and training. Bearing in mind that the biggest source of resistance is often *within the HR group* rather than outside it you need to think and plan well ahead. So internal communications, planning, guiding the change, and providing learning and development to fill the gaps are all key.

Q: What are some common mistakes in transitioning to this model?

Scott Manning: Mistakes, if we can call them that, tend to fall into three camps. First, is not getting the right people into the right job. I see that in every project we are called into. Matching experience and skills to the new requirements is absolutely crucial.

A second area that causes trouble is allowing some administrative work to remain in the field. This actually links to the problem mentioned above, in that if you don't put the right people in the right jobs you end up with business partners that are actually *generalists* in the field. And they are not skilled enough to offer the strategic support that their new role envisages. Administrative work needs to move into the Service Center so that staff can concentrate on strategic business partnering. Period.

A third common mistake I see is allowing employees to follow their traditional patterns or habits in getting HR support. If you redesign your model, you need to encourage employees to use it as planned, so that means using the Service Center rather than trotting down the hall to see John or Brenda. One solution is to ensure John or Brenda recognizes their redefined role and get them to push employees to the Service Center. But you also need to encourage and *incentivize* your employees to follow correct protocol. You can do this by reducing the pathway options, but also by giving them a positive experience when they try it for the first time. A great way of doing this is by creating a reason for employees to contact the Services Center, so that they are exposed to it – for example, by having everyone update their emergency contact information. Seeing how user-friendly the new system is will encourage folks to stay with it.

This is also where your change management efforts really pay off. Time, money, and resources spent are worth their weight in gold. Just ask someone who tried to shortcut this. I also mentioned earlier that you see a lot more resistance from inside HR. One way to overcome this is by having field staff test the Service Center. We generally run a business simulation before launching a new model, where we get all the field and COE staff to act as callers, so they get a feel for how the Service Center works. Their positive experience encourages them in directing employees toward the center.

Another thing I would recommend is to leverage brand and marketing. It's a good idea to create a brand around the new HR model and to really push that brand out to employees through various collateral like mouse pads, T-shirts, coffee mugs, etc.

Q. How do technology platforms or tools support this model?

Scott Manning: A best practice HR model is supported by a robust service management technology platform – and there are plenty in today's market. Most vendors offer suites with knowledge base, case management, a portal component, and interaction technology like chat.

Case management offers ticketing and tracks questions, but also runs data and analytics on these questions, and can report on use. With the right integrations, you can easily tap into all the indicative data you need.

The knowledge base is generally a repository of articles that can be used for the Service Center to support calls, as well as by the employees directly, via self-service.

Portals present an entry point for employees into these technology suites. They are effectively a wrapper on top of the technology suites. The real power of the portal is where it is integrated with the HRIS. With the right group structure set up, it also means you're able to view affiliations and the division of individual employees, which relate to their specific policies and relevant procedures.

Q: What types of skill sets do you need to support each of the elements of this model?

Scott Manning: The skill sets depend on where your employees are sitting. In the Service Center you need employees with really strong customer service skills *but also* good technology skills. It's not that important, in truth, to have an HR background in the Service Center, as questions are primarily answered via technology.

In the field, HR staff need to understand the business and develop strong relationship skills that leverage their business acumen but also their ability to think strategically. Their role is to interact with business leaders, understand their problems, and come up with a solution.

The COEs are where HR technical skills are really fostered. Here is where you need compensation specialists, benefits plan designers, talent acquisition experts, sourcing experience, etc. It's where you invest in higher value-add roles, but for a reason.

Q: How can HR organizations optimize service delivery in this new model?

Scott Manning: The simple answer is that with the right service management technology and the right skills, you'll be able to continuously optimize and improve HR services. But it means constantly analyzing the cases that come before you, figuring out why they are happening, questioning whether the knowledge base is robust enough to answer the questions or whether it needs to be improved, determining whether some tier 2 requests could be pushed to tier 1, or tier 1 to self-service, etc.

At the beginning, it's very much a case of levering technology to optimize the model. However, as the model is established there's an opportunity to drive predictive data that is very influential. That's because you now know where the data resides, who owns it, and where it's processed.

For example, you can predict turnover, and figure out the appropriate levers to minimize its impact. You can identify where the best candidates will come from, and where to find your high performers.

Predictive analytics is particularly valuable for talent acquisition and management, which is where we see the bulk of its activity. Certainly, artificial intelligence will drive additional capabilities and value in this area, alongside or beyond robotic process automation. We're already seeing RPA used successfully in background check adjudication, for example, or in transferring data from one system to another, like from an applicant tracking system into an HRIS, where integration is lacking.

The key thing is skillsets, though. Many groups are getting completely blinded by the technology right now, but if they don't have the skills to review and take initiatives forward, all that technology is of limited use.

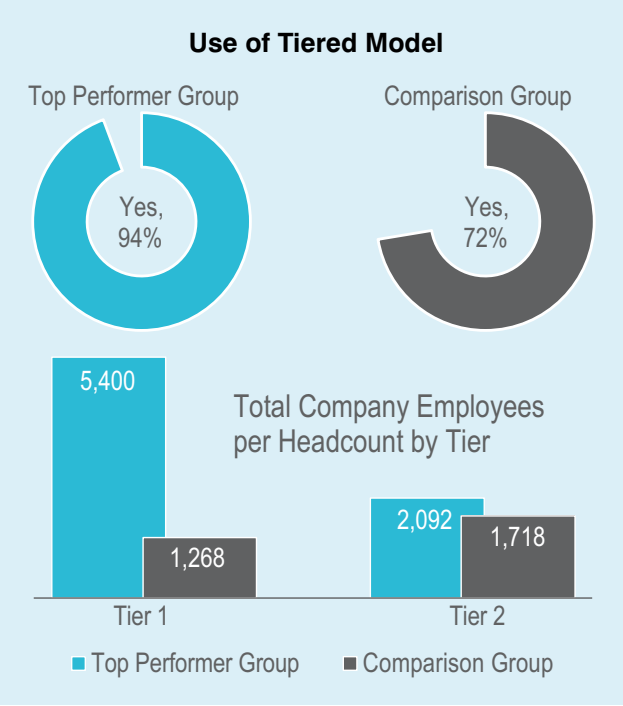
2.

Tiered Service Delivery

(See sidebar: How Tiered Services Drive Operational Excellence in HR)

Tier-based service delivery, i.e., providing various levels of support from self-service through to specialist, allows for more effective processing with fewer field staff. These tier-based services are delivered through the service center and leverage technology (e.g., self-service) to optimize productivity. Where self-service (tier 0) does not suffice, callers are escalated to tier 1 and 2 service levels, with ever higher levels of expertise and support, albeit at additional cost. The objective of a best practice HR service delivery is to maximize tier 0 and tier 1 resolution.

