Background

As government leaders begin to link talent management and organizational success, the combination of enabling technologies and shared services has quickly become a key component of HR transformation. As part of their ongoing series on enhancing the government's understanding and execution of shared services as mission-enhancing value drivers in Agency Reform Plans, Ernst & Young LLP (EY) in partnership with Golden Key Group (GKG), hosted a panel and in-depth breakout sessions on June 21st, 2018, to explore major trends in human capital and emerging technologies as they relate to shared services. Featured panelists included: Veronica (Ronni) LeGrande: Director of HR Services Enterprise Services (Department of Commerce), Denise Sheehan: Assistant Director for Budget, Planning and Human Capital and Chief Human Capital Officer (U.S. Fish and Wildlife Service, Department of the Interior), and Michael Torres: Program Manager, Human Capital Transformation (Office of Personnel Management. Karen Shrum, a Partner in the Government & Public Sector Practice of EY, moderated the panel. The audience was asked to provide insights on key questions to inform the dialogue throughout the session.

The Challenge

In the Federal arena, both HR professionals and their program counterparts face difficult HR service delivery challenges that impact their organizations' ability to recruit, hire and retain top talent. When polled, seminar participants identified the top three HR challenges as: (1) Timeliness; (2) Hiring; and (3) Talent.

What is your organization's greatest HR service delivery challenge?		
Tier 1	**Tier 2**	**Tier 3**
Timeliness	Technology	Communication, Performance, Security, Sufficient SMEs, Scalability, DEU
Hiring	Paper	Certifications, Systems Access, Clearances, Requirements Planning,
Talent	Processes	Responsiveness, Customer Care, Service, Consistency, Competency, Dinosaurs,
	Succession	Efficiency, Knowledge, Analytics, Mindset Change, Accountability, Innovation, Alignment to Strategy, Succession Planning, Reputation, Budget, Funding, Advice, Confusion

Figure 1: Polling Question 1

In response to these challenges, agencies are exploring and adopting three innovations in Federal HR service delivery: Automation, Software as a Service (SaaS) and Managed Services. Participants noted the top benefits of these enablers as (1) Time Savings and Operational Effectiveness; (2) Improved Customer Service; and (3) Consistency and Reliability.

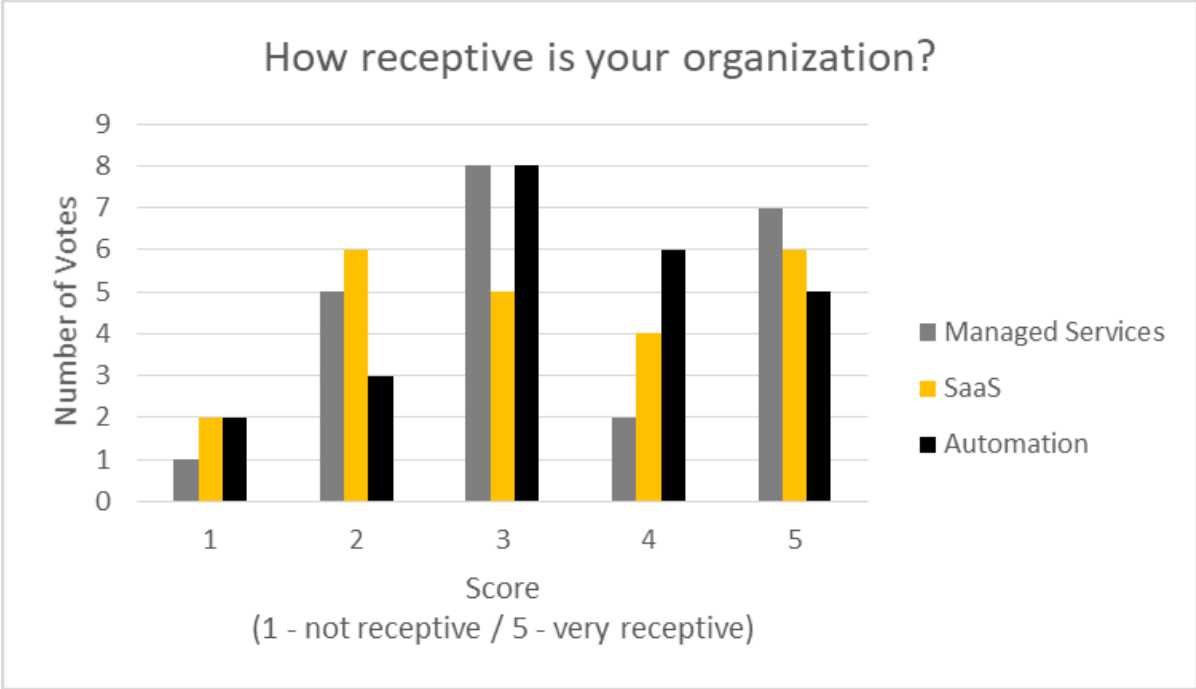| To what extent is your organization receptive to the following service delivery enablers? |
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Figure 2: Polling Question 2

