

LACE  
Partners  
ltd.

# The Future of HR Shared Services:

*Becoming People Experience and Solutions Experts*

HR on the Offensive

FUNDAMENTALLY DIFFERENT

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## Foreword

LACE Partners is an HR Transformation consultancy. We have an HR heritage and a passion for our profession. We help our clients to realise their people transformation goals. We specialise in helping them improve business performance by achieving an optimal HR operating model, selecting and implementing HR systems and delivering long term adoption of new ways of working.

This report is the second in our 'HR on the Offensive' campaign to challenge, inspire and motivate HR leaders to achieve more. In our first report, we discussed how, in order to deliver the important interventions that make a difference to organisational performance, HR needs to play at least two key roles - that of people consultant and operational service provider.

Whilst operational execution and 'brilliant basics' are critical to HR's overall credibility, we firmly believe that the role of 'HR Shared Services' extends far beyond simply back office transaction and administrative processing; a perception that still exists in many organisations.

We instigated this research to understand if, and how, HR Shared Service leaders were challenging the status quo. What are the characteristics of leading HR Shared Services organisations? What can organisations who have the ambition to change learn from others who have already made the leap? This report aims to not only answer these questions, but to also provide practical guidance on what to focus on, how to manage the change and how to further demonstrate value.

**It's time for HR Shared Services to step out of the shadows and move from service provider to value creator and business advisor.**



“

If your role is the same in a few years' time, we'll have failed.

”

Jo Munday, Head of HR Service Delivery, Investec

## The Future of HR Shared Services

# Executive Summary

This report aims to challenge the traditional perception that HR Shared Services is simply a behind the scenes, administrative support function.

Our report does two things. Firstly, we take stock of where HR Shared Service organisations are today in terms of structure, service offering, capabilities and use of technology. More importantly, we also explore how they are evolving and examine the characteristics that will drive future success.

We interviewed 25 global HR Shared Service directors from leading organisations. They were all in the Private Sector and Financial Services, covering a variety of sub-industries including: Consumer Business, Technology, Travel, Manufacturing and Industrials, Banking, Investment/Asset Management, and Insurance. The organisations ranged in size from 1,500 to 100,000 employees.

### Our conclusions

1. Cost effectiveness is no longer the sole mandate of HR Shared Services; we are increasingly at the heart of defining and delivering solutions that focus on improving the employee experience. As such, **it's about time that we redefined our value proposition and reposition ourselves as innovators, value creators and partners.**
2. Operational execution is a foundation of HR Shared Services' DNA. If we don't get the basics right, no-one will want to engage with us about the rest. However, **simply doing the basics well is no longer enough. It's all about service excellence and the employee experience.** We must take a leaf out of the Marketing and Customer Services playbook: define experience principles and outcomes; redefine success measures; embed instantaneous feedback loops; consider the use of Service Consultants and Experience Forums; designate Experience Champions.
3. **The future is 'contact your way'.** If we do focus on employee, line manager and business leader experience, we need to shift the way individuals access our services to be more flexible and personal. **We need to deliver personalised services in a more standardised way.** In other words, we need to balance experience with cost effectiveness and process efficiency.

4. **Going digital is a given.** The HR service delivery technology market is changing rapidly. This gives us an opportunity to transform the experience as well as delivering brilliant basics. However, **whilst we should embrace automation and artificial intelligence (AI) to make things as simple as possible, we must identify and protect the 'moments' where human intervention makes the biggest impact.** HR Shared Services should not be a machine behind the scenes, with no name and no face.
5. **We need to change what we are good at.** We need to think with a 'customer first' mindset, embrace curious thinking and stop making excuses when it comes to our people data analytics capabilities. We must uplift our softer, specialist skills such as emotional intelligence, relationship management, change and project management. **If we can become the day-to-day confidante and coach for people managers, then our HR Business Partners can focus on leading the business through change.**

**If we refocus our capacity, invest in skills development and embrace digital and AI in the right ways, we have a compelling case to add more value and to ask 'why shouldn't we do that?'** Let's reflect on our operating model, key roles and responsibilities. It's time to move from HR Shared Services and become People Experience and Solutions Experts and Advisors.

“

The key to the future of HR shared services (and HR) is the realisation that every intervention is an experience for someone, somewhere.

Tom Howie, HR Chief Operating Officer, Standard Chartered Bank

”

“

HR Shared Services is a process and innovation hub – a Centre of Expertise in its own right.

Máire Sloman, VP Global HR Operations, Colt

”



## The Future of HR Shared Services

# Introduction

The concept of 'HR Shared Services' is nothing new. It's an operating model which has served many organisations well, particularly in terms of cost efficiency. But the market is changing and such a well-established operating model is ripe for transformation.

Organisations have been on the shared services journey for the past 25 years. In the search of cost savings and efficiencies, we saw end-to-end outsourcing of administrative HR activities across the employee lifecycle. This was followed by selective insourcing - particularly of query management - as the model matured and organisations sought to gain greater control of the service experience. Larger organisations have also experimented with 'Global Business Services' (GBS). In most GBS organisations in the clients we have worked with, HR remains a vertical service line, benefitting from shared systems and support infrastructure but retaining its unique functional expertise.

In the past, HR Shared Service functions were designed with cost as the primary driver, resulting in a one size fits all service delivery model. However, businesses are increasingly recognising that the employment experience they offer is a key driver of employee engagement, which in turn impacts performance and productivity. HR Shared Services leaders are now being asked to balance experience with cost effectiveness and process efficiency - in other words, successfully deliver personalised services in a more standardised way. Furthermore, the wider technology marketplace is evolving at pace, with increasing digitisation and artificial intelligence (AI).

HR Shared Service leaders have never had a better opportunity to push boundaries and challenge the perception that the function is purely an 'operational service provider'. We now have the tools and enablers to kick start the journey and shape a new destination for our future; a future where high touch customer experiences and advisory services can co-exist rather than conflict with process efficiencies.

In early 2020, we spoke to 25 global HR Shared Service directors from leading Private Sector and Financial Services, ranging in size from 1,500 to 100,000 employees. We were seeking a clear snapshot of where HR Shared Service organisations are today and how they are evolving based on business and employee requirements.

Our questions focussed on four key areas:

- What activities is HR Shared Services focused on? How do we keep these services relevant and continuously improve?
- How are HR Shared Services teams structured? What roles, capabilities and behaviours will be critical to success?
- What tools and enablers are HR Shared Services using to optimise service delivery?
- What can HR Shared Services learn from other 'shared' functions, in their organisations, such as Customer Services, Finance, Marketing?

Our research consisted of a qualitative data survey, structured interviews with each participant and a review of the existing research on the future of shared services and HR service delivery technology.

### Research Participants

Aggreko	Imperial Brands
AkzoNobel	ING
Atos	Investec
Aveva	Nutanix
Aviva	PMI
Colt Technology Services	NatWest Group
Direct Line Group	SMBC
easyJet	SPX FLOW
Global Data Insights Company	SSP Group
Global Financial Services Organisation	Standard Chartered Bank
Global Investment Bank	Standard Life Aberdeen
GKN Automotive	Travelport
GSK	

We concluded our interviews in March 2020, just as the coronavirus pandemic unfolded. We've since tested our findings with the research participants. HR, and in particular HR Shared Services, has been at the heart of managing organisations' responses to the pandemic, through reaction and respond to recover and renew. The opportunity to transform and challenge status quo perceptions of the role, value and potential of HR Shared Services has never been greater.



## Chapter 1

# Our ambition: What's in a name? Everything

If you asked a colleague in another function to describe 'shared services', what would they say? Operational delivery? Transactional administration? Efficiency? Cost effectiveness?

If you asked yourself that same question, what would your response be? Service provider? Value driver? Innovator? Partner?



### Most likely, it will be a mixture of all these things.

The role of shared services is determined by organisational context and business requirements. However, if we stood back and reflected on vision and purpose vs internal brand (i.e. how we are perceived by the wider HR function and other internal stakeholders), how big would the gap be?

There was a perception amongst some of the research participants that HR Shared Services is still seen as a second-class citizen, there to serve the rest of HR and the business versus being a true partner in end-to-end service delivery. Perhaps this is down to both how we act and how we brand ourselves. For example, the most common names for HR Shared Services were 'HR Operations' (52%) or 'HR / People Services' (32%). In other words, we keep the lights on and run day to day HR activities based on business needs. Other names included 'HR Service Delivery' and 'HR Infrastructure'. Whilst these go a little further to repositioning the role of the function as more strategic and enabling, the ambition set out by the name of the function is still lacking.

