

CAHRS
Virtual Working
Group:
Rethinking the
HR Operating
Model

February 11, 2021

Part 1 : HR Operations & Shared Services - What's Next?

Companies faced many challenges in 2020 including COVID-19, natural disasters, and the effects of deep societal divides. This has had a huge impact on organizations' business results, business models and employees in some extreme and different ways. Human Resources has been at the center of much of this and has adjusted operating in this new environment. This first in a series of working groups focused on the HR Operating Model, **explored how CAHRS companies are adjusting their HR Operations and Shared Services groups as they come out of the pandemic.**

DISCUSSION TAKEAWAYS

- The move to more centralized HR Shared Services groups has been happening for many years. For companies where the effort has been slower, the **pandemic drove and accelerated the readiness**, creating more of a pull for centralization and employee/manager self-service.
 - Key pandemic offerings: virtual collaboration tools, health program deployment.
- As companies implement technologies and self-service, employees and managers **may lose the high touch**, human service they've experienced in the past. Some companies have reversed some services where leaders or the culture warrant it.
 - **Employee Relations centers** is one area companies may decentralize after trying it.
- For companies more advanced on the HRSS journey, the challenge is to go **from reactive to proactive**, moving past Tiers 1 and 2 to Tier 3 services. Some reported that they have moved from originally being formed to generate cost savings to being an organizational enabler and a key part of the HR strategy.
- More advanced cloud-based **functionalities** under consideration at some companies: finance capability, executive compensation, case management, chatbots, chat integration with voice-based technology, skills and mentoring.
- The debate as to **where HRSS should sit** and/or report continues - part of Global Business Services or part of the HR function. There are pros/cons to each and companies should review their HR delivery goals/strategies as they make the decision.

21 participants
from 16
CAHRS Companies:

American Express
Archer Daniels Midland
Boeing
Boston Scientific
Bristol Myers Squibb
Colgate-Palmolive
Cornell
CUBIC
Ecolab
Estee Lauder Companies
HP
IBM
McDonald's
Medtronic
Polaris
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- For companies who may have lagged behind the front runners on centralization, the pandemic has allowed them to “**skip a generation**” in services. Things can look very different than first generation efforts due to organizational readiness and new technology.
- **Employee experience** continues to be paramount to companies implementing HRSS. Net Promoter Scores, similar to those used for external customers, is a good measurement internally.
- **External benchmarks** are one way to see if your company has under or over invested in different areas and where to go next on your shared services strategy.

IBM, a CAHRS founding partner, shared its HR Services journey (click on the [blue box](#) to see the image) during the discussion. The amount of change their function has gone through since 2018 is truly transformational as they model the way for cloud services at IBM.

This Summary Report was prepared by Beth Flynn-Ferry for participants of the HR Shared Services - What's Next? Virtual Working Group.

The Center for Advanced Human Resource Studies (CAHRS) is an international center serving corporate human resources leaders and their companies by providing critical tools for building and leading high performing HR organizations. CAHRS' mission is to bring together Partners and the ILR School's world-renowned HR Studies faculty to investigate, translate and apply the latest HR research into practice excellence.