Top Performers have recognized the value of optimizing a tiered service approach. According to the study, 94% of Top Performers have adopted this strategy, thereby outperforming their peer group with more efficient staffing across both tier 1 and 2 levels (at the tier 1 level by 400%).



How Tiered Services Drive Operational Excellence in HR

Janet Gilmore, Vice President, HR Operations and Leigh Mangum, VP, Shared Operations at HCA Healthcare

In 2015, HCA Healthcare's HR function initiated the transition from highly decentralized to a best practice, modern HR services model. Janet Gilmore, Vice President, HR Operations and Leigh Mangum, VP, Shared Operations at HCA Healthcare, explain.

Q: You are now roughly two years into the new model's implementation. What does this look like?

Janet Gilmore: We run a three-pronged HR operating model, which was set up in 2016. It employs 1,500 staff, of which 650 are *Business Partners* embedded in operations; 600 are in *Centers of Excellence* (subject matter experts covering things like learning and development, total rewards, employee relations, process management, talent acquisition, etc.); and 250 are in *Shared Operations* – a service center providing employee service and transactional/operational support.

By contrast, the previous setup was highly distributed across 200 federated HR shops. Support was decentralized and offered limited visibility into what the different facilities were doing in HR. The only service that was highly centralized was benefits administration, and that was outsourced.

HCA Healthcare prides itself on its operational excellence culture, and the HR function was one of the last to bring its operations up to the standards that HCA Healthcare had set for itself.

Q: What sets the new model apart? Why is it better?

Janet Gilmore: The new model helps us leverage our scale by allowing us to better utilize our HR resources that are embedded in operations. These employees – the HR Business Partners – focus specifically on the complex workforce needs and competition for talent faced by our divisional leaders.

In the past, HR was embedded in the facilities but did not have much help or support from any consolidated function. That meant that local HR teams had to take care of every HR issue or need, with little specialization. Due to the nature of the work, the role was highly administrative.

In redesigning the model, we wanted to optimize HR operations so that resources and energy could be focused toward patient care. So, we standardized policies, streamlined processes, and automated everything we possibly could to reduce the number of people it takes to provide those services. This freed up capacity to enable local HR teams to focus on activities that could better support local needs, such as leadership and organizational development, mitigating contract labor costs, and engagement and retention.

Under the old system recruiting was also distributed, with little visibility into how many people were being hired, no consolidated numbers or data about where the best candidates were being sourced, or how good we were at sharing candidates across the company.

A key win for us is that through the recruiting COE and Service Center we are now able to deploy a true operational approach to recruiting, which forms a significant part of our activities.

Q: How have you leveraged technologies to greater effect?

Janet Gilmore: Before the transition we had one single standard HR Management System, which was Lawson, but the divisions had access to other systems if they needed them. There was no service center technology. We recognized this as an enormous gap and a priority.

When we implemented the new model, we leveraged Lawson but also mandated some COE systems, for example for recruiting and performance management & assessment. We also implemented a full suite of service center technologies in HR, which we had never had. Today, we have the ability to leverage a case management system, a knowledge base, a portal, a call system, and an onboarding system.

Q: How is the Service Center structured?

Leigh Mangum: We have made extensive use of tiered levels in the Service Center [Shared Operations] to support employees who are unable to find resolution via the self-service functionality. Staff are able to reach us starting with tier 1 support and complex cases are escalated to tier 2 level support, as needed.

Within the four service groups provided by Shared Operations, three (Customer Service, Recruiting Administration, and Workforce Administration Teams) leverage tier 1 and tier 2 level support, whereas Onboarding Administration (processing and reviewing of background screenings), offers only tier 2 level support.

The Center provides various services: *Customer Service* provides call center work and has strong knowledge in policies and processes. *Recruiting Administration* works closely with hiring managers in talent acquisition, working with candidates on the front end for phone screening, managing hiring managers' calendars for interview scheduling, making travel arrangements, and initiating the pre-employment steps for new hires. The *Onboarding Team* picks up where all the pre-employment activities leave off and continues candidates moving through the process, working closely with the Employee Relations COE. Finally, *Workforce Administration* has taken many of the transactional processes that used to be handled locally, and assists with employee information changes, tracking of credentials, initiating salary actions, personnel files, etc.

Q: How are you driving and measuring customer satisfaction?

Janet Gilmore: We have introduced an annual Customer Satisfaction survey for HR overall, which covers all aspects of HR services, including Business Partners, Centers of Excellence, and the Service Center, at a fairly granular level. What's key is that we baselined this measure *before* we transitioned to the new model, and we have run the survey annually since.

The most recent survey shows the overall satisfaction scores in the top quartile, according to ScottMadden. We have also exceeded the level of satisfaction with the prior model. We are delighted with this.

What is so encouraging about the latest customer satisfaction survey is not just that the composite score was extremely good, but that our employees are also giving us high marks for helpfulness, professionalism, and value add. The message is that our HR model is seen as a reliable and accurate resource. And that is what we are after: good marks from the people we are trying to serve.

Q: How do you communicate HR service performance?

Leigh Mangum: Through data. We regularly compile and share many data points with our customers. Every month, we brief Regional HR Vice Presidents, HR VPs and HR Business Partners. The data reflects how the Service Center is supporting these VPs and their employees. It's a great opportunity to share information on how we are doing, and we make extensive use of dashboards to illustrate the data.

Janet Gilmore: HR provides monthly operating reviews to company executives, and our Regional Vice Presidents of HR provide a similar briefing to their Divisional Presidents. In these reviews we offer a blend of data about workforce statistics – e.g., turnover, engagement, hiring numbers, and similar data. It's really an opportunity to report on what the workforce is experiencing and how HR helps run our operations. It also includes operational indicators for HR, like accuracy rate, caseload, number of employee service requests responded to, etc.

The statistics that we are able to highlight in these monthly reviews are key and are acted upon at all levels of the company, from executive level to operating division, and individual facilities within the division. We might report on hospitals that had the greatest contract labor expense over the past quarter, or facilities that reduced their retention rate, so action can be taken accordingly.

Q: What are some of the lessons you've learned in implementing a best practice HR model?

Janet Gilmore: One challenge was around the visibility of the volume of recruiting activities we were taking on. Because everything was so fragmented and distributed it was nearly impossible to get a realistic idea of volume. In fact, the actual volume of recruiting activities surprised all of us! As a result, we found ourselves under-resourced, and had to staff up quickly, which increased costs. The downside was that it gave the mistaken impression that the new operating model was slowing down recruiting.

Another challenge was the reskilling of HR Business Partners. We wanted to keep many of the original embedded HR staff. In the past, these people had been more or less running the spectrum of the HR function, but now they were faced with a new way of working. Even though we coached them on process and provided training, we discovered we should have provided even more. It was also hard for these new Business Partners to let go of some of the processes they had been responsible for in the past.