“

It's critical that all of HR, including HR Operations, have a shared vision and shared people strategy. Alignment and participation are fundamental. Providing a service does not mean that HR Operations are subservient. A strong voice and co-creation is required.

Tom Howie, HR Chief Operating Officer, Standard Chartered Bank

”

“

There are incorrect assumptions around what the role of HR Operations is and what we will do. We need to get better at communicating our purpose.

Cynthia Pozas, Director, Global HR Services, Nutanix

”

In our previous white paper, 'HR on the Offensive', we explored how HR is expected to play at least two key roles in most organisations – that of people consultant and operational service provider.

- **Operational service provider** – 'crank the handle' on the cyclical HR processes and provide the administrative and transactional support required by employees and line managers.
- **People consultant** – work with senior business leaders to deliver people initiatives to address the strategic goals of the business.

We doubt anyone would disagree that operational excellence is table stakes and fundamental to the credibility of HR. However, over recent years we have seen a distinct evolution of the role of HR Shared Services from an operational service provider to a function that is increasingly focussed on experience and solutions delivery. This evolution will continue at pace as we digitise processes and the business expects us to do more with the same or, in some cases, less. Perhaps it's about time we were bold and embraced this evolution more formally.

### From HR Shared Services to People Experience and Solutions Experts

At the heart of the people experience, these teams design and deliver a holistic, connected HR service and experience across the employee, people manager and business leader lifecycles – from external insight and framework development to local execution and continuous improvement based on employee feedback and insight.

Clearly we're not advocating changing a name just for the sake of it. Rebranding is not a token gesture. It's an opportunity to reaffirm purpose, signpost the destination and recontract with key stakeholders to make change happen. However, this means we have to change our substance too, whether that's what we deliver, how we deliver, our capabilities, how work with others, or a combination of all these things.

### Challenge questions

- What is your mandate? What type of relationship do you want to have with the rest of HR and the business?
- Does the name of your function reflect your ambition?





## Chapter 2

# Service excellence: Employee experience is here to stay

All the HR Shared Services leaders we spoke to agreed that service excellence (i.e. putting ourselves in our customers' shoes and ensuring they have a 'great' experience of HR service delivery) is HR Shared Services' 'North Star'. There is a direct link between employee experience and customer experience – employee experience drives employee engagement, which in turn impacts employee productivity and, ultimately, customer experience. According to research by Harvard Business Review Analytic Services, 66% of organisations that make employee experience a high priority see a positive impact on profitability<sup>1</sup>.

“

Service excellence, in terms of a customer mindset and focus, is what HR Shared Services is built on. It's our true north.

Head of HR Shared Services, Global Financial Services Organisation

”

Customer Services and Marketing have long been ahead of the game when it comes to 'experience'. As such, as part of our research, we were keen to understand what HR Shared Services might be able to learn from these functions.

### 1. Before starting to design an 'experience', it's critical that your experience principles are clearly defined - what do you really mean by a 'great' experience?

For Marketing and Customer Services, answering this question comes as second nature. In one organisation, the principles for the Customer Services were personalisation, trust, ease, empathy and fix it. These experience principles provide the lens for proposition development and user journey activities, ensuring consistency in design and outcomes.

When we asked the HR Shared Services leaders to describe what they saw as a 'great' experience, words such as simple, frictionless, empowering, engaging and transparent were commonly mentioned, but very few had framed these into a formal experience vision / service promise or design principles.

“

The service our colleagues across the organisation should both expect and receive has to be of the same quality we provide to our 'real' high street customers. Much of what we do mirrors for that reason and we are well-connected with other areas of the organisation on things like the principles of customer journeys, so we can learn from what they do / avoid creating un-necessary duplication. For example, Ask Archie, our HR Chatbot, mirrors our retail chatbot.

Peter Hayes, Director of HR People Services, NatWest Group

”

### We need to think about experience and its implications holistically.

Interestingly, only 50% of IT leaders are increasing their investment in employee experience<sup>2</sup>. But employee experience has implications for all aspects of the HR operating model, not just technology.

According to Gartner research, only 13% of employees are largely satisfied with their work experiences<sup>3</sup>. If we're serious about the employee experience, we must make it all encompassing and focus on all elements, even if they aren't HR owned. We can't just sit on the edge with half-hearted measures. We must also measure it and involve cross-functional parties and persona representatives in continuous improvement.

“

HR Shared Services is the voice for the people that set the menu.

Claire Reece, Global HR Infrastructure Leader, SPX Flow

”

<sup>1</sup> Harvard Business Review Analytic Services (2020). Pulse Survey | Making Technology an Integral Part of Your Employee Experience Strategy.

<sup>2</sup> Salesforce. Enterprise Technology Trends (2019).

<sup>3</sup> Gartner (2019). Gartner Says Only 13% of Employees Are Largely Satisfied With Their Work Experiences. Press Release, 29 October 2019.

## 2. It's time for new performance measures.

We asked organisations how they measured service effectiveness. As expected, the majority (68%) had a formal performance scorecard and KPIs in place for HR Shared Services.

For the 32% (eight organisations) that didn't have any formal performance measures in place, in most cases, this was because they were in the process of formalising their governance frameworks. Only one organisation had made a conscious choice not to embed a formal performance scorecard. For them, the absolute priority was to give employees the right answer and support, no matter how long it took. Whilst they still captured volumetric data and analysed trends, they had found that previous formal KPIs had resulted in a determinantal impact to the employee experience with a focus on speed versus quality.

### How organisations measure service effectiveness

**68%** have a formal performance scorecard and KPIs in place.  
Performance measures consist of:



**76%**

Operational Measures



**48%**

Employee Experience Measures



**22%**

eNPS as Explicit Measure

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Of the organisations with formal performance scorecards, 76% had clear volumetric data and operational measures, such as first contact resolution and payroll accuracy. In stark comparison, we found that less than half of participant organisations (48%) had any form of employee experience measures on their HR Shared Service performance scorecards. According to Gartner research, by 2022, 75% of organisations will include employee experience improvement as a performance objective for HR and IT groups<sup>4</sup>.

**If we're serious about employee experience, every one of us should be measuring and continuously improving it now – there's no excuse.**

Operational performance measures and experience performance indicators (EPIs) can be diametrically opposed and in conflict. If you measure the wrong things, you get the wrong behaviours, therefore it's critical you understand the objective you're trying to achieve and select success measures which reinforce these behaviours and outcomes. Your choice of performance measures should be bespoke to your context. Less is more – choose three to five key measures aligned to your strategic priorities and don't be afraid to change them as those priorities change.

**Combine a variety of data sources for a holistic, rich view of experience: eNPS + EPIs + anecdotal feedback + volumetric data.**

“

Our KPIs include the time to market for new HR products, from identifying the opportunity to creation of a minimum viable product (MVP) and from MVP to scaling.

Andrew Hall, Head of People & Organisation Enablement Operations, Philip Morris International

”

<sup>4</sup>Gartner (2018). "To Achieve a Consumer-Grade Employee Experience, HR Must Follow CRM," Melanie Lougee, Jim Davies, Chris Pang. 2 November 2018



Figure 1 - Example performance measures for People Experience and Solutions functions

Dimension	Example Measures	Outcome Focus			
		Quality	Accuracy	Speed	Cost
Operational Performance Measures	First contact resolution	✓			
	Data breaches	✓			
	Payroll accuracy		✓		
	Time to resolve (query)			✓	
	Verbal offer to contract			✓	
	Contract turnaround times			✓	
	Recruitment fill rate			✓	
	Call abandonment rate			✓	
	Third party management (cost)				✓
	Overall cost to serve				✓
	Return on investment				✓
Experience Performance Indicators (EPIs)	Employee Net Promoter Score (eNPS)	✓	✓		
	Customer satisfaction (CSAT)	✓	✓		
	Knowledge article quality ratings (e.g. 1-5 stars)	✓	✓		
	Quality of coaching conversations	✓	✓		
	Time to market for new HR products			✓	
	Self service ratio: self service content views to ticket volumes (often used in customer contact centre environments)	✓	✓		
	Complaints rate	✓	✓		
	Complaints resolution rate	✓	✓		

### 3. Use data and insights to continuously improve

Marketing and Sales teams mine hundreds of data points to understand the needs and sentiments of different customer segments. They involve consumers in research groups to continuously improve products and services. Feedback loops are instantaneous, insights are real time.

