

HR Shared Services / HR Operations Models and Trends





- 3 legged stool HR operating model

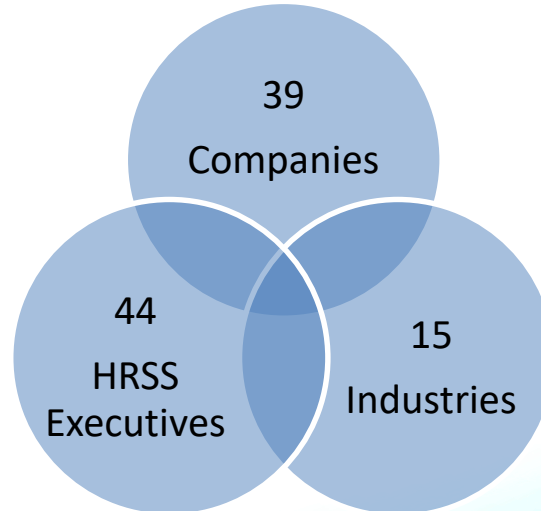
Centers of Excellence (COEs)

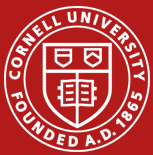
HR Shared Services / Operations

HR Business Partners (HRBPs)

- 9 questions
- Understand HRSS structures

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





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

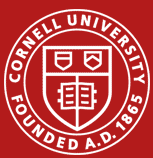
Process

How has HRSS structured process and technology

46% of companies are currently going through a large HRSS / Operations change!



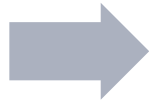
MODEL EVOLUTION



Decentralized

- No true shared services
- Services are provided by COEs and HRBPs

21%



Centralized & Standardized

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

46%



Complex & Global

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

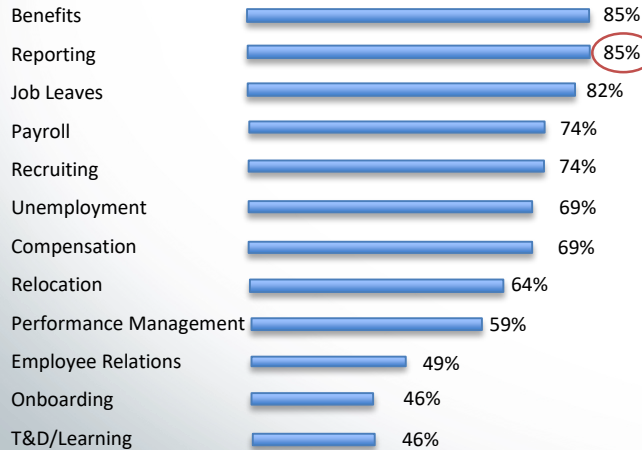
33%



Survey Data by Company

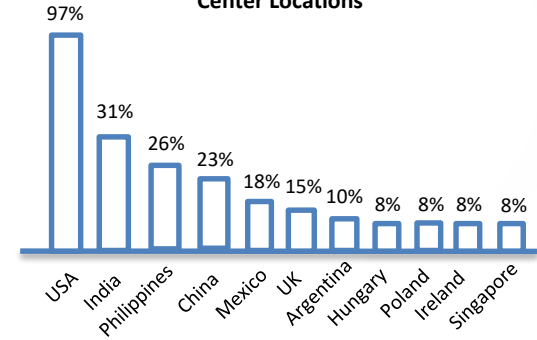
Which functions are included in your HRSS?
Where are your HRSS centers located?

HRSS Functions



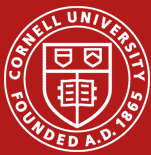
39% of companies have HRBPs and Managers access reports through self-service.

