



# Busting bureaucracy—Optimize your company and talent with multi-tier HR service delivery

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Over the years, HR transformation initiatives have had varying levels of success. Today, however, organizations are successfully transforming HR by deploying a multi-tier HR service delivery model. By placing heavy focus on a successful “Tier 0”—where employees, at a minimum of 66% of the time, get their own answers to HR questions and complete their own transactions—employers are able to deploy cost-effective HR shared services models.

Further, the multi-tier approach helps reduce escalations to HR experts by more than 70%—freeing talent to take on more value-added projects. By deploying software as a service (SaaS)—based technologies required for the multi-tier model, solutions can be implemented quickly with a low total cost of ownership. So, what is the bottom line? With this model, employers can actually increase employee satisfaction with the way in which HR delivers services—while, at the same time, reducing HR service delivery resource allocation and lowering costs.

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## HR transformation—the concept

Human Resources transformation is not a new concept. In fact, it has seen much iteration for more than 20 years. Simply put, HR transformation is a series of programs and initiatives designed to transform HR from a largely tactical and administrative function to a more strategic operation—providing value closer to the business unit level in areas such as human asset management, training and learning, compensation planning, succession planning, goal alignment, pay-for-performance, workforce analytics, and more. An underlying assumption to these projects is that the strategic goals will be achieved by minimizing the people resources and costs dedicated to the administrative functions associated with the delivery of HR services.

And while many mid- to large-sized organizations have taken on HR transformation initiatives, the success of these programs varies widely.

## Challenges to HR transformation success

**Self-service and portal technologies are only part of the solution**—To relieve the administrative burden on HR many employers have implemented employee portals and/or self-service systems. The initial idea was that if employees could use a portal to get information, and then complete their own transactions via self-service, calls to HR would be minimized—leaving HR to perform the strategic work required for transformation.

And while these solutions have certainly reduced some administrative work, they fall short of minimizing most. Reasons vary, but can be summarized as:

- Most HR portals are heavy on self-service transactions, but light on the communications and decision support tools required to complete transactions.
- Most portals do not have a single interface to access HR information, nor do they have a single sign-on that makes them easy to use.
- Communications in portals are typically not searchable or personalized—providing employees with a less friendly experience than they have on popular consumer sites—such as Amazon®, Yahoo®, Facebook®, LinkedIn®, and other popular portals.
- The bottom line? If portals and self-service are not easy to use employees will give up and call HR.

Does this mean that portals and self-service investments were made in vain? No, but they require additional components—such as single sign-on and an integrated knowledgebase—to maximize their effectiveness.

**Human Resources talent mix**—Many organizations either do not have the right mix of HR talent to achieve transformation—meaning that the field HR person who formerly performed mostly administrative functions does not have the skills (or there's a lack of resources to retrain) to perform the more strategic work, such as analyzing workforce metrics—or the right talent still spends too much time on administrative work to be truly effective.

Despite these challenges, and economy-driven mandates to “do more with less”, more employers are overcoming obstacles with the multi-tier approach to HR service deliver.

## The multi-tier approach to HR service delivery

There are many versions of the multi-tier model, the most common being a three-tier approach:

- **Tier 0**—Employees and managers answer their own HR questions and complete transactions via a portal and self-service systems. The large majority of HR inquiries and events should be able to be handled in Tier 0.
- **Tier 1**—With widespread adoption of Tier 0, best practices demonstrate that just over a quarter of employee inquiries should rollover to Tier 1—the HR shared services center or help desk—with a majority of those inquiries being resolved on the first call.
- **Tier 2**—In this model, then, the time that centers of excellence spend doing administrative work associated with employee inquiries should be reduced by ten percent, or even lower.

While help desks and call centers qualify for Tiers 1 and 2—there can often be redundancies across business units, which is why, for maximum efficiencies, more and more organizations are moving to an HR shared services model.

Simply defined, shared services relate to the global combining and allocation of services that are shared in various divisions across an organization. Shared services approaches typically are driven by the desire to achieve economies of scale, enhance consistency or standardization across the organization, improve quality, leverage technology investments, manage labor costs within certain functions, and provide greater value to the business.

Tier 0	Tier 1	Tier 2
Employee gets own response and completes a transactions on portal	Ticket to shared services center, call center or help desk	Escalate to experts
<b>66%</b>	<b>28%</b>	<b>6%</b>

## Technologies required for the multi-tier approach

### **Portal with identity management and single sign-on**

—Employees and managers need a single point of access for all HR information and transactions at Tier 0. A portal with a single sign-on provides the “top layer” for all HR transactional and informational systems—applicant tracking, talent management, self-service and other systems, for example—making the portal easy to use and, therefore, increasing visits. And, high portal usage is consistent with any type of workforce—even so-called “blue collar” workers. Today, very few adults are truly disconnected from the internet—and they tend to be near retirement age and without a high school education. Even though that demographic may be some part of your workforce, it is probably fair to say it would be a very small percentage. Don’t underestimate your workforce—they can and will use a portal if it is easy to use and provides relevant information.

