

NASPE – Eugene H. Rooney, Jr. Award Nomination
Category: Innovative State Human Resource Management Program

Program Title: HR Shared Services (HRSS)

State: Georgia

Contact Person: Ron Shultis

Title: Assistant Commissioner, Workforce Development and Shared Services

Agency: State Personnel Administration

Mailing Address: 2 Martin Luther King Jr. Drive, 1904 West Tower, Atlanta, GA 30334

Telephone: (404) 657-0581 Fax: (770) 342-4267 E-mail: ron.shultis@spa.ga.gov

Program Summary

The State Personnel Administration launched the Human Resources Shared Services (HRSS) initiative in July 2008 as the state of Georgia began to transform its HR function into a more strategic business function. Prior to the inception of HR Shared Services, each state agency operated with its own human resources department, creating many segmented and inconsistent HR practices throughout the state. Historically, there was no standardization and no consistency statewide, and oftentimes knowledge was lost within the agency each time an HR employee retired or resigned.

By centralizing, standardizing and automating administrative and transactional practices, HR Shared Services allows the agency HR personnel to apply their time and energy to more strategic objectives like workforce planning, talent management and succession planning. This allows HR to contribute directly to meeting the strategic business goals within the client agency.

One of the primary objectives of the HR Shared Services team is to provide our customer agencies with timely and efficient services. This is achieved through the use of innovative technology, having a dedicated and knowledgeable team, and by maintaining strong client relationships. Since its inception, the HRSS has grown to a total of 15 client agencies and covers 857 employees.

1. Please provide a brief description of this program:

HR Shared Services (HRSS) is a business strategy launched in July 2008 to improve the efficiency and cost of human resource services delivery in state government. The goals of the program are to position Shared Services as the knowledge base of human resource delivery for the state of Georgia; to create a centralized human resources operations center for the State of Georgia; to increase consistency and standardization in HR practices and procedures throughout the state; and to operate efficiently through the use of up-to-day technology and by automating many day-to-day HR transactional activities. To achieve these goals, the program leverages human resource expertise and competencies in the State Personnel Administration to deliver HR services across the enterprise. HRSS scope of services includes recruitment and staffing, retention, performance management, and transactional processing such as HR information systems, compensation and benefits. As a result of this integrated customer-focused approach to HR service delivery, agency HR leaders now have the ability to focus more of their core business functions while addressing the issues of duplicative HR systems and processes throughout the state of Georgia.

2. How long has this program been operational (month and year)?

The State Personnel Administration launched HR Shared Services model in July 2008.

3. Why was this program created? (What problem(s) or issues does it address?)

An analysis of the state's HR approach demonstrated a number of factors that led to the creation of HR Shared Services. The analysis showed that the state's ratio of HR professional to full-time employees (FTEs) is 1:114, far below the industry benchmark of 1 HR professional to every 195 FTEs. Through the standardization and centralization of core transactional processes offered through HR Shared Services, as well as the use of innovative HRIS technology platforms,

the state is able to increase the HR delivery ratio to 1 HR professional to every 300 FTEs, resulting in increased efficiencies and cost savings to the state.

4. **Why is this program a new and creative method?** HR Shared Services offers a new and creative enterprise approach, as opposed to the silo approach, to service delivery of human resource functions throughout the state. By developing a set of standardized transactional processes, which can be utilized from agency to agency, HR Shared Services offers the state of Georgia a centralized knowledge base of combined HR experience thus increasing the state's consistency in HR practices and bringing about economies of scale and greater accountability.

5. **What was the program's start up costs?**

Start up costs were minimal. We relied on the in-house expertise of the State Personnel Administration's (SPA) marketing team to develop client presentations and promotional materials. The HRSS team consists of a few HR employees who had worked with the initial client agency, as well as HR team members from SPA.

6. **What are the program's operational costs?**

HR Shared Services operational costs are currently \$550,000 which includes the salaries of the HRSS team, as well as the cost of systems and technologies enhancements.

7. **How is the program funded?**

HR Shared Services is funded primarily through fees paid by client agencies based on the scope of services being performed for that agency.

8. **Did this program originate in your state?**

No, the HR Shared Services program did not originate in Georgia. It is a concept used both in the private and public sectors. Several other large states have successfully launched statewide shared service initiatives to standardize their fiscal or HR processes.

9. Are you aware of similar programs in other states? If yes, how does this program differ?

Yes there are shared services program in other states. Georgia's HR Shared Services differs from other states in that state agencies are not required by legislation to outsource their transactional HR activities to HRSS. In the majority of other states that have shared services programs, agencies are mandated to use those services. The decision to partner with HRSS in Georgia is solely left up to the agencies on a voluntary basis. Some of the factors that may influence Georgia's state agencies to partner with HRSS include budget restraints and savings gained through headcount reductions.

10. How do you measure the success of this program?

The success of HRSS is based on several factors. Initially, a set of Key Performance Indicators (KPI's) is established collaboratively with the client agency to clearly define what measurements and metrics will be utilized for evaluating the progress of the partnership. KPIs are also used a method of determining the efficiency and effectiveness of the services being provided by HRSS. Secondly, a memorandum of understanding (MOU) is developed with the purpose of providing a detailed and concise description of each service being provided by the HRSS team to the client agency. Any interdependencies between the client and the HRSS team are clearly defined within the MOU as well as the process and timeframe for the delivery of services. From the MOU, a service level agreement (SLA) is created to further define what metrics will be used to further assess and measure the process being delivered. Currently, metric reports are provided to HRSS client agencies on both monthly and quarterly basis.

11. How has the program grown and/or changed since its inception?

Since its inception, HR Shared Services has grown from having one client agency in July 2008 to now having 15 client agencies. The HRSS team has grown from two staffers to a team of 6 HR professionals.