Center Locations



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)



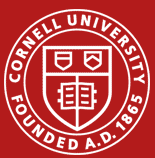
GBS

- 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

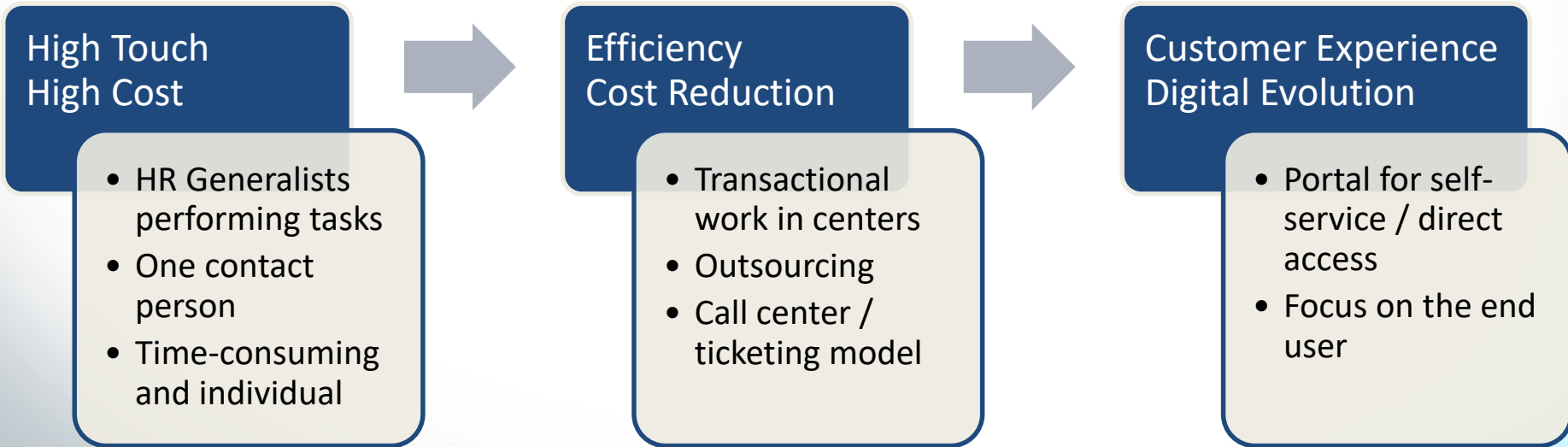
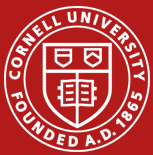


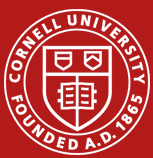
Outsourcing

- 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





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

15%

Interest in Employee Experience

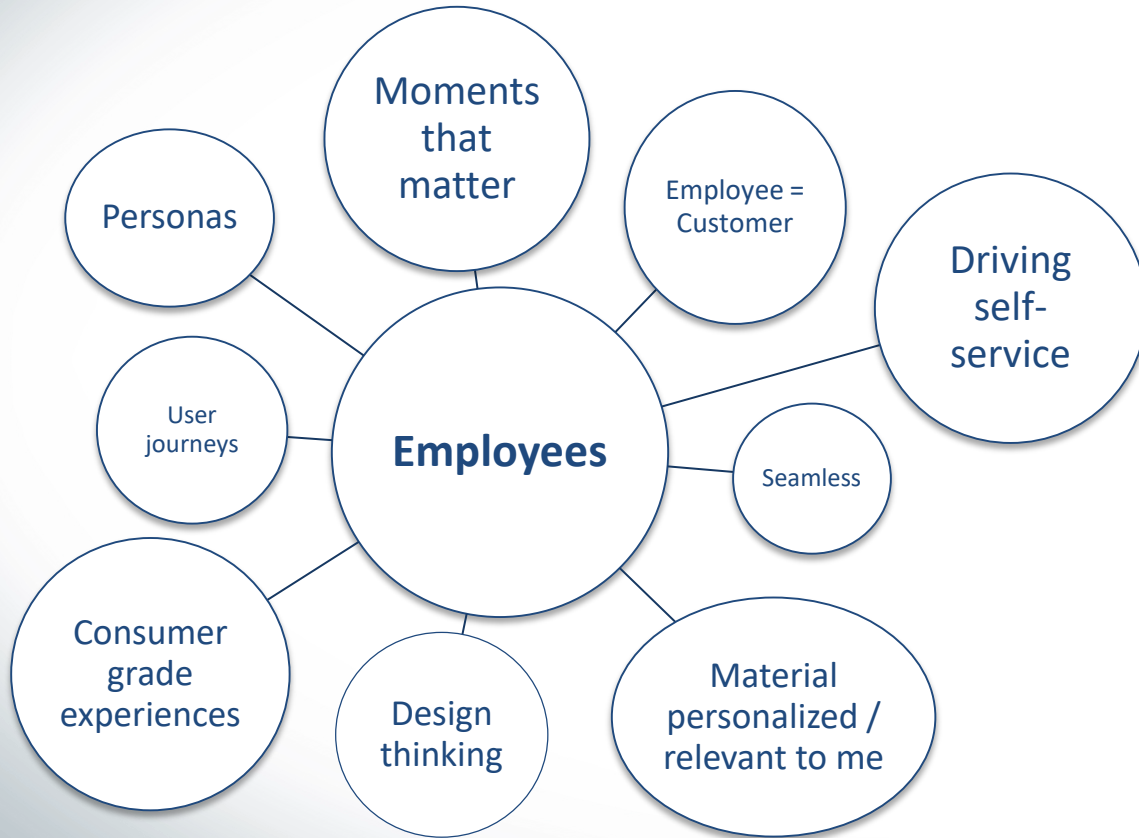
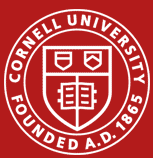
- Understand importance of employee experience
- Making changes or investments based on employee experience
- Considering employees in design and implementation

