

Lessons learnt – 10 tips for setting up a HR shared service centre

Learn the lessons from someone who knows. **Shane Lynch** gives his top tips on providing shared services for HR

1. First impressions:

Do not underestimate the importance of starting the shared service centre (SSC) in a positive manner. It is likely that there will be some resistance from customers and even HR staff to the new structure; you must not give them any more ammunition by rushing the launch and unleashing chaos. Time invested prior to the go live date is crucial. The very first project meeting should set out realistic timescales and corresponding deliverables. If the launch needs to be delayed that is preferable to a premature launch. The legacy of a bad start will live with the SSC for years to come.

2. Standardise processes:

The first step should always be to map processes and ensure standard practices are implemented across the teams you are centralising. In an ideal world the various teams will be working to the standard processes prior to the 'go live' date. This is important so customers know what to expect and HR staff know what is expected of them.

3. Clear areas of responsibility:

As part of the preparation stage you should clearly allocate responsibility for every task to a particular team. You should then put a safety net in place to quickly resolve disputes regarding work allocation. This can be as simple as having a small HR group who will make decisions regarding the best home for a disputed task. Whilst this may not seem like a big issue it will help you avoid one of the cardinal sins of customer service, namely pushing the customer from pillar to post.

4. Avoid shoving SNOW in to the SSC:

No, you haven't stumbled in to the weather forecast, SNOW stands for 'stuff no one wants'. A common error made by HR functions is to shove SNOW in to the SSC. This is the type of work that does not sit easily with any part of the HR function. The easy answer is to shove the work in to the SSC as if it were a giant dustbin for homeless HR processes. By doing so you are storing up problems for a later date. The risk is that staff in the SSC are unable to deal with the area in question with negative consequences for the customer.



5. Beware of ratios:

Do not fall in to the trap of setting the headcount of a particular team based on industry standard ratios. Whilst a cursory search on Google might reveal that one payroll officer can support 950 employees, this will not take in to account the complexity of your own particular payroll function. Over time you may aspire to reach a particular level of efficiency but when setting up your SSC deal with your reality rather than unsubstantiated ratios.

6. Merge then cut rather than cut then merge:

One of the key drivers for entering in to a SSC type arrangement is to generate efficiency savings. Whilst there are obvious quick wins in the management structures you should resist the temptation to strip out transactional roles in the first wave. If you have two recruitment officers processing 200 vacancies a year individually it is likely that you will still need two to process the combined 400 vacancies. Unless you are reducing the number of transactions through self-service or other means the work will still be there. When the teams have bedded in you can assess where further efficiency savings can be made.

7. Maintain a human face:

If you create a HR SSC where all inbound contact is via a generic e-mail address and call centre type telephone system you run the risk of damaging personal relationships built up over time. Your customers will stop interacting with HR as colleagues and instead behave in the same way they would if dealing with their bank or broadband provider (rude and less tolerant). If staff in the SSC send an e-mail they should put their name at the end of it, and not a generic 'HR Team'. Invite key customers to visit the SSC, perhaps by holding an open day. The SSC management team need to be visible and accessible. The customer must never feel that they are dealing with a faceless machine.

8. Don't rush to the idealist position:

Ideally all staff in the new SSC will be able to support and offer advice to customers regardless of what part of the organisation they work in. The reality is often quite different. Take the example of a council, different groups of staff will be on different terms and conditions. Teachers are a good example. If you have staff who previously worked in your schools HR team it would make sense to retain this link in the new SSC. Telephone systems can be routed so that callers from schools can

be allocated to particular staff in the first instance and only overflow to colleagues where no one is available. This will ensure you maximise the resource available to you and the customer has a feeling of continuity of service. Over time steps can be taken to share specialist knowledge across all members of the team.

9. Listen:

Don't stubbornly follow a particular course of action because 'that is the model'. One size rarely fits all and 'the model' may need tweaking to work with your organisation. The easiest way to find out what works well and vice versa is by listening to the HR staff doing the work and your customers. Encourage HR staff to take responsibility for improving the processes they use. Listen to your customers. Keep a complaints and compliments log so you can highlight good practice and identify the root cause of complaints. If something is not working be prepared to change it.

10. Invest in career development:

One consequence of centralising HR services has been a role contraction for some staff as they become more specialist. A related issue is the emergence of large gaps in grade and responsibility between staff in the SSC and Business Partners. This can be demoralising for affected staff and lead to dips in performance, higher levels of absence and staff turnover. The narrowing of role can be offset by having a varied development plan in place to offer staff the technical, professional and generic skills needed to progress. There are many ways this can be done, sponsoring staff to undertake professional qualifications, internal HR learning events, senior HR staff mentoring those in the shared service centre, work shadowing etc. You also need to design a structure that ensures there are enough career stepping stones in place for staff to progress through the ranks. ■

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