> ***"The message is that our HR model is seen as a reliable and accurate resource. And that is what we are after: good marks from the people we are trying to serve."***

Leigh Mangum: My experience is somewhat different, as I was previously in the field as an HR Business Partner, learning the model from the field perspective. I then joined the Service Center in a leadership role once it was 18 months into implementation. When we first launched the center, a new infrastructure and new technologies were introduced that were, at the time, not fully optimized. What I'm seeing now is that there's a real opportunity to leverage these technologies for further efficiencies – or even upgrade them.

Q: How might you leverage HR going forwards?

Janet Gilmore: Now that we're stable with the operating model and have achieved efficient operations, we are looking for new services to take on for the business. We've been comparing notes with some peer organizations, and we see other companies bringing more and more services into the HR Service Center, some of which are concierge-type activities as opposed to simply process-driven work. We would like to offer more of this in future.

We have only been able to consider this now, because of the operational excellence we've achieved through the new HR model. It has freed up resources that we can leverage more proactively, to benefit the enterprise.

3.

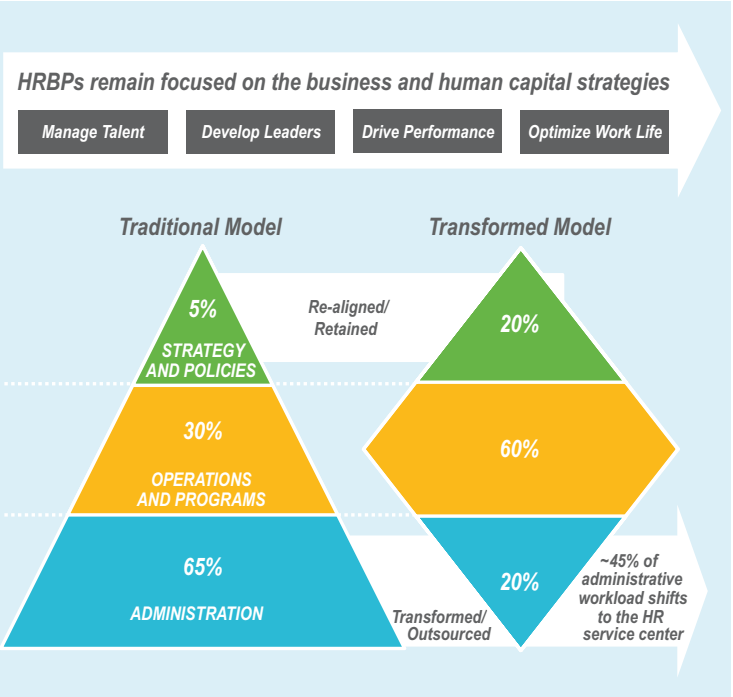
Optimized Use of Field Roles

(See sidebar: Transforming Field HR as a Core Strategy for Optimized Services)

Roughly 40% of field HR activity is traditionally deemed low value-added, at least for administrative work not performed within a shared services center. In a leading practice HR service delivery model, this drops to 15-20% for transactional work, while the value-added 'advisement' type of activity ('operations and programs' in the chart below) jumps from 30% to 60% of HR field work.

Top Performers, in other words, optimize their use of field staffing by shifting from transactional work to value adding support.

How does transforming to an optimized field HR model make a difference?



Transforming Field HR as a Core Strategy for Optimized Services

Courtney Jackson, Partner, ScottMadden

Q: Why is it so important that the role of field HR is transformed?

Courtney Jackson: Field HR, as part of a modern HR service model, represents one of three legs of the stool that support best practice service delivery – the other two being Centers of Expertise (COE) and Service Centers. All three work in collaboration through one integrated model, which leverages the skills and advantages of each to optimize overall service delivery.

Field HR is the *localized* service element that remains when administrative and transactional activities are removed from the 'field' and transferred to the Service Center. In other words, with transferable activities moved out, what remains is a combination of tactical and strategic support that is tailored to the business unit's needs. It's contrasted to the traditional model, where the embedded HR service was a go-to for everything and spread across too many processes to be truly effective. That kind of involvement across all processes, at all levels, naturally reduces efficiency from an end-to-end perspective. The new model cuts out these inefficiencies and redistributes resources across the three groups mentioned above.

You cannot really discuss the field in isolation, however. It's very much part of the *whole system*, but in contrast to the specialist services provided by the COE, and the transactional support provided by the Service Center, field HR support interprets and guides activities based on local needs. For specialized requests, field HR represents the business unit's needs, but where the customer should be directly accessing routine information or requests, field HR should be comfortable redirecting as required. This ultimate focus on the customer provides more value-added service without diluting the effectiveness of the model.

There are a number of strategic reasons for prioritizing field HR capability. It offers consultative support to business unit leaders and senior managers, whether related to workforce planning, what the workplace will look like in 10 years' time, the talent pipeline, or appropriate use of technology. Field agents present HR's 'voice at the table' to influence the direction of the business unit and provide alignment in terms of where the organization is heading.

The image below summarizes the advantages of the modern HR Service delivery model compared to the traditional one. In the traditional model, at the local level, 5% of HR activity was strategic, 30% operational, and 65% administrative – all delivered from one resource.

Under the new model, the triangle is turned into a diamond. Now 20% of local support is strategic, provided via Business Partners; 60% is operational, provided by Generalists; and 20% is administrative, provided by Administrators (the balance of administrative work having shifted to the Service Center).

Q: You mention a few different HR roles in the field. What specific roles have emerged, and how does the nature of work change in this new model?

Courtney Jackson: While I have been using the term 'field HR' this actually breaks down into three different areas.

First, there is an element of *HR Administrator or Coordinator* that remains in the field when most administrative activities have shifted to the Service Center. It takes care of day to-day support for HR processes, such as scheduling interviews or orientations, onboarding new hires, and the administration that goes along with these types of activities. While as much of the administrative load as possible should transfer to the Service Center, there are certain aspects that typically stay local.

The second group refers to *HR Generalists* who provide primarily middle management support. This includes counseling and coaching, for example on discipline issues. The support is not necessarily strategic, but equally it's not routine. Often, this work is too sensitive to divert to the Service Center. I've seen many organizations focus on the Administrator and Business Partner roles, to the detriment of Generalists – but they are a key element of localized support.

The third group are the *Business Partners*. These are strategic advisors that help business leaders and senior management with their strategic planning, for example around talent and cultural initiatives and how these align with corporate objectives.

What I'm trying to highlight is that while field HR support is localized, even at this level it makes sense to differentiate between strategic level support (Business Partner); middle-management support (Generalist); and administrative support (Administrator). Trying to fill all local requirements via one role presents a similar problem to the one this model is trying to solve – i.e., HR resources that are either overqualified or underqualified trying to 'do it all'. Extending the specialization of the new model to the field level means leveraging skills and optimizing resources. It also provides a career ladder framework that helps retain HR staff in the business.