What is the most positive aspect of these enablers for HR Service Delivery?
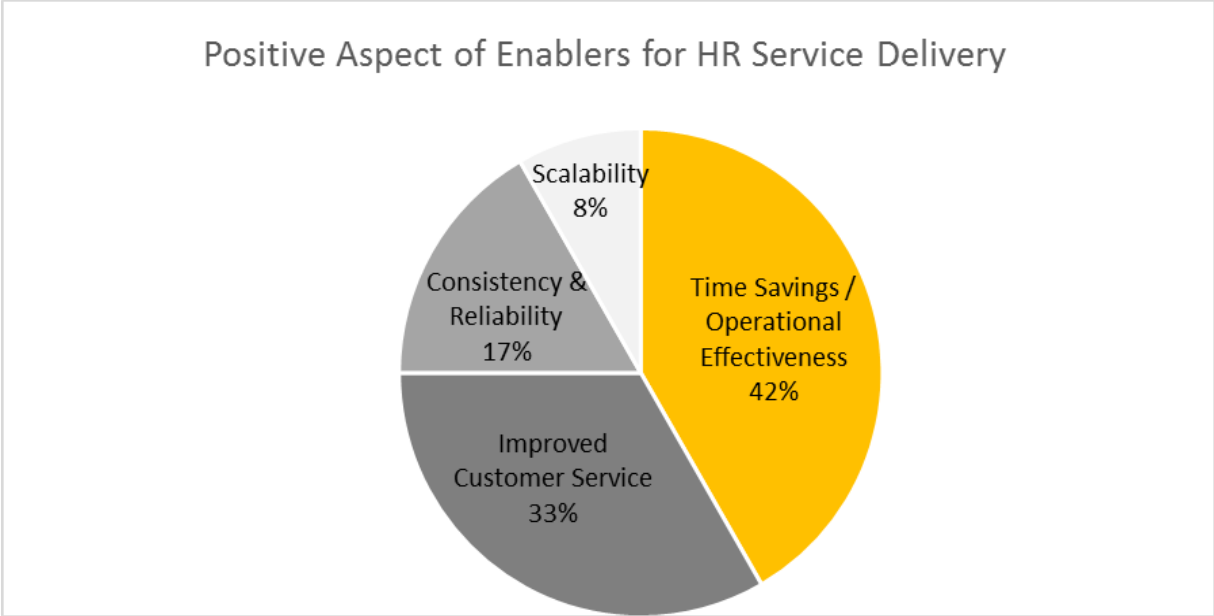

Figure 3: Polling Question 3

Through our discussion, panelists provided thought-provoking insights on innovations in Federal HR service delivery that have the potential to empower agencies to successfully accomplish mission and Administration priorities, while also improving user experience. Three primary questions for consideration guided the discussion:

1. One of the challenges that we have seen in implementing the enablers is the recalibration or rebalancing of work. How has your organization begun to address this challenge?
2. What opportunities does the implementation of automation, SaaS, and managed services offer to your organization?

3. What is the number one thing that you might recommend to practitioners as they are considering introducing, or further deploying enablers into their organizations?