44%

Emphasis on Employee Experience

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

41%



You can never get enough user feedback

Do not take the end user for granted



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

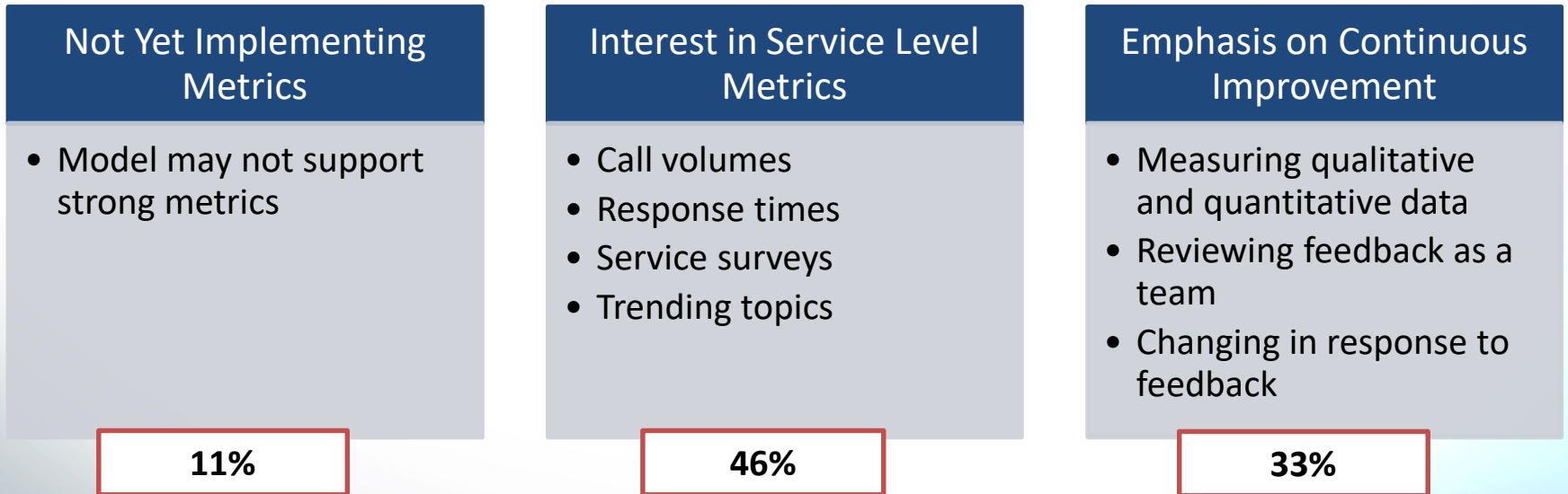


Trends

- 25% of companies highlighted onboarding and candidate experience as areas of focus