Q: How does the business benefit from this reengineered field HR support?

Courtney Jackson: There are three main benefits. First, improved *customer satisfaction*; second, a reduction in the overall *cost of service*; and finally, improved compliance and control over *data*. Let me explain each of these separately.

In the past, the high-level advisory capability provided by Business Partners at the local level simply didn't exist. These Business Partners now present a resource that business leaders can rely on as they plan for optimal growth and success. There is also more clarity for employees as well as managers as to how and where to find the support they need. In other words: less time spent answer-shopping, with clearly defined 'paths of access' at every level. As field staff are not bogged down with forms and administration, they can provide support that is really valued at the business unit level.

As far as cost is concerned, in the new model skills are better aligned to appropriate work, which means cost effective use of resources. In plain English, you pay more for high quality, value-add support that drives performance, than you do for administrative help.

Finally, the quality of decision-making is much improved through improved data where field staff can connect directly with the Service Center on what's important for the business, for example reporting on specific metrics. The customization means the business makes better decisions.

> *So, organizations need to define what they are looking for, assess what they have, and then develop the skills they need.*

Q: What competencies do HR Business Partners need to be truly effective?

Courtney Jackson: That's a really important question. Resourcing the Business Partner role requires a lot of thought. It's not just about taking the staff that are already there and giving them a strategic badge. The transition from administrative or operational support to strategic support is a whole different ballgame. Historically, HR staff in the business unit needed to be detail-oriented; good at spotting errors; customer focused; efficient at managing time; and with a strong understanding of HR processes.

As the model shifts, however, the skill requirements change, too. Now, it's about analyzing information, understanding what it's telling you, and how to use it to the business's advantage. It's about problem solving and being a voice at the table to support optimal decision-making. The skills that are needed are insightfulness, adaptive thinking, analytical aptitude, problem solving, etc.

The challenge is that repositioning traditional HR staff into these new roles is not that easy. Although some people will previously have been underutilized, others simply won't make it. Organizations need to carefully evaluate their staff for the new competencies and not assume they can simply redeploy them, given the new model's careful role definition.

So, organizations need to *define* what they are looking for, *assess* what they have, and then *develop* the skills they need – whereby defining roles means in terms of how they will support the business units. So, if you need highly analytical skills, or skills to support revenue growth, that will help you identify the competencies you need at the Business Partner level.

It's important to develop a robust method for evaluating existing staff capabilities and matching these to the desired skills to expose gaps. Then, personal development plans can support upskilling or redeploying into other roles, for example the Service Center.

Q: How do HR Business Partners typically interface with the COE and the Service Center?

Courtney Jackson: The exciting and complex nature of HR processes is that they cut across all three of the support levels we have discussed, i.e. COE, Business Partner, and Service Center. So, it's never as easy as saying, *who owns performance management*? The COE might be responsible for designing the new program as a result of a new software solution, for example, and will roll out a new performance management process. The Business Partners, in the meantime, are in the field coaching managers and supervisors on this new program – in other words executing it in the field. The Service Center has a different role, around processing the data and compiling and running reports for their customers – the COEs and Business Partners. So, at the high level, Business Partners need to understand the program and guide the implementation locally. They also provide feedback to the COE, which is really key. It's not just about the COE pushing out initiatives.

I want to highlight how important it is to provide a framework for this feedback. It doesn't just happen. The success of the field role depends to a large extent on its ability to provide feedback to the COE and Service Center, which is where most of the friction happens, by the way. When Business Partners are able to provide feedback, such as why certain metrics are important to their business unit, they can collaborate with the Service Center, ultimately smoothing the way.

4.

New Competencies in Field HR

(See sidebar: Designing HR for Strategic Support)

In the past, skills around process management, communication, time management, and attention to detail drove success in the field. Today, optimized HR service delivery models are honing new competencies in the field, which drive value beyond simple process efficiency.

New capabilities that leverage *analytics, problem-solving, systemic thinking*, and *adaptability* are driving higher value-add services to support the business. Top Performers are specifically leveraging these competencies in the field to provide more business partnering on site. This is important as, too often during transition to a shared services model, field roles are overlooked as the focus shifts to the shared services center.

Designing HR for Strategic Support

Scott Porter, Senior Vice President, Human Resources, Corporate and Technology for Turner

Q: What drove your HR transformation?

Scott Porter: Like many other businesses, Turner's operations have been severely disrupted by shifts in the marketplace. The media industry has been reinventing and redefining itself at every level. A couple of years ago, our then CEO initiated an enterprise-wide transformation to better prepare us for the next generation of the media landscape. One of the top priorities that he outlined was to transform our culture into one that was more innovative, nimble, and willing to take risks in order to better deal with the rapid disruptions we are facing.

What that meant was that HR became a key partner in achieving this goal. Our ability to attract and retain the talent that we needed in order to transform the business, in particular, became a key strategic capability.

However, it was also apparent that our model as it stood did not position us for the success we sought. To gain clarity, we committed to a thorough activity survey of our HR service model. We wanted to understand *where* our staff were spending most of their time. What we found was that the right work was not necessarily being done in the right place. There was lots of duplication across the team, and Field HR was too bogged down with transactional work that was better handled by our employee services COE. This duplication of work and lack of role clarity hindered our ability to offer the strategic support the business needed. Our first priority, therefore, became to redefine processes, policies, and job descriptions in order to align the right work at the right place.

Q: How have you redefined the roles of Field HR?

Scott Porter: In order to be successful, we knew that we needed to drive behavioral change within HR, and that a grass roots effort would be most effective.

Our primary concern was to provide greater role clarity across HR. We reviewed various HR workstreams like organizational design/structure, change management and communications, technology … and spent the better part of a year clearly defining processes and roles. Through that effort, we came up with a new job ladder for HR field staff, using the SHRM as well as CIPC competencies as a basis.

We also ran a competency assessment to identify which competencies were areas of strength for us, and which needed further development across our team.

Q: How did you align your organizational design?

Scott Porter: We are a fairly complex and wide-reaching business, encompassing everything from general entertainment to kids' entertainment to news to sports to start up technology companies. As a result, our organization is highly matrixed, which makes HR organizational design a challenge.

We ultimately decided to align our field HR staff with our businesses, across different bands of support, from tactical or early level support up through providing strategic leadership on talent management strategy. We redefined our field HR roles and created new job descriptions to match these bands of support.

Q: How did you define strategic HR support at the business level?

Scott Porter: We started by reviewing our job ladder from a functional service delivery perspective, covering talent acquisition, change management, performance management, learning and development, employee relations, culture, employee engagement, etc. – and outlined the activities and expectations for each. The overall objective was to be able to provide strategic support based on our deep knowledge of the business, across all these areas.

Q: How have you used the competency assessment as a basis for structuring training and development for these new roles?