Considerations

Potential of Automation to Improve HR

Implementing automation can help alleviate the administrative burden for managers during the hiring process. Hiring activities can often take up a disproportionate amount of time for a manager. Additionally, a lack of structure and appropriate guidance for hiring can often result in an employment offer to a candidate that does not have the appropriate skills for the job. The addition of automation can reduce this type of redundancy and duplication. An example was provided of how an organization effectively implemented a Human Capital Management System (HCMS), streamlining the hiring process and eliminating inefficiencies that had caused unnecessary administrative burden. The organization felt that leadership buy-in and perseverance were the two biggest reasons for their success.

There are several automated web-based tools that can be deployed to heighten core HC functions. These tools can create and store position descriptions, job announcement components, provide managers instant access to their workforce demographics, projected retirements and workforce changes and automate organizational chart development. Ultimately, utilizing the tools available in the market decreased the hiring process cycle time from 115 days to 10 days, provided real time information to managers, automated organizational chart creation and position hierarchy. It was a start to fixing a broken performance appraisal process.

Other automation trends in the commercial space include Robotics Process Automation (RPA). An example was provided of an HR Case Study which depicted the benefits of utilizing bots to automate and streamline the new hire-onboarding process. The bots were able to utilize new joiner forms to validate information via an online system, update the IT platform and send emails to payroll for onboarding new employees. As a result, the organization was able to reduce onboarding time from 138 minutes to 3 minutes, determine 100% accuracy on new hire data entry, and reallocate time spent by employees on value add activities rather than repetitive tasks.

The SaaS Model for HR

Software as a Service (SaaS) is a software licensing and delivery model in which a third-party provider licenses software on a subscription basis and centrally hosts applications. At the heart of an effective implementation and integration of SaaS within the federal government, is the Human Capital Management (HCM) operating model, developed by OPM, which defines the Federal HC lifecycle. The Human Capital Business Reference Model (HCBRM), created by engaging HR legal, policy and industry experts, represents the 15 functions and 54 subfunctions required by statute and regulations. Talent Management as a Service or TMaas is a solution that provides the federal government the opportunity to solely focus on mission citizen services. There are 3 critical success factors to implementing and sustaining a TMaaS solution:
1. Agile approach to change management
   - Communicate change drivers of a cloud-based solution
   - Define the value proposition and change activities
   - Outline staffing and governance structure, develop a common adoption methodology, and provide training for new roles, responsibilities, processes, and skills
2. Economies of Scale and Vendor management, governance and oversight
   - TMaaS vendors deliver expertise beyond software and hardware
   - A mutually-beneficial vendor relationship/partnership should include: contractual service level agreements (SLAs), a single point of contact to support on-going requirements, and the ability to participate in product development as the needs of your agency evolve
   - All federal entities move away from 'stove-piped' HRIT solutions and adopt vendor-managed TMaaS in the cloud
3. Customer-focused metrics to measure success
   - Align metrics to the value proposition determined at the start of implementation, specifically the customer experience, to drive continuous improvement

Managed Services for Human Capital Management

Managed Services is a service delivery model in which a federal agency openly competes enterprise-wide requirements and outsources select administrative services and/or systems to a commercial (non-federal) service provider. In this model, private marketplace competition drives down costs and incentivizes performance; as a result, agencies have the ability to terminate service agreements in the event of poor performance. While the Managed Services model can lead to better government outcomes and increased business function efficiency, there are a number of factors that an organization should consider when adopting managed services. It is critical to establish internal expertise in the agency to manage the vendor relationships and integrate the managed services with the agency's other service areas. The Managed Services approach will change the nature of work that the agency conducts: the agency should focus on managing the workforce impacts and rebalancing work. When selecting a vendor, it is important to choose one that has previous experience handling Personally Identifiable Information (PII) and classified information. Ultimately, adopting this approach will require a major change management effort. It is important to communicate changes to all those impacted and engage customers through governance and customer advocacy groups.

Conclusion

Shared Services continues to be a pressing item on the federal agenda. Managed Services, Software as a Service and Automation are a few of the options available to federal agencies to improve process efficiency and integration. The experiences shared during this session provided insights and lessons learned to support organizations interested in HR Shared Services. Each experience is different and will be different. However proper planning, change management during implementation and performance measures that maintain a culture of continuous improvement, are keys to your success.