HR Shared Services / HR Operations
Models and Trends
Methodology

Research
- 3 legged stool HR operating model

Survey
- 9 questions
  - Understand HRSS structures

Interview
- 45 minute interviews
  - Deep dive into Employee Experience, Tech and HR Organization

- 39 Companies
- 44 HRSS Executives
- 15 Industries
1. Areas of Evolution
   1. The Model
   2. The Focus of HRSS Centers
   3. Process and Technology

2. HR Organization and Future Trends
AREAS OF EVOLUTION
HRSS: Three Areas of Evolution

Model: How HRSS is organized to provide HR services to the organization

Center: What are the main drivers of HRSS

Process: How has HRSS structured process and technology

46% of companies are currently going through a large HRSS / Operations change!
MODEL EVOLUTION
Decentralized
- No true shared services
- Services are provided by COEs and HRBPs

Centralized & Standardized
- One structured area providing some HR Services
- Provide few HR functions (i.e. benefits, payroll, etc.)
- Services are standard to all employees

Complex & Global
- Provide many HR functions (i.e. compensation, recruitment)
- Provide global processes
- All repeatable transactions & more complex functions

21%
46%
33%
Which functions are included in your HRSS? Where are your HRSS centers located?

**HRSS Functions**

- Benefits: 85%
- Reporting: 85%
- Job Leaves: 82%
- Payroll: 74%
- Recruiting: 74%
- Unemployment: 69%
- Compensation: 69%
- Relocation: 64%
- Performance Management: 59%
- Employee Relations: 49%
- Onboarding: 46%
- T&D/Learning: 46%

39% of companies have HRBPs and Managers access reports through self-service.

**Center Locations**

- USA: 97%
- India: 31%
- Philippines: 26%
- China: 23%
- Mexico: 18%
- UK: 15%
- Argentina: 10%
- Hungary: 8%
- Poland: 8%
- Ireland: 8%
- Singapore: 8%

**Other Countries**

- Canada, Belgium, France, Netherlands
- Germany, Brazil, Hong Kong, Panama
- Japan, Costa Rica, Korea, Slovakia
- Australia, Czech Republic, Malaysia, Spain
Tailored

- 39% of the companies are focusing on tailoring their services to employees
- Focus on customizing services (even companies that do not have complex HRSS model)

GBS

- 21% of the companies are inside a Global Business Services (GBS) model
- Variety of industries
- Most of them are tailoring services to employees
- Most of them provide many HR functions

Outsourcing

- 15% of the companies have their HRSS fully outsourced
- Variety of industries
- Half are focusing on efficiency and cost reduction, the other half in tailoring services
- Some are leveraging their vendors Artificial Intelligence (AI) capabilities
CENTER EVOLUTION
HRSS Center Evolution

High Touch High Cost
- HR Generalists performing tasks
- One contact person
- Time-consuming and individual

Efficiency Cost Reduction
- Transactional work in centers
- Outsourcing
- Call center / ticketing model

Customer Experience Digital Evolution
- Portal for self-service / direct access
- Focus on the end user
The HR service center is the face of HR to employees

Exploring Customer Centric
- Just beginning to think about employee as customer
- May not have investment or time to dedicate
- Model may not support focus

Interest in Employee Experience
- Understand importance of employee experience
- Making changes or investments based on employee experience
- Considering employees in design and implementation

Emphasis on Employee Experience
- Employees at the center
- Creating consumer grade experiences
- Collecting employee feedback
- Involving employees in the design process

15%
44%
41%
Employee Experience

- Employee = Customer
- Moments that matter
- Driving self-service
- Seamless
- Material personalized / relevant to me
- Design thinking
- Consumer grade experiences
- User journeys
- Personas

Do not take the end user for granted
You can never get enough user feedback
Employee Experience: Best-in-Class Practices, Challenges, and Trends

Best-in-Class
- Business level customer service
- Head of employee experience
- Self-service kiosks
- Direct access

Challenges
- Controlling the pace of change – 50% of companies

Trends
- 25% of companies highlighted onboarding and candidate experience as areas of focus
75% of companies are using traditional customer service metrics

Not Yet Implementing Metrics
- Model may not support strong metrics

Interest in Service Level Metrics
- Call volumes
- Response times
- Service surveys
- Trending topics

Emphasis on Continuous Improvement
- Measuring qualitative and quantitative data
- Reviewing feedback as a team
- Changing in response to feedback

11%
46%
33%
HRSS Center Metrics: Best-in-Class Practices, Challenges, and Trends

Best-in-Class
- Functionality or policy issue
- Goal % or target
- Following up with customers
- Pulse surveys

Challenges
- Taking time to determine the correct metrics

Trends
- “Doing something” with the data
- Moving to predictive analytics
PROCESS & TECHNOLOGY EVOLUTION
Technology won't fix bad processes