Scott Porter: The competency assessment was helpful in informing our organizational design work, but we were very clear that the assessment results were not going to be determinative.

This assessment, in other words, helped inform our organizational design (for example, who was ready for what level) and helped us figure out where to focus our development efforts.

One change that we introduced related to a budget that we had traditionally allocated to cover training costs our staff identified *outside* the enterprise. We decided to take that back and invest it in high-level development offerings that we believed were important, like Flawless Consulting training based on Peter Block's book; and Bold Hiring training, focused on recruiting for new ideas, perspectives and experiences, as part of our overall efforts to improve diversity and inclusion.

One thing to note is that we didn't just focus on areas that received the *lowest marks* in competency, but rather on the areas that we believed were most significant in order to *support the business priorities* and support our clients' key demands. Consultative skills were critical, and diversity and inclusion were priorities. To transform the culture and keep pace with the evolving industry, we knew recruiting was critical, so talent acquisition became a priority. This year, our focus is on organizational design, recognizing that as the business evolves rapidly we need to support it in reconfiguring itself.

We used the competency assessment along with our business priorities to come up with a focused development plan for our HR team, which we have invested in significantly.

Q: How would you evaluate your success?

Scott Porter: The business continues to change fast, so we are taking a continuous improvement approach. The job ladder has been enormously successful, but we continue to tweak it with the aim of operating more effectively. Our resources are now deployed in the right place, but we have to remain on our toes, and constantly reconsider additional work that we can move around.

One key metric is that our HR retention rate has improved significantly, reflecting the success of this project based on employee engagement.

Our primary concern was to provide greater role clarity across HR.

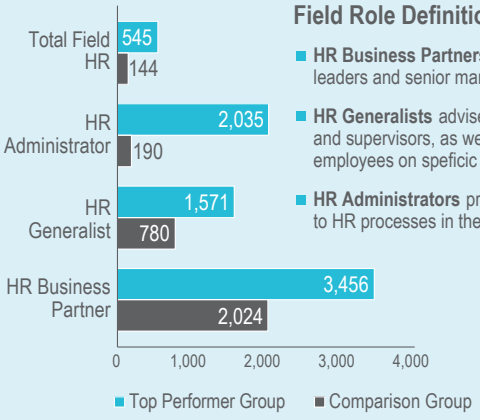
5.

More Effective Use of Field Staff

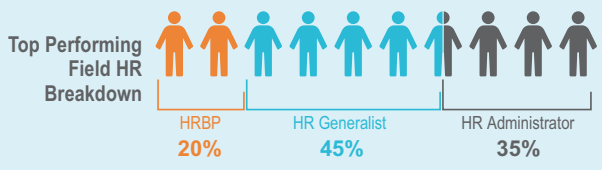
Top Performers operate with *two-thirds fewer field HR staff* (including fewer field administrators) compared to their peer group. And yet, they generate higher customer satisfaction rates.

The reason is that as transactional work shifts to service centers, field HR staff are freed up and able to operate much more effectively by focusing on their primary roles and responsibilities, leveraging new competencies.

Total Company Employees per Field HR Headcounts



Typical Breakdown in Top Performers



6.

HR Service Center Increasingly Reporting to Multifunctional Leadership

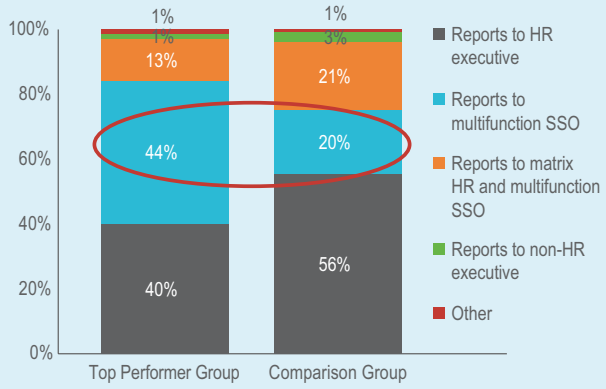
Among Top Performers there has been a shift away from reporting to HR executives and instead reporting to multifunctional SSO leaders – specifically over the past year.

Top Performers are now more than *twice as likely* to report to multifunctional leadership than their peer group (and less likely to report to HR executive leaders).

This trend reflects the advantages resulting from multifunctional integration, which is driving more HR services to be brought into a multifunctional model.

Governance Structure

Which best describes the governance model for your HR shared services organization?



SSON THE WORLD'S LARGEST SHARED SERVICES & OUTSOURCING NETWORK
scottmadden MANAGEMENT CONSULTANTS

Top Performers are generally more centralized and tend to operate with fewer than five global SSCs while many of their peer group operate with up to seven.

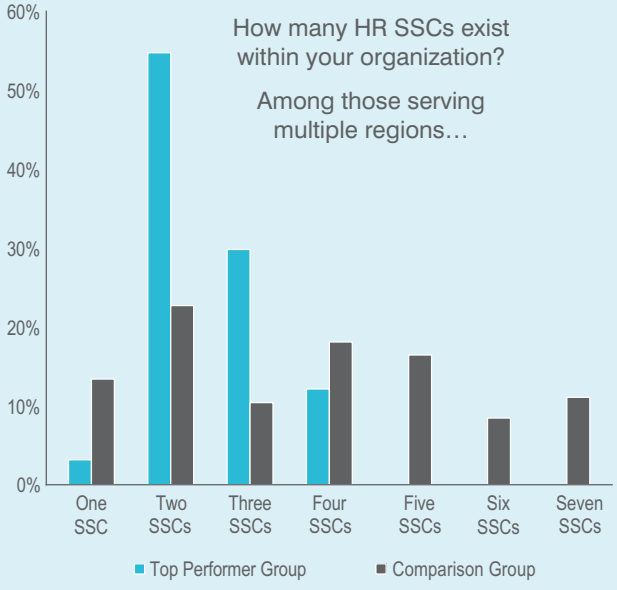
7.

Centralized & Lean

Top Performers are generally more centralized and tend to operate with fewer than five global SSCs while many of their peer group operate with up to seven. Where HR shared services covers multiple geographies, Top Performers show a greater tendency to operate as a GBS model than do their peers – i.e., reporting to a single leader with global management and integration.