“

HR Shared Services is the listening post, learning post and an experimenter.

Darren Cornish, People Services Director, Aviva

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HR is still way behind. Identifying the critical moments impacting the employee and line manager experience (e.g. through user journey design) is the relatively easy part: bring persona representatives into a room with HR, IT and other cross-functional teams to explain how they want to feel in the future versus their current experience, and brainstorm potential interventions. The challenge in most organisations we spoke to was defining and embedding an effective approach to continuously improving the employee experience.

There are various ways we can address this:

**Create Service Consultants:** One of the key roles in the People Experience and Solutions function, these individuals are responsible for obtaining feedback both internally (from HR teams) and externally (from the business) on the effectiveness of HR solutions.

**Designate an Experience Champion(s):** Move over Global Process Owner. Experience is more than just a process and requires a holistic view. This role within People Experience and Solutions works across functions and teams, being responsible for bringing relevant parties together to continuously improve the experience for a particular user journey (e.g. onboarding). However, they are not accountable for the experience, as this must be a shared accountability for everyone involved in the design and delivery of the experience.

**Implement Experience Forums:** These are our own consumer feedback groups to test, challenge and iterate interventions, comprised of the Experience Owner, Service and Solutions Specialists, Service Consultants, persona representatives, IT, Facilities, etc.

**Refocus our capabilities:** We must build our service excellence and data analysis capabilities to make continuous improvement part of our DNA. Talk to people, talk to the business; then triangulate this with your physical data points to drive powerful insight.

### Challenge questions

- What does a 'great' experience look like for your employees?
- How do you design your HR operating model around experiences?
- How will you measure success?



## Chapter 3

# Service provision: 'Contact your way'

There will always be an expectation that shared services are cost efficient. Many organisations have built their HR Shared Services with cost as the primary driver, usually with a one size fits all services design. This service inflexibility can impact adoption levels within the business, resulting in local HR teams delivering services which are within the scope of the Shared Service function. This erodes the original business case for moving to a shared services model. At the same time, businesses are increasingly recognising that the employment experience they offer drives employee engagement, which in turn impacts performance and productivity.

As a result, there's an increasing demand from the business that we deliver quality experiences tailored to the needs of employees, line managers and business leaders. We therefore need to provide a digital service environment that feels more engaging and personal but is still cheaper to run. It's about taking an omnichannel approach or 'contact your way'.



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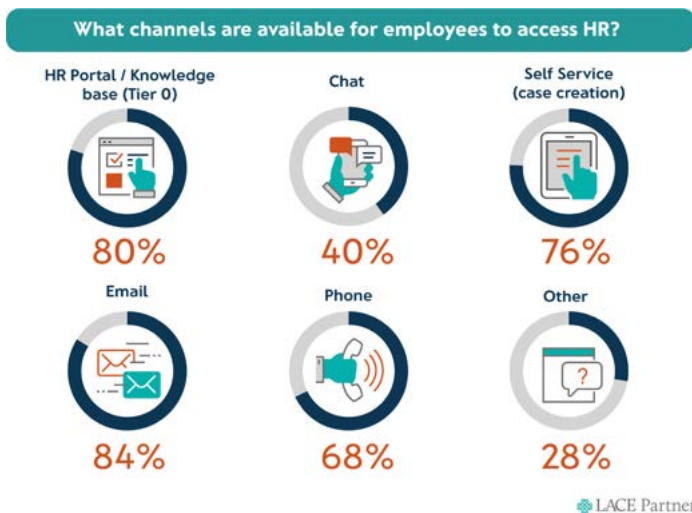
We need to make sure that we have channels employees want to use.

Jonathan Traynar, Senior Executive Director, HR, Sumitomo Mitsui Banking Corporation

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In the past, telephony would always have been a core part of the service delivery channel strategy. However, as ‘Tier 0’ technology capabilities have expanded, this has provided greater choice for service delivery and a better experience at a lower cost. In addition, a key principle of most HR operating models is that as many queries as possible should be self-resolved i.e. resolved by the content available on an HR portal or HR intranet. It’s therefore not surprising that an HR portal (‘Tier 0’) is a more frequently provided channel than telephony (80% vs 68% respectively).

Email remains the most common direct channel (84%). However, research participants agreed that their overall channel strategy was to continue to move away from email as a primary channel and replace it with self-service case creation.



‘Chat’ refers to live chat and chatbot channels. ‘Other’ channels were face-to-face, used for exceptional circumstances.

A multitude of factors influence the way we want to communicate with HR within an organisation - for example, demographics, personal preferences based on our day-to-day life (such as how we interact with our friends) and organisational culture.

According to customer service research conducted by Zendesk<sup>5</sup>, Baby Boomers most frequently use phone and email followed by online forms as their channels of choice when seeking to resolve issues within a company. Whilst phone and email channels were also popular with Millennials/Gen Z, messaging was their third choice: 40% of Millennials/Gen Z typically resolved issues using messaging, compared with only 20% of Baby Boomers. Chat was also favoured above online forms by the Millennial/Gen Z group (30% vs just over 20% respectively).

In the same Zendesk research, over half of customers said they liked contacting support over the channels they use with family and friends.

Organisational culture is just as important as personal preferences. For example, an organisation with a heavy reliance on telephone/video day-to-day communications with employees and customers may struggle to embrace AI and chatbots as a channel to access HR; they could be seen as too impersonal with HR Shared Services becoming a faceless machine behind the scenes. HR Shared Service channels need to reflect these organisational preferences to ensure successful adoption of new ways of working. Any new channels may require a significant change management effort to be a success.

“

We’ve plenty of collateral out there, but we’re not prone (for the most part) to look for answers for ourselves before we pick up the phone. A lot of the time, people also just want to check that they’re doing the right thing.

Peter Hayes, Director of HR People Services, NatWest Group

”

<sup>5</sup> Zendesk. Customer Experience Trends Report 2020

## Effective channel management is about push and pull.

Whilst we should provide the channels that employees want to use (the 'push'), we need to make them relevant and simple so they are used in the way we hope they will be, with strong adoption (the 'pull').

### Things to consider when reflecting on your channel strategy:

**'Personal' vs 'personalised' services:** It may not be efficient to personalise a service but every interaction should still feel 'personal'. For example, it should be contextual, relevant and specific to a business area. This increases channel adoption and improves engagement and experience.

**Expectation management:** Some channels inherently imply faster response times than others, whether this is actually true or not (e.g. chat vs phone). We need to be transparent about what employees should expect, clearly signposting response times and acknowledging a query has been received versus going into a 'black hole'. It may sound obvious but it's surprising how often organisations fail to do this.

**Case management and knowledge management strategy:** We must constantly evolve these channels, but it's not as simple as just empowering HR advisors to add new content or streamline workflows. We need clear objectives, accountability and effective continuous improvement. For example, whilst 50% of customer service managers say their team lets agents add to self-service (i.e. 'Tier 0' content) over time, only a third of customer support agents said their team has a self-service strategy in place<sup>6</sup>. Given that Customer Services is often ahead of the game regarding service delivery (both in terms of technology used and their focus on customer experience), we suspect HR faces an even greater challenge in this area. There is much we can learn from our colleagues in internal Customer Services teams.

**Service and experience consistency:** 70% of customers expect consistent experiences across channels<sup>7</sup>. Why should their expectations be any different when it comes to accessing internal support from HR? No matter what the channel or whether you are an internal or external customer, everyone should still receive the same quality of experience.

**Changes in behaviour as a result of the Covid-19 pandemic:** Zendesk's Benchmark snapshot tracks the support operations of nearly 23,000 companies worldwide. In the 16+ weeks since 23rd February 2020, tickets coming in over channels such as WhatsApp, Facebook Messenger, direct messages over Twitter and SMS rose nearly 50%. WhatsApp alone saw usage jump more than 150% during the same period<sup>8</sup>.