Only bring activity to HRSS/Tech if it is standardized

People want to change things ad-hoc - we have to stop customizing it to meet our needs. We need to use the tech as it's designed to be used rather than customizing it

It is important to first standardize the processes and then move to the new technology, not to move (buy tech), and then try to standardize

Design global first and then localize

You have to storyboard! Then you can overlay the tech
Process for individual systems
• HR buys the best system on the market for each function
• Several different systems with no integration

Integrated system with heavy customization
• HR implements one core system (ERP)
• Few systems complement the ERP
• Heavy customization to adapt system to processes and regions

Process for one global cloud system
• Design seamless global processes
• Overlay the technology that is able to deliver the process
• One global cloud system
Cloud
• 72% of the companies are in the cloud
• 100% of the executives mentioned that a move to the cloud is important

Global v. Local
• 62% of the companies have global processes
• Companies mapped processes globally and then localized them

Global Support
• 2 companies are already giving some centers one specific global process responsibility
HRSS: Tech Capabilities

**HRIS**
- Workday: 53%
- SAP: 10%
- PeopleSoft: 10%
- Success Factors: 7%
- Other HRIS: 20%

**Case Management**
- ServiceNow: 23%
- SalesForce: 13%
- Other systems: 36%
- No system: 28%

**Tech Capabilities**
- Self-service portal: 87%
- Automation: 46%
- Chat: 41%
- Mobile: 21%
- Robotics: 13%
- Chat Bots: 8%

*All percentages are approximate.*
Best-in-Class

Systems
- Walk Me
- HR data warehouses

Processes
- Mapping opportunities to automate
- Road-map to all technology improvements

Challenges
- Understand the appropriate use of AI, robots, and automation
- Planning resources: where to invest
- Data entry
- Customization
- Be agile
- Protecting data

Insights
- Simplify IT landscape as much as possible – one cloud system for core HR processes
- Diverse team to look into processes
- Maintenance of robots
THE HR ORGANIZATION
The systems are like the roof on your house - you don’t want to spend money until it starts leaking. Our system is the foundation of the house - we need to DRIVE profit not just keep the roof on.

**HRBPs**
- Face to the business
- Client relationships
- Strategy

**HRSS**
- Execution
- Transactional Work
- Employee Experience

**COEs**
- Strategy
- Policy and Program Design
- Escalated Questions

**Goals of Structure**
- Reduce burden on HRBPs and COEs by removing repeatable tasks
- Drive cost savings and add value
- Pay for yourself
Partnership between COEs and HRSS

- Communicate Early
- Listen & Consult
- Direct COE/HRSS partners
- Dedicated team members
- Natural working model

Governance

- Monthly committee meetings
- Helps fill in gaps and spot potential watch-outs
- Designated global process owners or process team
- Clearly delineated roles and responsibilities

You want to be co-developing because you don’t want a policy you can’t execute in real life
Fear that jobs are going away

More services = More staff

Governance post implementation

GBS environment

Vendor management
The Future HRSS Workforce: Skills & Capabilities

- Customer Focus/Service Orientation/Employee Experience: 56%
- Problem Solving/Analytical Skills/Root Cause Analysis: 49%
- Tech Orientation: 33%
- Process Execution: 28%
- Continuous Improvement: 28%
- Agility/Adaptability/"Flex": 21%

- Use HRSS as a starting point for junior employees
- Breadth and depth of HR knowledge
The Future of HRSS

- Change in Technology
- Inclusion of more complex functions
- Outsourcing Push/Pull
- GBS
- War for Global SS Talent
Q&A
Thank you!
APPENDIX
Tech Capabilities: Terminology

**Terminology**

<table>
<thead>
<tr>
<th>Automation</th>
<th>Uses software to carry out tasks which humans usually do when using computer programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robotics</td>
<td>A type of automation, uses a software robot to execute integrated tasks into existing processes</td>
</tr>
<tr>
<td>Artificial Intelligence (AI)</td>
<td>Learn how humans perform tasks when using a computer program, allowing software robots to perform more intelligently than the options above. I.e.: chat bots</td>
</tr>
</tbody>
</table>

Participating Companies

AbbVie  Colgate-Palmolive  Macy’s
Accenture  Dell  MasterCard
American Express  Dupont  Merck
Amgen  Ecolab  Polaris
Aon  Estee Lauder  Procter & Gamble
Boehringer Ingelheim  General Electric  Protective Life
Boston Scientific  General Mills  Prudential Financial
Bristol-Myers Squibb  The Hershey Company  SC Johnson & Son
Cardinal Health  Hewlett Packard Enterprises  Shell
Caterpillar  Johnson & Johnson  T. Rowe Price
Caterpillar  Johnson Controls  Terex
CDW  JP Morgan Chase  TIAA
Chevron  Lincoln Financial  Workday
Cigna