Breadth of Centers

- Among SSOs serving multiple geographic regions, 88% of top performers have three or fewer centers compared to 48% of the comparison group
- 73% of organizations in the top performer group have a GBS model while 58% of those in the comparison group have a GBS model



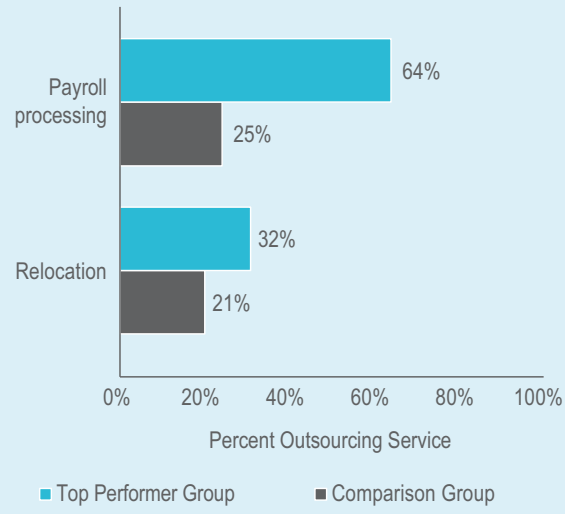
8.

Smarter Sourcing

Outsourcing is often a common strategy across HR services. While this is often not necessarily a cost play (outsourced HR services generally result in higher *total costs* than non-outsourced services), outsourcing makes it possible to tap into *specialist* (read: quality) expertise, leading to a higher ratio of employees served per service center FTE.

While Top Performers tend to offer more services in scope, they are also more likely to outsource specialist services, predominantly payroll and relocation.

Use of Outsourcing



9.

Technology-Enabled

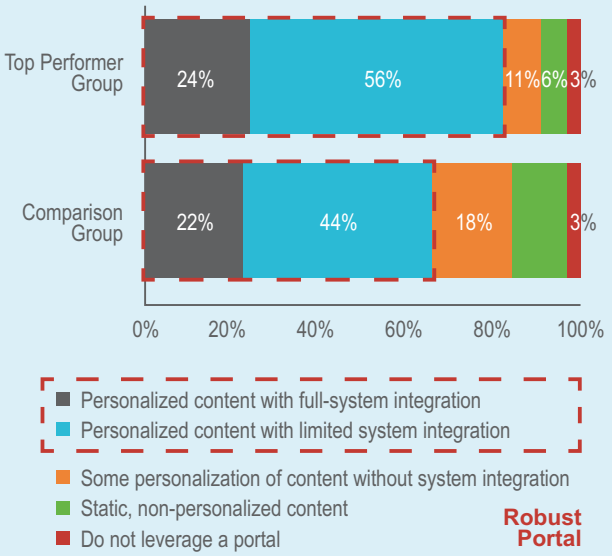
(See Sidebar: How Technology is Making HR Services More Effective)

Top Performers make the most out of technology and leverage *employee portals* with personalized content and system integration to a much greater extent than do their peer group (80% vs 66%).

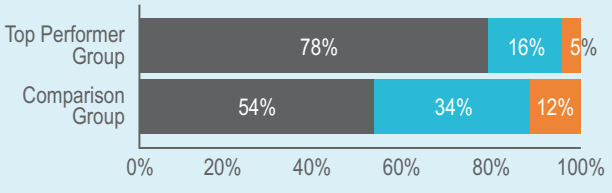
Top Performers also make extensive use of self-service for both employees and managers.

For organizations that are predominantly located in North America, most Top Performers have fully standardized to a single HR information system.

Which best describes your organization's use of an employee portal?



HRIS Standardization - North American



How Technology is Making HR Services More Effective

Sanjeev Sahgal, Director, HRSS at The World Bank

Sanjeev Sahgal is an HR leader with diverse global experience in GE, Target, and Motorola and is currently with the WB. He shares his insights on global trends in HR, including technology and platforms

Q: How are technology-enabled HR services supporting the mission and objectives of the World Bank?

Sanjeev Sahgal: Our mission at the Bank is to eradicate extreme poverty and boost shared prosperity and our people are the key differentiators in achieving these ambitious goals. As such, we recognize HR as a key *culture carrier* and integral to the success of our operations.

Our frontline staff work with member countries and tackle some of the most complex challenges like climate change, infrastructure, public-private partnership, governance and jobs, etc. Our priority in HR is to *maximize* support to our staff so they are not caught up with administrative processes and can better support their clients in achieving development impact. The opportunity, therefore, is to leverage technologies like self-service, mobile, robotic process automation (RPA), etc., and be more efficient and agile in our administrative processes.

> *Our mission at the Bank is to eradicate extreme poverty and boost shared prosperity and our people are the key differentiators in achieving these ambitious goals.*

With Peoplesoft as the HRMS, we are in middle of implementing a cloud-based talent management platform (Cornerstone) as well as mobile apps that allow our staff operating across various countries to connect on-the-go. We have introduced RPA to improve process accuracy and are experimenting with artificial intelligence (AI) and machine learning (ML) tools for recruitment sourcing; and social media platforms like Yammer to share knowledge internally.

With the changing technology landscape, there are many emerging opportunities and we are encouraging our teams to be open-minded about possibilities. Many of these solutions are being tested in partnership with our CIO-sponsored Innovation Lab. For example, the lab is exploring Blockchain for a proof of concept and a small team of WBG and IMF staff have developed a 'simulated' cryptocurrency called *Learning Coin*. While there is no financial value to the crypto it's a hands-on, fun way to learn the world of cryptos and familiarize ourselves with the tools. This isn't specific to HR, of course, however it is an effective way for organizations to prepare their staff to work with emerging technologies.

Another effort was to get some of HR staff enrolled in an online certification course taught by MIT, on the impact of artificial intelligence on business. They came back with a better understanding of what can and cannot be done and were able to bust myths. What's important is to recognize that these technologies are far from the doom and gloom often associated with them. While there will always be some anxiety about job security, my view is that by adopting emerging technologies, staff will be able to do *more interesting* and *impactful* work. For example, expert HR resources doing transactional work that RPA can now take on can finally do more 'human' and 'resourceful' activities.

Q: How is your HR portal creating value? How is self-service becoming more significant?

Sanjeev Sahgal: The World Bank was an early adopter of HR portals, starting more than a decade back, and today we have most of the HR services delivered via the portal. About four years ago, the upgrade of PeopleSoft presented an opportunity to revisit and significantly improve our processes. We used staff feedback to design our systems with a more 'human centered' approach, and we redesigned our processes from the *user's perspective* and not from HR's. I'm happy to report that, as a result, we have a much higher staff satisfaction than before. In addition to a self-service web portal we now have most of the Managerial approvals in our approvals app and will soon add the capability that allows our staff to initiate transactions using the mobile apps.

With the advent of Millennials in the workforce and earlier generations becoming tech savvy these interventions will go a long way in improving staff productivity and better user experience.

Q: As an adopter of RPA in HR, what are some of the lessons and benefits you've gained?

Sanjeev Sahgal: We've been paperless for about three years, meaning we have digitized every process that required a paper trail except for some compliance documents that need to be wet signed in accordance with government regulations. As a next phase of the paperless office we are using RPA solutions to automate the backend indexing process. Our bot reads, stamps, codes, and files each document to a staff record. As a result, a significant volume of the documents is no longer touched by humans. The greater benefit, however, is in terms of timely retrieval of documents. Once the bot is fully rolled out we will no longer have a backlog to file during peak seasons and staff, managers and other users can retrieve these documents on demand. We are looking to expanding RPA uses, and are exploring other areas where we can be more agile in responding to business needs and run an efficient HR function.