Given this increased shift towards a preference for social channels, such as WhatsApp and SMS, why isn't HR actively considering ways to build this capability into its omnichannel approach? Perhaps we're not digitally mature enough; we haven't yet fully embraced chat and chatbots. For example, only 40% of our research participants currently offer chat and 32% have it as an immediate priority for their HR technology roadmap, be that to implement it, or to optimise their current service offering. Even so, can we really afford *not* to change?

<sup>6</sup> Zendesk. Customer Experience Trends Report 2020

<sup>7</sup> Salesforce. State of Service, third edition.

<sup>8</sup> Zendesk. Zendesk Benchmark snapshot: Tracking the impacts of Covid-19 on CX.

### Challenge questions

- Do you know your employee preferences for how they want to access HR support?
- What does 'contact your way' mean in your context?
- How do you balance standardisation with personalisation?





## Chapter 4

# Service enablement: Continuously improving the digital experience

The past couple of years have seen the first wave of service delivery transformation, with rapid expansion in the variety and capabilities of enabling technology solutions for HR. In search of freeing up operational capacity and driving an improved digital employee experience, many organisations are exploring best of breed or in-platform offerings for their HR portals, case management, knowledge management, document management, chat and chatbots. But with so many options available, what are organisations prioritising and why?

“

If we exploit automation and digitise our HR processes, the teams in HR Shared Services will be more influential than they are today and deliver more significant and complex services.

Anat Markus, Director Global HR Operations, AkzoNobel

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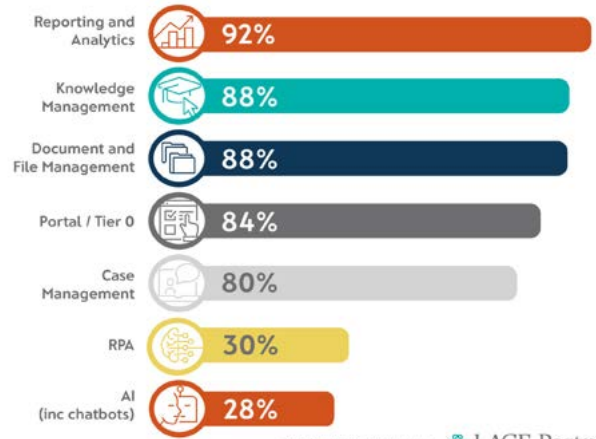
**A strong foundation yet still more to do, particularly with document management and knowledge management.**

Almost all organisations (>80%) had implemented the ‘core’ service delivery technology components (HR portal, case management, knowledge management and document management) along with reporting.

Whilst 88% had a document and file management solution, most of the time it was SharePoint or within the core HCM system, versus a bespoke document management product (e.g. PeopleDoc for HR or OpenText). There are significant security implications and compliance requirements that need to be addressed. However, most organisations do not see it as a priority (it was third on the overall service delivery technology roadmap). It can be perceived as difficult and unsexy but we can’t keep pushing it to the bottom of the ‘to do’ list.

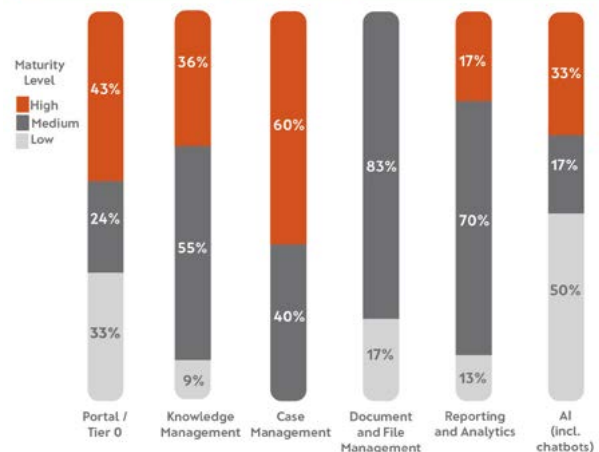
The same applies to knowledge management. Even though most organisations have implemented digital solutions, an effective knowledge base requires strong governance and ongoing continuous improvement. This perhaps explains why knowledge management continues to be a focus area for the future. In addition, you might have a strong knowledge base, but are you creating communities, building social collaboration and exploiting AI?

**What types of service delivery technology do you use in HR?**



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**Maturity level of the HR service delivery technologies currently used by participant organisations**



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Maturity scales explained in appendix

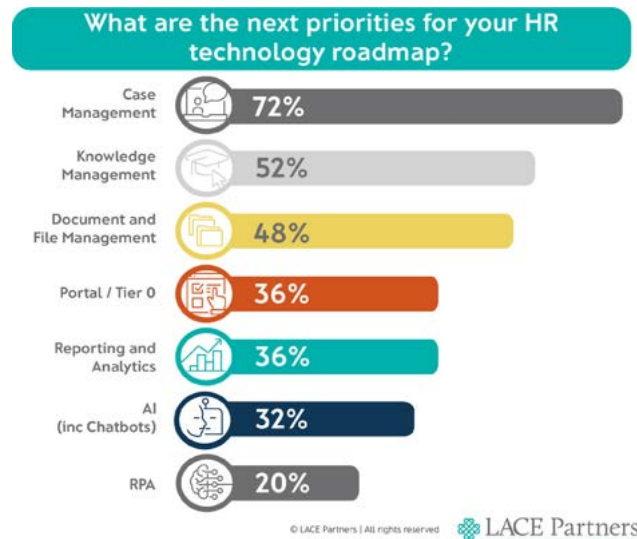
### Reporting rather than analytics remains our comfort zone.

Most organisations in our research were using the in-platform reporting capabilities of their core HRIS, with a number utilising visualisation tools such as Qlik, Power BI and Tableau to visualise data from multiple sources (40%). Only four organisations (17%) were using more advanced and bespoke analytics tools, such as Qualtrics, Crunchr and OrgVue to provide greater insights. As we discussed in 'HR on the Offensive', data analytics is an area where we need to up our game – 75% of organisations saw the use of predictive analytics as a major opportunity for HR to provide more business value<sup>9</sup>. The fact that only four organisations use more bespoke and mature technologies for analytics is a reflection of this capability gap and an indication of how much more there is to do.

### Did the Robotics Process Automation (RPA) boat ever sail?

Only 30% of participants said they use RPA to support their HR processes, most commonly in the areas of reporting, letter generation and payroll. Interestingly, of the six organisations using RPA, four of them were on cloud HCM platforms. One such organisation had eight HR bots. A key driver behind this was the fact that their 'Ask HR' team happened to be located near the IT RPA team and so when they heard what IT were up to they were keen to collaborate.

The challenge in HR is that the potential opportunities for RPA are relatively small. Compared to accounts payable, for example, HR processes are much more subjective and less predictable. Opportunities have become even smaller as the workflow capabilities of core HRIS platforms have developed. When combined with the need for clearly defined processes, high quality data and an understanding within HRIS teams of how to apply RPA, it is not surprising that so few organisations in our research are exploiting RPA in HR. **Perhaps the opportunity for HR was overhyped from the start?**



### AI remains a massive opportunity for HR, with HR Shared Services in the driving seat.

Interestingly, the appetite for AI in shared services as a whole is relatively modest, with 42% of organisations in a recent global survey by the Shared Services & Outsourcing Network stating that they were not yet using AI but planned to. 20% were testing AI and 3% had implemented it<sup>10</sup>.

Despite the potential value, only 28% of organisations in our research currently use AI (including chatbots) and it remains at the bottom of the priority list, with only 32% of HR Shared Service directors including it as a future focus area. Why is our AI ambition so limited in HR?

<sup>9</sup> LACE Partners (2019) HR on the Offensive.

<sup>10</sup> Shared Services & Outsourcing Network (2019). SSON State of the Global Shared Services Market Report 2019.



Ultimately, the success of AI is built upon the robustness of our underlying data. This is perhaps the biggest challenge we face. 63% of organisations do not have ready access to the data required to leverage new intelligent automation solutions, such as AI and chatbots<sup>11</sup>. Providing quality data, up-to-date policies and clearly defined processes upon which to build algorithms and train the AI can sometimes take so much effort that the value equation means it's simply not worth doing. In addition, we need new capabilities in our HR teams to understand these algorithms and create robust controls. To be successful, we have to 'confront silos, fragmented legacy systems, add capabilities and retool [our] culture'<sup>12</sup>.