75% of companies are using traditional customer service metrics





HRSS Center Metrics: Best-in-Class Practices, Challenges, and Trends

ILR School



Best-in-Class

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



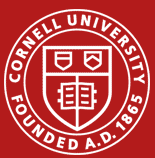
Challenges

- Taking time to determine the correct metrics



Trends

- “Doing something” with the data
- Moving to predictive analytics



PROCESS & TECHNOLOGY EVOLUTION



HRSS: Process and Technology

Technology
won't fix bad
processes

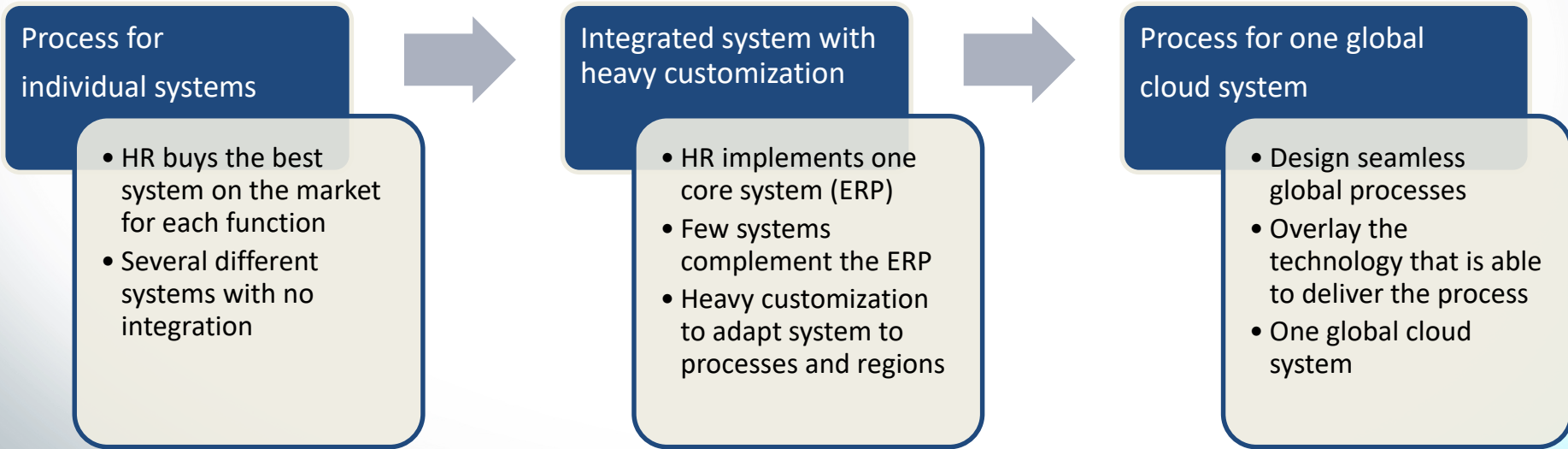
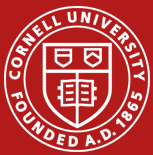
Only bring
activity to
HRSS/Tech if it
is standardized

People want to change
things adhoc - 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





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

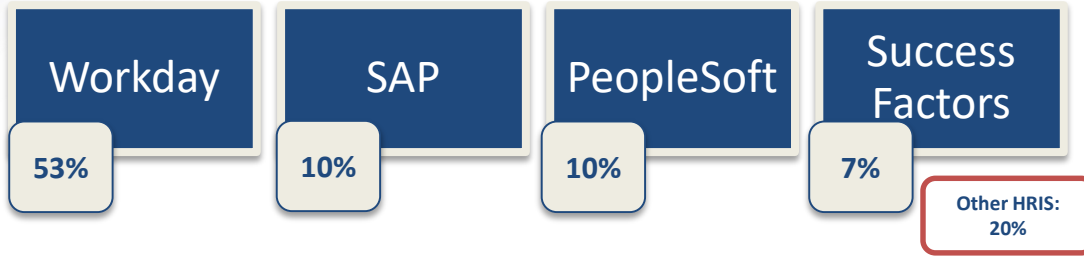


Global Support

- 2 companies are already giving some centers one specific global process responsibility