One important lesson that we have learned is the importance of process mapping and getting the teams to be disciplined in keeping them updated. If the process is not defined at a keystroke level, it will take much longer to develop a sustainable solution. Apart from this, there needs to be a robust governance between the business function and IT in ensuring that the RPA capabilities are managed to maximize value.

Q: How can innovative technologies deliver improved HR service performance? Where are you testing these?

Sanjeev Sahgal: There are so many innovative solutions coming onto the market place right now and we are actively evaluating and exploring several of them. For example, we are evaluating an AI based sourcing tool, which matches our talent requirements to specific *people profiles*, as opposed to traditional *job descriptions*. This solution can scan millions of data points and multiple databases to find the right profile match. This new approach can potentially allow us to create a diverse staff profile and tap into relevant talent pools, which would normally be harder to find and reach.

Another example of innovative technology concerns our HR call center, which uses machine learning to deliver actionable insights. When calls come in they are transcribed to text and the text mined to identify not just *why* someone called but also the caller's *state of mind*. Are they irritated? Happy? Disappointed? What we learn will help us drive more appropriate solutions going forward.

While there is undeniable excitement with all these tools, we are far from mainstreaming any of these and are in various stages of exploration. We are keeping our eye on the future of HR tech and taking small steps to understand the implications of adopting/not adopting these emerging tools.

Q: What kind of data analytics are you gaining from your technology?

Sanjeev Sahgal: Like many other organizations in this space, we are still at the early stages. Our strategy was to look at the entire lifecycle of data from record-to-report. Our focus to date has been first, to ensure our data is accurate by correctly defining it; then, establish structures that will allow us to do higher-level analytics work. We spent the last three years on data governance, aligning definitions within the organization while implementing an integrated data warehouse. Today, HR data accuracy is around 99.8% compared to 93% three years ago. I believe having accurate data and organized content will be the key to implementing AI.

"I believe having accurate data and organized content will be the key to implementing AI."

Q: How, in summary, would you define HR's role today?

Sanjeev Sahgal: In conclusion, business leaders in today's world want HR to be a more agile function, think strategically and ask questions that can help find solutions to the challenges of the future, today!

10.

Customer-Centric

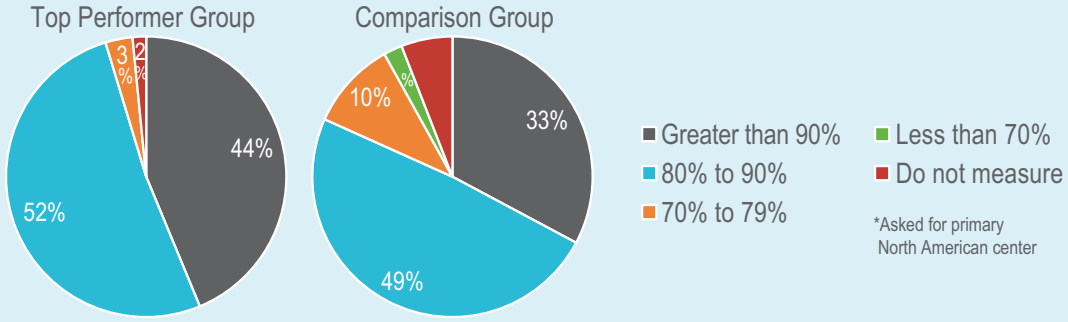
Customer satisfaction is an important determinant of performance success and therefore a measure that is keenly followed. Top Performers consistently outperform their peer group in hitting customer satisfaction scores above 90% – by 44% compared to 33%.

The study also shows that higher customer satisfaction scores correlate to operational performance, including better first contact resolution, faster speed to answer, and lower service center turnover. Top Performers, in other words, excel in all areas.

Customer Satisfaction Comparison

- Higher customer satisfaction rates exist among the top performer group, with 44% of top performers having satisfaction over 90% and 52% between 80 to 90%

Where does your most recent overall satisfaction measure fall in terms of the percentage of customers satisfied?



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HOW TO GET FROM WHERE YOU ARE TO WHERE YOU WANT TO BE

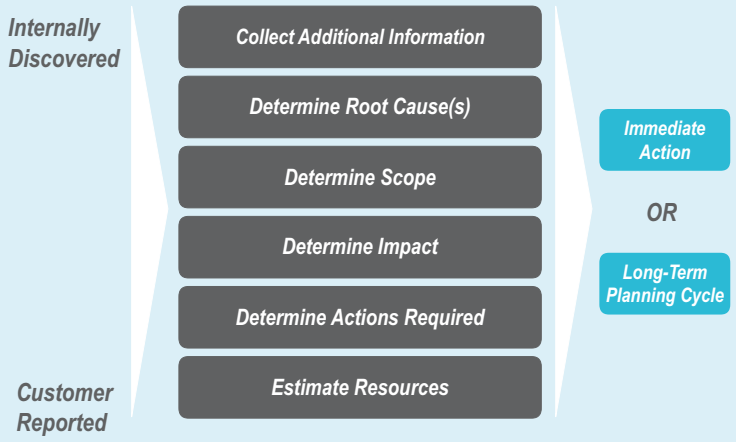
While the data indicates that Top Performers are relatively mature (generally in operation for at least five years), maturity alone is not enough. Often, in truth, mature centers become complacent and don't actively pursue further optimization.

Top Performer status requires a cultural shift defined by a *continuous improvement mindset*. That means developing a comprehensive performance management plan and proactively leveraging benchmarks to identify areas of improvement and then acting on these.

A best practice approach is to assess and measure your organization according to leading practices and benchmarks, as a means of identifying and evaluating improvement opportunities (opportunities can also be identified through active quality monitoring, or through customer feedback).

Once the opportunities are identified, they need to be checked against performance priorities and then ranked according to scope, impact, and resource requirements. Root cause analysis of data collected presents a basis for developing a road map to implement change.