However, it's not just an HR issue. AI strategies are the most undefined of any IT topic, with only 7% of IT executives saying their AI strategy was completely defined<sup>13</sup>. Given we know we're behind, if IT haven't yet got their heads around it, what chance do we have in HR?

**Going digital is a given.** Organisations that were not investing in their digital HR journey before the Covid-19 pandemic simply have no choice but to invest now. Over half of our research participants said Covid-19 has expedited the need for them to further invest in service delivery technology and community/collaboration tools, such as Mural, Stormboard and Workplace by Facebook above and beyond Zoom and Microsoft Teams.

**However, too often we get pushed into looking at new technology, without having time to check that the tools we already have are optimised. In addition, whilst we must fully automate wherever possible, we have to invest in the experience and remain 'human'. 78% of service decision makers say AI should never replace human interaction<sup>14</sup>.**

“

Our processes will become more and more automated and run by artificial intelligence (AI). We need to think seriously about how we'll use AI, the implications for the capabilities we need and how we'll govern it, if we're to really obtain its value.

Tim Winsey, VP, People Operations, Travelport

”

### Challenge questions

- How do you strike the right balance between automation and human intervention?
- How can you get the most from AI?
- How can your IT function support you in getting the most from AI in HR?

<sup>11</sup> Shared Services & Outsourcing Network (2019). SSON State of the Global Shared Services Market Report 2019.

<sup>12</sup> Harvard Business Review (January/February 2020). Competing in the Age of AI.

<sup>13</sup> Salesforce (2019). Enterprise Technology Trends.

<sup>14</sup> Salesforce. State of Service, third edition.

## Chapter 5

# Capabilities: Hello 'Business Advisor', goodbye Business Partner

In 'HR on the Offensive', we explored the minimum capabilities required to be a successful operational service provider. But just how important are these capabilities for the success of HR Shared Services and are they fully reflective of the role we expect to play in the future?

**Figure 2 - Capabilities of an 'Operational Service Provider'**

		Level of importance						
		Critical importance						Lowest importance
Description		1	2	3	4	5	6	7
Operational execution	Deliver the basics right, every time	39%	17%	13%	4%	9%	0%	17%
Lean/agile practitioner	Continuous improvement and process optimisation	0%	17%	35%	13%	9%	22%	4%
Service excellence	Focus on quality of the service delivered – 'in the customer's shoes' mindset and focus on 'experience'	35%	17%	17%	9%	0%	22%	0%
HR technology	Understanding how technology can automate service delivery, including functional strategy, roadmap and release management	0%	4%	13%	30%	30%	13%	9%
Data analysis	Use of data to derive insights and trends – 'so what?' analysis and challenge	4%	22%	9%	9%	26%	26%	4%
HR process expertise	Technical expertise in HR process and policy administration and delivery	9%	9%	17%	26%	17%	9%	13%
Other	Participants were asked to specify	21%	21%	0%	14%	14%	14%	14%

*Highest responses per importance level have been highlighted*

### If we don't get the basics right, we have no credibility with the rest

Operational execution is table stakes so it's not surprising that it was ranked as the most important capability overall by participants (39%). In fact, those that ranked it last in importance (17%) did so for that very reason – it shouldn't need to be something we consciously focus on because it's a foundational part of our DNA.

### Simply doing the basics well no longer cuts it. It's all about service excellence

Service excellence came a close second, with 35% of participants ranking it of critical importance to success. This is a reflection of the role the business now expects HR Shared Services to play – a move from simply delivering the basics well every time to also continuously improving the employee experience of HR service delivery.

“

Whilst we need to focus on standardisation and harmonisation, we can't end up in a situation where people feel they are in the process mill. Each experience needs to feel personal and unique.

Jo Munday, Head of HR Service Delivery, Investec

”



HR does not have a history of a service culture – for example, how good are we at defining and measuring service levels? In addition, we need to think with the user in mind, framing interactions with HR as journeys, not a process. How do we want them to feel? What kind of experience are we trying to create and how can we create that experience? This is a fundamental mindset shift from traditional, siloed ways of working and we have a lot to learn from our counterparts in Customer Services. Leading HR Shared Service organisations recruit from these teams or offer secondments to help upskill HR team members in customer experience.

**“**  
 We’ve brought people from our customer contact centres into our recruitment and HR advisory teams. They understand the business and our peoples’ needs, so are able to share this knowledge with their teams.  
 Jason Gowlett, Director of HR Operations, Direct Line Group  
**”**

**Technology is just a delivery mechanism and being data savvy is a given**  
 Research participants acknowledged the importance of understanding how digital solutions can enable new ways of working. But this is nothing new, hence the relatively ambivalent responses. Technology is the base infrastructure which delivers the input we need to prove the impact of what we do and make evidence-based decisions – data. Whilst all participants agreed that data analysis was a core skill for the future of HR Shared Services and one which requires constant focus, there were mixed views about its importance.

Those who rated it less important (rating five or below, 56%) felt that it was a specialist skillset for part of HR Shared Services (e.g. People Data and Insights team) versus the whole function. Conversely, participants who said it was their second most critical capability (22% as rating ‘2’), argued that the ability to analyse data was key to identifying continuous improvement initiatives and consequently driving service excellence. How can you continuously improve if you don’t know your baseline or what your real priorities are? The underlying assumption here is that the people data upon which insights can be drawn is robust and accurate, which is often a challenge in most organisations.

Being able to effectively interpret data and derive insights is critical for every role in HR Shared Services in some way. However, our participants cited it as one of the biggest skillset gaps and it’s the biggest gap across shared services organisations a whole<sup>15</sup>. We’ve been talking about the need for HR to be more comfortable with using data for the past few years. We need stop making excuses and putting this in the ‘too hard to solve’ bucket. At a minimum, let’s start by properly training people on how to use data.

**“**  
 We must continue our focus on driving up data quality, enforcing data ownership and championing it given how integral robust data is to business decisions.  
 Fraser Kirk, VP HR Transformation & Systems, GKN Automotive  
**”**

**“**  
 We need to manage HR with numbers.  
 Anat Markus, Director Global HR Operations, AkzoNobel  
**”**

<sup>15</sup>Shared Services & Outsourcing Network (2020). SSON State of the Global Shared Services Industry Report 2020

**We don't need HR process experts, we need curious thinkers**

At the end of the day, a process is a process. You can teach anyone the technical aspects. However, teaching someone to think creatively and to continuously find better ways to do things is much harder. It's a mindset shift. Lean thinking has long been a core skillset of operations teams searching for operational excellence. For example, over two thirds of global shared services organisations leverage a Centre of Expertise (i.e. specialist skillsets internally within shared services), with 32% of these supporting continuous improvement and process design<sup>16</sup>. We are now seeing HR Shared Service teams 'formally' embracing this with dedicated continuous improvement teams within their own function. Whilst this is a positive step, we would argue that continuous improvement should be everyone's responsibility in HR Shared Services.

“

Our secret sauce is our focus on continuous improvement. We made a conscious decision to build vs buy these capabilities. We're building the mindset across the team around this, have yellow belts and black belts in our teams and leverage lean concepts. This has led to an increase in eNPS.

Head of HR Shared Services, Global Financial Services Organisation

”

“

Regardless of your role in HR Shared Services, you need to be very comfortable with change. We can't spend energy on explaining the change; we need to just get on with putting it into action.”

Anat Markus, Director Global HR Operations, AkzoNobel

”

Whilst operational and technical skills are important, we need to uplift our softer, specialist skills if we are to achieve our ambition of becoming business advisors and fundamentally change traditional perceptions of HR Shared Services.