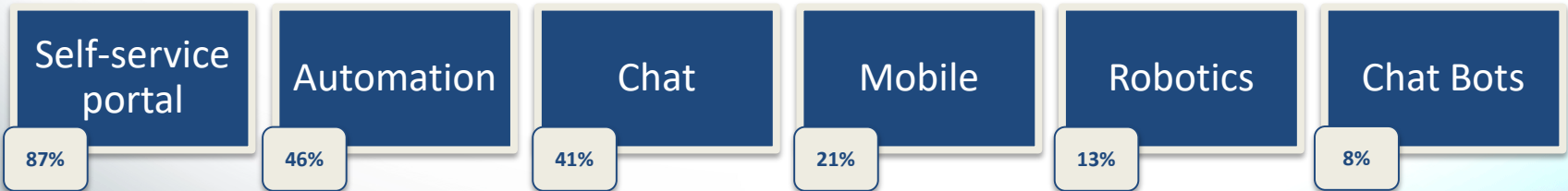
HRIS



Case Management



Tech Capabilities



*All percentages are approximates.



Best-in-Class

Systems

- Walk Me
- HR data warehouses

Processes

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



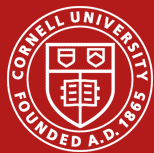
Challenges

- 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

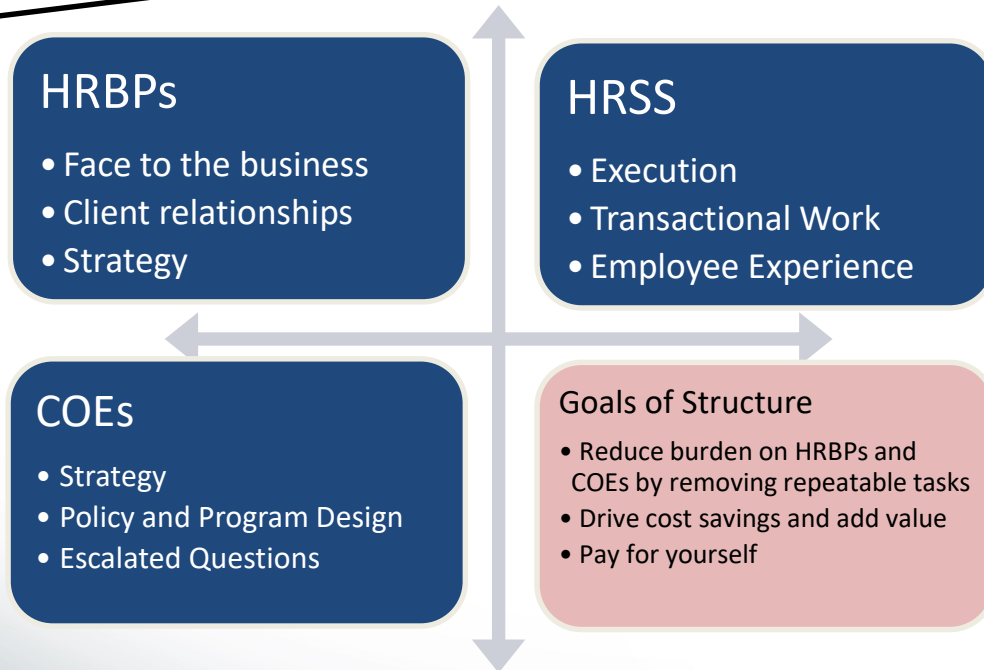


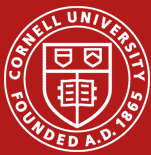
THE HR ORGANIZATION



The 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.





