Human Resources in a Shared Services Environment
Hi. I'm David Metnick. I'm part of Accenture's Management Consultant practice, and I focus predominantly on HR Shared Services.

How is HR perceived compared to other back-office functions?

In general, Human Resources is perceived quite differently than other administrative functions such as finance, IT and procurement, given its unique characteristics. For one, HR is viewed as a high touch function. It's consistently difficult to move the transactions away from local operations due to ownership and control issues. Additionally, the traditional role of HR has been in addressing sensitive HR and employee related issues. And lastly, HR is traditionally ineffective in obtaining capital for large HR transformation efforts.

What challenges do these differences create when implementing HR shared services?

Moving the Human Resources function to a shared services model poses a number of challenges. One, HR shared services requires functional expertise. Two, the end users of Human Resources shared services comprises a diverse group. You have your retirees, your employees, and recruits. Third, Human Resources shared services must be designed with a flexible framework that accommodates the ever-changing Human Resources landscape. And fourth, for multi-national deployments, Human Resource shared services must accommodate the disparate financial, tax, data privacy and labor laws.

What factors are key to overcoming these challenges when moving to an HR shared services model?

A number of factors are key to overcoming the challenges of moving the Human Resources operations into a shared services model. One, vision and sponsorship. HR, Human Resources senior leadership should understand and promote the concept that Human Resources plays a strategic role in the organization's overall success. Two is decision-making. Human Resources should continue to think and act like an independent administrative entity within the broader organization. Third, governance. A fully transformed Human Resources service delivery model may require significant change and strong oversight to ensure that the changes are understood, adopted and improved over time. Fourth, skill development. Human Resources employees should be given the opportunity to develop the right skills to perform the required roles and responsibilities within the shared services organization. And fifth is technology, common Human Resources technology, challenges traditional thinking about Human Resources delivery and allows for remote processing, global visibility and effective information management.

What trends are you seeing in HR shared services and what are the impacts?

A number of Human Resources shared services trends are apparent throughout the marketplace. For one, there's continued demand for Human Resources shared services as part of a larger Human Resources transformation program. Two, is that there's continued interest in a hybrid shared services environment. One with both in-source functions and those relying on third party providers.
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