**The need for consulting skills**

This group of 'other' capabilities was third highest in importance to success<sup>17</sup> (42% of participants rating as such) and includes:



Coaching



Emotional Intelligence



Relationship Management



Change Management



Project Management



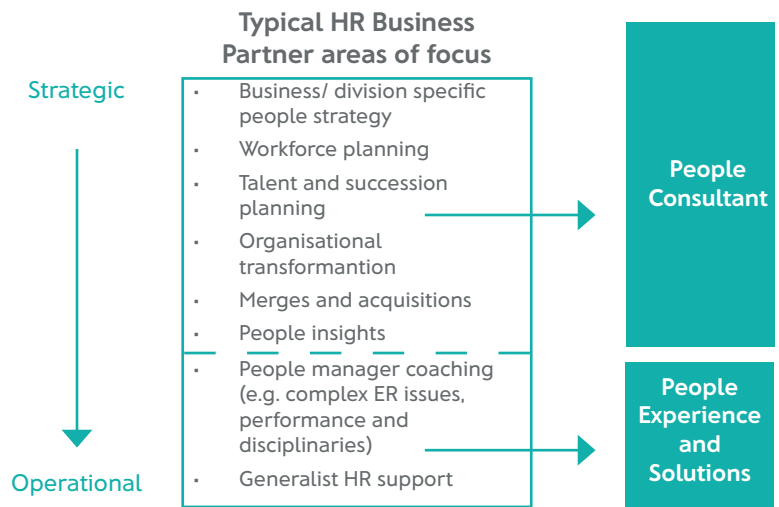
Risk and Governance

<sup>16</sup>Shared Services & Outsourcing Network (2019). SSON State of the Global Shared Services Industry Report 2019

<sup>17</sup>As defined by the total responses of '1' and '2' in figure 2

**Leading HR Shared Services organisations are challenging the traditional role of HR Business Partner. They are upping their game, moving from ‘HR Shared Services’ organisations to ‘People Experience and Solutions’ functions.**

There are components of the HR Business Partner role that could be absorbed within People Experience and Solutions, leaving a set of services which are more ‘consultant’ focused. The change is significant enough to warrant a move away from the traditional HR Business Partner role to a new ‘People Consultant’ role.



**Figure 3 - The changing role of the HR Business Partner**

**The competencies and behaviours for People Experience and Solutions:**

Competencies (skills and knowledge)	Behaviours (the 'how')
<p><b>Service excellence:</b></p> <ul style="list-style-type: none"> <li>Customer service</li> <li>Solutions design</li> <li>Employee experience design</li> </ul> <p><b>Business knowledge:</b></p> <ul style="list-style-type: none"> <li>Strategic thinking and leadership</li> <li>Commercial acumen - balance customer-first mindset (value) with commercial realities (cost)</li> </ul> <p><b>Relationship management:</b></p> <ul style="list-style-type: none"> <li>Consulting (e.g. on solutions)</li> <li>Stakeholder management, particularly in matrixed environment</li> <li>Strong communication</li> </ul> <p><b>Data and insights:</b></p> <ul style="list-style-type: none"> <li>Data interpretation and analysis</li> <li>Continuous improvement</li> <li>Agile</li> </ul> <p><b>Functional excellence:</b></p> <ul style="list-style-type: none"> <li>Deep HR process expertise</li> <li>Operational execution (table stakes)</li> <li>Compliance awareness</li> </ul>	<p><b>Service excellence:</b></p> <ul style="list-style-type: none"> <li>Customer first mindset</li> <li>Empathetic and caring</li> <li>Flexible</li> <li>Resilient</li> <li>Creative innovator</li> </ul> <p><b>Business knowledge:</b></p> <ul style="list-style-type: none"> <li>Big picture thinker - how solutions fit together and with business requirements</li> </ul> <p><b>Relationship management:</b></p> <ul style="list-style-type: none"> <li>Trusted advisor</li> <li>Integrity</li> <li>Collaborator</li> <li>Connector - facilitator of networks and connections</li> </ul> <p><b>Data and insights:</b></p> <ul style="list-style-type: none"> <li>Challenger - not afraid to say 'no'</li> <li>Hunger to learn - bring the outside in</li> </ul> <p><b>Functional excellence:</b></p> <ul style="list-style-type: none"> <li>Data accountability</li> </ul>

### Creating a pull for learning opportunities. HR Shared Services as a promoter of talent.

All the participants shared a vision that HR Shared Services becomes a promoter of talent and is seen as a destination for the best and the brightest. However, if we are to be successful, we need to invest time in properly mapping career paths across roles both within and outside of HR.

We also need to think differently about the talent we hire and where we hire it from. We need people with business experience (i.e. not simply straight out of university); consulting skills; analytical skills; a hunger to learn and a customer first mindset. Taking the approach that we can teach someone an HR process, versus them needing to have previous HR experience, will open up entirely new talent pools. Let's be creative and use internal networks and social platforms to find such talent. These avenues are also a way for us to challenge common misconceptions about what a career in 'HR Shared Services' is really like.

**What we are suggesting is a big cultural shift for the whole HR organisation, particularly in businesses where HR Business Partners are still 'hands on', spending a significant proportion of their time supporting line managers.**

We will never change the perception that HR Shared Services is purely an operational service provider if we don't have ambition. Let's build confidence in our future capabilities and be brave. This might be as simple as starting with celebrating successes and identifying a handful of high impact, low effort areas where we can make a real impact. If we can become the day-to-day confidante and coach for people managers, then our HR Business Partners can focus on leading the business through change.

### Challenge questions

- What capabilities and behaviours are critical to your success?
- What role should HR Shared Services play vs your HR Business Partners?
- Are you looking for HR Shared Service talent in the right places?



## Chapter 6

# How we operate: Becoming People Experience and Solutions Experts

We are all familiar with the traditional model of HR Shared Services: teams of generalist advisors managing HR queries and transaction/administrative activity, supported by 'Tier 2' specialists for more complex requirements. Teams are organised at either a country, regional or global level and are, more often than not, co-located in a 'hub and spoke' model depending on organisational size and scale and the specific HR activities in scope.

This model has served many organisations well to date. However, change is afoot. Increasing digitisation and AI is freeing up capacity within teams. If we refocus this capacity and invest in skills development, we have a compelling case to add more value and to ask ‘why shouldn’t we do that?’. Furthermore, the proof that many organisations can work remotely effectively (as a result of Covid-19) has turned traditional assumptions about co-location on their head.

“

The starting point has to be ‘why would we not bring these services into HR Shared Services?’ Anything that has a people element should be considered. We need to challenge the status quo.

Simon Cunniffe, Director of People Services, easyJet

”

**Across our participant organisations, HR Shared Services was playing a number of new roles.**

#### Coach and confidante to people managers

Moving beyond the standard ‘how do I’ queries, several organisations had built their advisory teams’ capabilities to focus on more specialist line manager support and coaching, such as dealing with complex ER issues, performance challenges, grievances and disciplinaries - ‘generalist’ activities which are traditionally the remit of HR business partners.

#### Solution specialist

Moving beyond the more typical administration and transactional processes, our participants’ service catalogues included more specialist activities such as:

- Employee data administration: Flexible working arrangements and staff pensions administration (with specialist third-party support)
- Recruitment: Talent scouts and engagement managers
- Wellbeing: A diversity and inclusion lead to operationalise the strategy defined by the Centre of Excellence
- Talent and learning: Learning and development content curators.

#### Project and change manager

Based on our ‘HR on the Offensive’ research, one of the core traits of leading People functions is that they embrace a ‘change leader’ mindset. HR Shared Services is often at the heart of supporting business change programmes where there are people implications – for example, to provide people transition administrative support. A number of our research participants had broadened this change support offering by created their own project and change teams within HR Shared Services as part of business as usual.

“

We moved the Project Office into HR Operations to keep the continuous improvement mindset going.

Clare Lakey, former Policy, Process, and HR Shared Services Lead, Imperial Brands

”

For example, a Financial Services organisation recently set up a consulting group within HR Operations. The heads of HR for the different business units have to pitch for resource from this team to support their projects e.g. for restructures, complex programmes and cyclical projects. It’s not a given that they will secure the resource; there needs to be a clearly defined requirement and value case. This allows more efficient capacity planning and for HR resources to be focused on the areas of most value and impact.

### Risk and governance

The leadership teams of HR Shared Services within several participant organisations (notably within Financial Services) included a role specifically focused on risk and governance. Responsibilities included identifying and managing strategic and operational risks within day to day operations across the HR function, in addition to managing the integrity of people data, GDPR and subject access requests. Within the Financial Services context, the ultimate objective was compliance – i.e. to ensure that individuals in regulated roles were equipped to perform effectively.