Process for Identifying Improvement Opportunities



But First, Prioritization and Planning Are Important

Prioritization criteria may include:

- *Impact of change*
- *Ease of implementation*
- *Alignment with current plans/strategy*
- *Investment required*

Recommendation	Element	Priority
Develop career paths for each function	Talent Mgmt.	High
Send annual satisfaction surveys to internal and external ESS customers	Client Mgmt.	Medium
Create partnership (service level) agreements	SLAs	Medium
Create robust service catalog to educate customers on services offered	Service Catalog	Low

...and are used to develop phased implementation plan

Recommendations	Year 1				Year 2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Governance 1. Create ESS advisory board 2. Establish and monitor KPIs								
Service Delivery 1. Build knowledge base 2. Create central invoice submission 3. Relocate service invoice processing 4. Create robust service catalog 5. Reengineer/document HR processes								
Organization & Structure 1. Implement central help desk 2. Implement governance to support E2E 3. Develop career paths for each function								
Client Engagement 1. Create partnership agreements 2. Send annual surveys								

sson THE WORLD'S LARGEST SHARED SERVICES & OUTSOURCING NETWORK
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ENTER A DISRUPTOR: ROBOTIC PROCESS AUTOMATION

Over the past few years, a new solution has appeared that is quickly gaining popularity across HR support services: robotic process automation (RPA). This technology 'disrupter' is moving the needle on HR services performance.

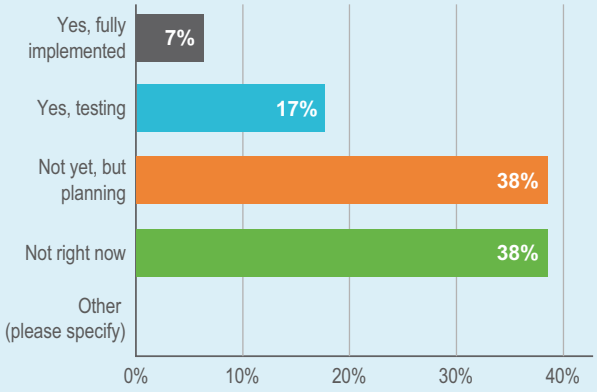
Robotic automation is not just driving cost savings and operational efficiencies but is also enabling more strategic and value-added work. RPA is particularly attractive to companies who are leveraging older HR information systems or multiple instances of such systems, as well as those who are performing significant manual work in their processes.

In some cases, robotics is also driving organizations to rethink their outsourcing decisions.

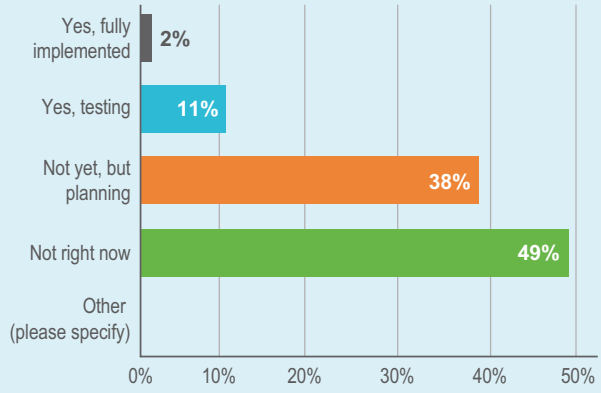
Service centers have been quick to grasp the opportunities thus presented. According to SSON Analytics' data, 62% of HR shared services have already implemented or are planning to implement, some version of intelligent automation/RPA.

There is also strong interest in evolving artificial intelligence solutions with just over half of HR shared services committed to, planning, or testing AI.

Is Intelligent Automation/RPA Part of Your HR Operation?



Is Artificial Intelligence on Your HR Service Agenda?



Source: SSON Analytics

EDITORS

Karen Hilton has 20 years of consulting experience with ScottMadden and has focused on shared services design and implementation, process improvement, benchmarking, organizational design and restructuring, internal customer satisfaction surveys, and cost-reduction analysis in both shared services and energy. Within shared services, she has expertise in HR and service center design and implementation. Karen leads ScottMadden's Corporate & Shared Services research team that specializes in benchmarking, leading practices assessments, customer satisfaction surveys, and work activity assessments.

Barbara Hodge is the Global Editor of the Shared Services & Outsourcing Network (SSON), the largest and most respected forum for executives tasked with promoting and delivering optimized business services. Barbara joined SSON in 2000, having started her career in capital markets, before joining Armstrong Information, a specialist publishing group, where she spent seven years. She is responsible for sharing best practices and thought leadership with SSON's 120,000+ member base, as well as promoting the value of the network worldwide. In her editorial role, Barbara ensures SSON's content reflects current trends and opportunities, both in terms of technology as well as best practices, that help SSO leaders continuously drive their own teams' performance upwards.

ABOUT SCOTTMADDEN'S CORPORATE & SHARED SERVICES PRACTICE

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ScottMadden has been a pioneer in corporate and shared services since the practice began decades ago. Our Corporate & Shared Services practice has completed more than 1,700 projects since the early 90s, including hundreds of large, multi-year implementations. Our clients span a variety of industries from energy to healthcare to higher education to retail. Examples of our projects include business case development, shared services design, shared services build support and implementation, and shared services improvement.

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ABOUT THE SHARED SERVICES & OUTSOURCING NETWORK (SSON)

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The **Shared Services & Outsourcing Network (SSON)** is the largest and most established community of shared services and outsourcing professionals in the world, with over 120,000 members.

Established in 1999, SSON recognized the revolution in support services as it was happening, and realized that a forum was needed through which practitioners could connect with each other on a regional and global basis.

SSON is a one-stop shop for shared services professionals, offering industry-leading events, training, reports, surveys, interviews, white papers, videos, editorial, infographics, and more.

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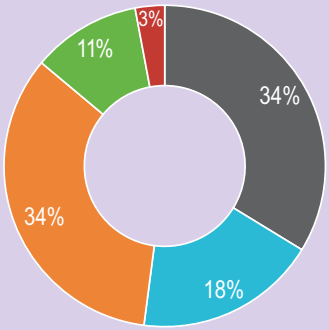
Demographics

Study Participants

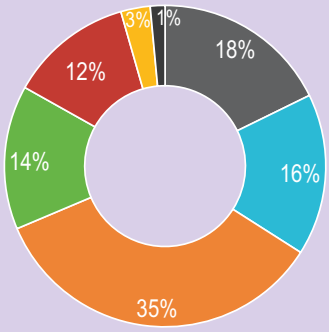
The benchmark study includes data on shared services operations (SSOs) across revenue ranges, industries, and operating maturities

Organization Revenue



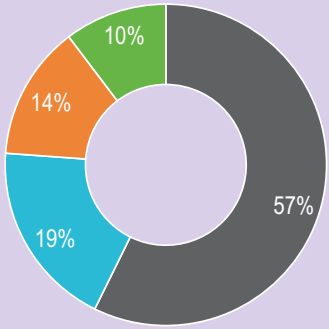
- More than $10 billion
- Between $5 billion to $10 billion
- Between $1 billion to $5 billion
- Less than $1 billion
- No response

Employees Served



- More than 50,000
- Between 25,000 and 50,000
- Between 10,000 and 25,000
- Between 5,000 and 10,000
- Between 1,000 and 5,000
- Less than 1,000
- No response

SSO Maturity



- More than five years
- Between three to five years
- Between one to three years
- Less than one year