**Knowledgebase**—A highly personalized, searchable knowledgebase is the “secret sauce” behind the success of the multi-tier approach. A knowledgebase should provide specific answers or information—personalized by job role, location, bargaining unit and any other parameter you define—to employee inquiries. Additionally, the knowledgebase should provide meaningful, relevant search results. For example, if employees are searching for “maternity,” the knowledgebase should display information that is relevant to that particular employee—health coverage based on their benefit elections, a work-life event list that tells them what they need to do to request leave of absence, how to add a dependent, and similar information.

The knowledgebase component is just as critical to the customer service representatives (CSRs) working in the HR shared services center. By accessing the knowledgebase, they too have the employees’ personal information at their fingertips—allowing them to provide answers right away versus having to spend hours researching.

This results not only in high employee satisfaction, but high cost-savings because a smaller number of reps can then answer a higher volume of calls.

Additionally, because much of the information is readily available in the knowledgebase, many employers deploying this model experience improvements in labor arbitrage because CSRs at Tier 1 need less experience and ramp-up time.

**Case management**—A case management tool—particularly one that is HR-focused—will help:

- Track service level agreements
- Improve performance of the overall HR shared services center and individual CSRs
- Route certain calls to subject matter experts when necessary
- Achieve overall key performance indicators (KPIs)

When case management is integrated with a portal and knowledgebase, inquiries can often be sent by the employee to the HR shared services center directly from the portal page to automatically open a case. That integration—along with integration with the core HRMS—allows the CSR to see where the employee was on a portal page to better understand her inquiry, and pre-populate much of the necessary ticket information. Although many employers are moving toward a complete online model, those HR shared services centers still taking calls will also need to deploy telephony.

**Self-service**—Of course, getting answers to questions is only part of the equation—to have true Tier 0, employees must also be able to complete transactions. When the knowledgebase is integrated with transactional systems—such as employee and manager self-service—employees are able to get information and complete transactions in a single session, comparing benefit plans and then enrolling in a plan during open enrollment, for example.

**Optional onboarding**—Onboarding has moved into the HR service delivery blueprint. After all, onboarding is the first service that employers provide to new hires, and can be a drain on HR shared services centers—especially for employers with heavy seasonal hiring or very complex compliance requirements (e.g., healthcare). Automating onboarding not only engages employees but significantly streamlines costs.

## The business case—putting the model together

It would be easy to write an entire article—or publication—just on putting together a business case. Here are the most salient points:

- Implementing this model does not represent new expenditures—you are providing these services today. Most employers find that it is not only a replacement of current costs, but a significant reduction as well. If you are mandated to cut costs, many employers experience hard-dollar ROI within months of deployment. If you are not mandated to cut costs—but have other projects that are not budgeted—you can apply the savings to fund other HR projects.
- This is a win-win. In the past, when HR has had to cut staff and budget, the perception has been that it was “at the expense of employee service.” This model actually allows you to improve the delivery of HR services while cutting costs and realigning resources.

## If you build it, they might not come

If your organization is evaluating build versus buy, there are significant challenges and very real costs associated with building an HR service delivery platform—particularly a knowledgebase, which is critical to Tier 0, as well as CSR first-call resolution. Ask yourself and your IT team if you have the staffing resources, budget, and expertise to:

- Create, maintain, organize, and personalize all of the necessary HR content.
- Build and maintain the integration points to related HR systems.
- Develop the search capabilities and workflow that puts content in context with self-service transactions.
- Provide relevant search results and “tags.”
- Personalize content for employee groups.
- Keep your knowledgebase secure, so it’s available outside the corporate firewall, 24/7.
- Provide ongoing support after launch.

In other words, you could build it, but if it isn’t personalized, searchable, and integrated with transactions—and information isn’t available in two clicks or less—employees might not come.

### SaaS makes it affordable and value-added

With today’s SaaS-based HR service delivery solutions, buying becomes not only affordable—with no capital expenditures and a low total cost of ownership—but provides other value as well:

- Fast deployment via configuration versus customization—with typical hard-dollar ROI within three to four months of implementation
- A robust customer community sharing best practices
- Constant innovation, with ongoing R&D investments
- Vendor-supplied maintenance of content, workflow and more

## Easier said than done—some closing thoughts

While moving forward with this model does require change management and buy-in, budget should not be a deterrent. Ask HR service delivery vendors and consultants to provide you with a hard-dollar ROI calculation. It is likely that you will find—as stated earlier in the article— that this model can be deployed with a replacement (and often a significant reduction) of what you are already spending on delivering HR services. And, depending on where you are in your HR transformation, keep in mind that the model doesn't have to be deployed all at once or only after the transformation “legwork” is complete.

While many employers implement the entire approach in one project, others deploy the model in phases as they move through their transformation—building out Tier 0 by automating onboarding and adding a knowledgebase to an existing portal, for example, and then building out the HR shared services center. Or, the same result can be achieved by creating the HR shared services center first and then building out Tier 0. It all depends on your priorities, resources, and culture.

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