You want to be co-developing because you don't want a policy you can't execute in real life

Partnership between COEs and HRSS

- Communicate Early
 - Listen & Consult
- Formal Partnership
- Direct COE/HRSS partners
 - Dedicated team members
- Informal Partnership
- 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



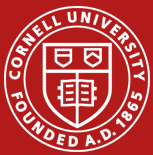
Fear that jobs are going away

More services = More staff

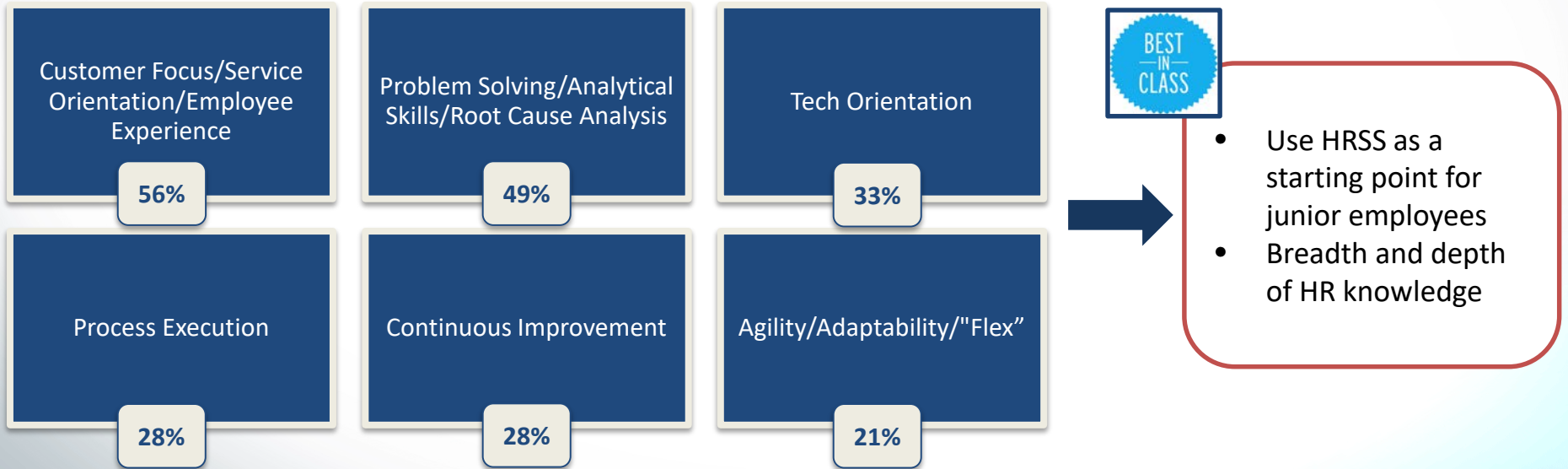
Governance post implementation

GBS environment

Vendor management

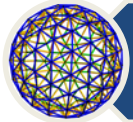


The Future HRSS Workforce: Skills & Capabilities





Change in Technology



Inclusion of more complex functions



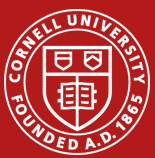
Outsourcing Push/Pull



GBS



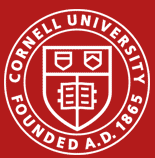
War for Global SS Talent



Q&A



Thank you!



APPENDIX



Terminology

Automation

Uses software to carry out tasks which humans usually do when using computer programs

Robotics

A type of automation, uses a software robot to execute integrated tasks into existing processes

Artificial Intelligence
(AI)

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



Participating Companies

AbbVie
Accenture
American Express
Amgen
Aon
Boehringer Ingelheim
Boston Scientific
Bristol-Myers Squibb
Cardinal Health
Caterpillar
CDW
Chevron
Cigna

Colgate-Palmolive
Dell
Dupont
Ecolab
Estee Lauder
General Electric
General Mills
The Hershey Company
Hewlett Packard Enterprises
Johnson & Johnson
Johnson Controls
JP Morgan Chase
Lincoln Financial

Macy's
MasterCard
Merck
Polaris
Procter & Gamble
Protective Life
Prudential Financial
SC Johnson & Son
Shell
T. Rowe Price
Terex
TIAA
Workday