### Beyond reporting - driving people analytics and insights

We've been talking about the need for HR to become more data driven for some time, therefore it's not surprising that the majority of the organisations in our research had reporting teams within HR Shared Services. However, whilst most had a reporting team, only nine organisations had a people/workforce data analytics team. In larger organisations, enterprise-wide analytics capabilities sometimes sit under the Chief Operating Officer or as a stand-alone cross-functional Centre of Expertise. Several of our participants had elevated their People Analytics teams to this level. Even so, there is still scope for us to do more given our day-to-day insight into business priorities (as we reference in our findings around critical HR Shared Services capabilities).

“

We made a conscious decision to change the reporting line of HRIS from HR People Services to the COO - we wanted to provide a clear line of sight for systems, data and experience in addition to reinforcing the function's organisational-wide licence to operate.

Peter Hayes, Director of HR People Services, NatWest Group

”

### We are being more selective about outsourcing, using it to drive innovation.

Just under half (44%) of organisations in our research used outsourcing providers for recruitment, payroll and other business processes. The majority used third party services for payroll, which is not surprising given the global nature of the organisations in our research pool.

Outsourcing services to specialist providers can drive innovation benefits – it's not always about reducing costs. In choosing to outsource, 25% of organisations expect more value-add in terms of problem solving<sup>18</sup>. However, effective partnership management requires skills which are not typically found in HR; it's easy to fall into the trap of outsourcing and think 'problem solved'. The greatest benefits are gained where outsourcing is seen as a strategic partnership, with shared 'skin in the game' for value creation and governance mechanisms that promote transparency and continuous improvement. For example, an HR Shared Services director spoke about how they had recently introduced a six-sigma quality measure to drive continuous improvement, not only within their own teams but also with their outsourced suppliers.

“

What's important is your relationship with a supplier and the value-add they can bring. The right cost to deliver the right customer value proposition is not always the cheapest.

Jason Gowlett, Director of HR Operations, Direct Line Group

”

<sup>18</sup>Shared Services & Outsourcing Network. SSON State of the Global Shared Services Market Report 2019.

## The People Experience and Solutions operating model.

In chapter 1 we talked about how HR Shared Service leaders have never had a better opportunity to push boundaries and challenge traditional perceptions. The Ulrich model has served HR well, but it's time to reposition the role that HR Shared Services can, and should, play.

So, what could this new world of HR Shared Services look like? The image below outlines the core components of People Experience and Solutions.



Figure 4 - Components of People Experience and Solutions

### Mandate:

Design and deliver a holistic, connected HR service and experience across the employee, people manager and business leader lifecycles - from external insight and framework development to local execution and continuous improvement based on employee feedback and insight.

### Key components:

- **Solution specialists** - drive functional strategy and vision across the employee lifecycle, combining internal and external insights to drive innovation and design solutions and frameworks for global and local application.
- **Solution consultants** - deliver HR products, services and solutions across the employee and people manager lifecycle, always with a 'customer-first' mindset in order to challenge whether solutions will meet practical needs.
- **People advisors (People Manager coaching)** - the 'go-to' support for line managers, providing specialist advice and coaching to act as confidante and business advisor in day to day and more complex situations.
- **Service consultants** - work collaboratively to seek business feedback on HR service delivery from People Consultants and wider stakeholders, provide insight into trends and manage external third-party relationships (e.g. Payroll, RPO, BPO) to support ongoing service and experience improvement across all aspects of HR service delivery.
- **People insights specialists** - analytical, curious thinkers who mine data to proactively provide insights into current (and potentially future) business and people challenges, including engagement and employee experience.
- **Digital platform specialists** - owners of digital people solutions, bringing in external insights to inform the ongoing continuous improvement of existing solutions and the future digital roadmap.



### Characteristics:

- Virtual global teams which may be aligned on a regional basis
- Services focused on the employee, people manager and business leader lifecycles
- Structured around the employee experience, moving from siloed teams to horizontal lifecycle teams
- Delivery resources (e.g. recruitment, onboarding and L&D) may be co-located with the business at a country or local business unit level to support local delivery. This may be on a permanent, temporary or cyclical basis according to business need
- Includes selective outsourcing to cover peaks in demand and/or obtain specific expertise which may not exist internally or would be cost-prohibitive to build.

### Should we be part of Global Business Services (GBS)?

Only 12% of the organisations in our research pool were part of a GBS function. The decision to move HR Shared Services into a GBS model depends on two things: the overall business strategy and the maturity of the organisation.

A strategy to optimise costs and drive efficiencies may, initially, tip the balance in favour of GBS. However, unlike Finance, Procurement or IT, HR activities can be complex with multiple exceptions due to culture and legislation. Even where HR processes are well documented and standardised, the cultural maturity of the organisation can make moving to a GBS model challenging.

Moreover, perhaps the bigger and more important question is: who owns the people experience? If it's HR, then one could argue that HR Shared Services should sit firmly under the CHRO or HR COO (depending on organisational size). This allows HR to stay close to the business, helping to build relationships, understand requirements and solve problems more quickly.

This debate is nothing new and ultimately, it doesn't really matter. What is important is understanding the experience we want to deliver and defining the best way to do that for the right cost – be that through being part of GBS or retaining a functional alignment.

### Challenge questions

- What roles within People Experience and Solutions will be key to your future success?
- Do you need physical centres or can you become fully virtual teams?
- How do you get the best from your third-party service providers?

## Chapter 7

# Conclusions and Key Takeaways

“Covid-19 has strengthened the case for HR Shared Services and has elevated the importance of our role. When you work remotely, it’s a lot more difficult to lean over to your neighbour and ask for support. We’ve now truly become the ‘glue’ and are at the heart of ways of working. No longer are we simply seen as a back office, transaction processing team – we’re a valued partner.

*Val Dale, Head of HR Operations, Aggreko*

”

## Conclusions

The old HR Shared Services model is no longer viable. Design based on cost reduction means we are at risk of negatively impacting experience. We must listen to the requirements of the business regarding service delivery and experience. We must be bold and challenge the traditional roles of Centre of Excellence (CoE) and HR Business Partner (HRBP) if we are to be seen as a centre of expertise in our own right for solutions creation, insights and people manager development. It is now or never.

If there was ever any doubt as to our value and importance, we've more than proven ourselves during the Covid-19 pandemic. We've shown what we can do and elevated the importance of our role. We've thought on our feet to solve problems in simple and innovative ways. We must not lose these capabilities and mindset.

**We now have the credibility, tools and enablers to shape a new destination for our future. Let's make it happen.**

“

The profile of service delivery will go way up the agenda because the business will empower line managers to do the things that HRBPs currently do for them. When push comes to shove, savings will not be found with service delivery – they will be in the HRBPs and CoE teams. An investment is required in service delivery. We need to upskill and digitise – technology is an enabler and an empowerer.

Global HR Operations Director, Global Data & Insights Company

”

## The characteristics of leading People Experience and Solutions functions



Business Advisor



Value Driver



People Manager Advisor and Coach



Virtual Networks



Specialist



Customer First, Experience Driven



Change Agent



Artificially Intelligent



Continuously Listening and Learning



Brilliant Basics

## Takeaways

Dimension	Questions to ask yourself	Where you can start
<p><b>Our ambition: What's in a name? Everything</b></p>	<ul style="list-style-type: none"> <li>• What is our mandate? What type of relationship do we want to have with the rest of HR and the business?</li> <li>• Does the name of our function reflect our ambition?</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Define a clear vision with a compelling story and narrative.</b> For example, will you police and control or coach and guide? React and serve or challenge and provoke? Behave on a parent:child or an adult:adult basis? Mirror your vision and ambition in the language you use to describe and communicate your (People Experience and Solutions') purpose. Be bold.</li> </ul>
<p><b>Service excellence: Employee experience is here to stay</b></p>	<ul style="list-style-type: none"> <li>• What does a 'great' experience look like for our employees?</li> <li>• How do we design our operating model around experiences?</li> <li>• How will we measure success?</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Define your experience principles,</b> which will act as your 'guard rails' for service delivery design and encourage consistency in direction and outcomes.</li> <li>• <b>Don't obsess about structure. Mindset, behaviours, connections and a shared vision are what matters when it comes to employee experience.</b> Take a leaf out of the Marketing playbook. Consider Service Consultants and Experience Forums. Designate Experience Champions.</li> <li>• <b>Start small, with a proof of concept for one signature process.</b> Break down the inertia that typically exists in HR – we don't need to fix everything at once.</li> <li>• <b>Determine the role of technology in providing data points</b> – e.g. service delivery technology (case management, chatbots, knowledge management) and EX tools such as Qualtrics, Peakon etc.</li> <li>• <b>Combine a variety of data sources for a holistic, rich view of experience:</b> eNPS + EPIs + anecdotal feedback + volumetric data.</li> </ul>



## Takeaways

Dimension	Questions to ask yourself	Where you can start
<p><b>Service provision:</b> <b>'Contact your way'</b></p>	<ul style="list-style-type: none"> <li>Do we know our employee preferences for how they want to access HR support?</li> <li>What does 'contact your way' mean in our context?</li> <li>How do we balance standardisation with personalisation?</li> </ul>	<ul style="list-style-type: none"> <li><b>Understand the bigger picture and look at what your data is telling you:</b> look at how your organisation communicates and interacts with external customers. Do you want to mirror any of these contact behaviours and principles internally? Review the current channel usage statistics for HR queries/support; ask representatives from different persona groups what their preferences are.</li> <li><b>Define your future ambition:</b> do you want a 'one size fits all' approach or to segment (e.g. 'white glove' service), or something inbetween? How hands-on do you want to be versus automation and digital?</li> <li>An experience can feel 'personal' through behaviours and context, yet still be delivered through consistent channels. <b>It's about delivering personalised services in a more standardised way</b> – in other words, balancing experience with cost effectiveness and process efficiency.</li> </ul>
<p><b>Service enablement:</b> <b>continuously improving the digital experience</b></p>	<ul style="list-style-type: none"> <li>How do we strike the right balance between automation and human intervention?</li> <li>How can our IT function support us in getting the most from AI in HR?</li> <li>How do we get the most from AI?</li> </ul>	<ul style="list-style-type: none"> <li>At the end of the day, we'll always want to speak to someone when faced with a tough or sensitive situation – it's human nature. <b>Identify the 'moments' where human intervention makes the biggest impact</b> – e.g. through journey design activities. Use automation and digital tools to make things as simple as possible, so we can protect our capacity to properly focus on these moments.</li> </ul>

## Takeaways

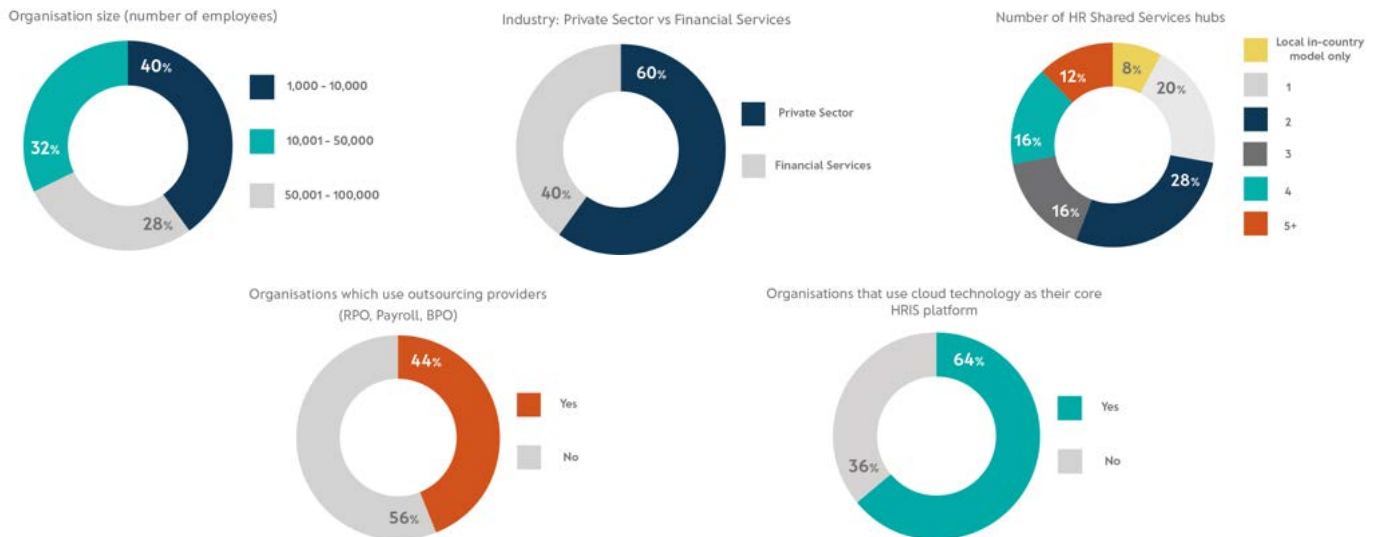
Dimension	Questions to ask yourself	Where you can start
<p><b>Service enablement: continuously improving the digital experience</b></p>		<ul style="list-style-type: none"> <li>▪ <b>Speak with your Digital/IT colleagues</b> to understand if there is a wider AI strategy and capabilities you can tap into.</li> <li>▪ Conduct an audit of your current policies, FAQs or other knowledge articles. How up to date and standardised are they? <b>Consider whether there is an opportunity to pilot</b> AI capabilities (such as chatbots) in certain areas (e.g. processes or business units/geographies) to gauge adoption and learn valuable insights for future initiatives.</li> </ul>
<p><b>Capabilities: Hello 'Business Advisor', goodbye Business Partner</b></p>	<ul style="list-style-type: none"> <li>▪ What capabilities and behaviours are critical to our success?</li> <li>▪ What role should HR Shared Services play vs our HR Business Partners?</li> <li>▪ Are we looking for HR Shared Service talent in the right places?</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Conduct a capability assessment to understand the strengths of your teams and gaps versus your future ambition</b> based on what becoming People Experience and Solutions means in your context.</li> <li>▪ Review the overall HR operating model and ambition. <b>Define the role of 'People Consultant' – what's left is in the gift of HR Shared Services to deliver.</b> If we really want to change the status quo and move up the value curve, by default our challenge question during these debates should be: <b>'why can't HR Shared Services do that?'</b>.</li> <li>▪ <b>Go on a PR campaign</b> for new talent, using your bold vision and compelling narrative. Share success stories. Use internal community/social platforms to source roles.</li> </ul>

## Takeaways

Dimension	Questions to ask yourself	Where you can start
<p><b>How we operate: Becoming People Experience and Solutions Experts</b></p>	<ul style="list-style-type: none"> <li>• What roles within People Experience and Solutions will be key to our future success?</li> <li>• Do we need physical centres or can we become fully virtual teams?</li> <li>• How do we get the best from our third-party service providers?</li> </ul>	<ul style="list-style-type: none"> <li>• HR Shared Services is the 'glue' within end-to-end HR service delivery, including managing cross functional relationships. <b>Be crystal clear on the things drive your competitive advantage and a differentiated experience.</b> For example, is it the services offered or your teams' capabilities? What activities benefit from local delivery versus any-time, anywhere and remote?</li> <li>• For many organisations, the changes to ways of working post Covid-19 are likely to mean a <b>hybrid working model for the business – more remote access with more remote support.</b> The HR operating model and within that, HR shared services, should be aligned to the wider business operating model. <b>Be clear on future expectations in your context and align to those.</b></li> <li>• Review your third-party relationships, particularly contractual performance measures or KPIs. Are they transactional or partnership driven? Consider incentives for ongoing innovation and continuous improvement, including <b>KPIs aligned to quality and experience versus solely process efficiency.</b></li> </ul>

## Appendix

### Participant organisational profile



### Maturity scale definitions for service delivery technology

**Portal / Tier 0:**

(L = online file inventory / company wide intranet; M = in-house tech platform; H = integrated service delivery technology)

**Knowledge management:**

(L = local drive; M = online file inventory; H = integrated service delivery technology)

**Case management:**

(L = Email; M = older generation technology and/or non-HR specific; H = best of breed and integrated solution with core HRIS and other service delivery technologies)

**Document and file management:**

(L = local drive; M = online file inventory or within HCM solution only; H = bespoke best of breed e-filing and document generation solution with e-signature integration)

**Reporting & Analytics:**

(L = Excel dashboards and macros; M = in platform; H = best of breed)

**Artificial Intelligence (AI):**

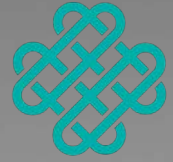
(L = basic Q&A, no learning; M = natural language processing and supervised learning; H = sentiment recognition, curated content and recommendations through learning)



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