



HR Service Center

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Summary: In 2010, the Commonwealth of Pennsylvania launched the HR Service Center (HRSC) to centralize a number of human resource services. Today, the HRSC provides customer service to 80,000 employees on matters such benefits, payroll options and assistance using employee self service, and processes high-volume HR transactions such as new hires, separations, promotions, reclassifications and security role assignments for 35 agencies. The center saved approximately \$3.5 million last year by reducing the overall number of HR staff statewide.

The center is comprised of three divisions that provide employee services, agency services, and reporting of HR transactions and business information. HRSC employee service representatives handle more than 7,000 phone calls per month and agency service representatives complete more than 4,000 HR requests in more than 40 categories.

With an implementation cost of \$1.4 million and an annual delivery cost of just \$78 per employee, the HRSC is a cost-effective shared services initiative that improved HR service to agencies and employees of the commonwealth.

The HRSC supports agencies and employees through four key service areas:

- Employees can access self service and personalized HR information through an online system. The call center staff answers employees' HR and benefits questions through an integration of technologies while focusing on quality assurance and customer service.
- HR staff analysts utilize electronic ticketing to quickly and efficiently process common HR transactions for all agencies and escalate cases to subject matter experts as needed.
- The operations team provides enterprise-wide central ERP system support, leveraging the HRSC's efficiencies even for those agencies not under the shared services initiative.
- The reporting team meets HR data needs by merging information obtained via ERP database queries, commonwealth-developed applications and third party tools.

Narrative: *Provide a narrative answer for each of the following questions.*

1. Please provide a brief description of this program.

The HRSC centralizes high-volume HR transactions into a single, statewide organization. The HRSC utilizes a complex array of technology, including the commonwealth's enterprise resource planning (ERP) system; an online knowledge base providing personalized employee self service; call center telephony, management and metric packages; third-party customer relationship management applications; and multiple in-house applications. By processing common HR transactions and offering employee customer service centrally, agency HR staff are free to pursue more strategic work, such as safety initiatives, succession planning, recruitment and training and development.

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

HR transactional support began in February 2010 and employee customer service followed in March. The HRSC rolled out its services in waves of 25,000 employees at a time. By June 2010, the rollout of all core services was complete.

3. Why was this program created?

The Commonwealth of Pennsylvania, like many other governments, is facing severe budget constraints. In late 2008, the governor challenged all administrative functions to find ways to streamline costs and reduce the overall complement. The Office of Administration established the HRSC to meet those goals, as well as increase quality control with reduction in errors, eliminate unnecessary process duplication, leverage the ERP system and provide consistent, high-quality customer service for employees.

4. Why is this program a new and creative method?

The implementation of shared services is a growing phenomenon in state government. However, it is the scope of the commonwealth's initiative, the tight timeline to the launch, and the successful integration of technologies that are particularly noteworthy. Since its launch, the HRSC has completed over 43,000 HR personnel requests and answered more than 80,000 employee calls. The

HRSC was fully operational for the first wave of 25,000 employees within 12 months of the project launch. In addition, the HRSC's enhanced data and reporting capabilities provide an unprecedented level of transparency that keeps staff accountable to executives, agency contacts and internal leadership. These stakeholders have full access to all transaction volume reports, customer survey metrics and weekly performance information on a manager's dashboard. This accountability keeps the HRSC representatives on their toes and mindful of the team's customer service goals and service timeline commitments.

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

The total start up costs for the HRSC equaled \$1.4 million. This included consulting fees, office furniture, supplies, training materials, equipment purchases/installation. It also covered costs for existing in-house and licensed software, as well as first-year service and implementation costs for both telephone equipment and call center software for the HRSC's 80 service representatives.

6. What are the program's operational costs?

The HRSC operates with an annual budget of \$6.8 million. This includes annual pay and benefits for the team of 91 individuals, annual software as a service fees, office supplies and mailing costs.

7. How is this program funded?

The HRSC is funded through an annual billing method by which agencies contribute based on the total number of benefits-eligible employees within their complement.

8. Did this program originate in your state?

No, HR shared services is a concept used in both the public and private sectors. However, to the best of our knowledge, the scope and diversity of the commonwealth's HRSC, which includes transactions, operations, reporting and customer service support, is unique within the public sector.

9. Are you aware of similar programs in other states? How does this program differ?

Although several other states have begun HR shared service programs, the commonwealth is not aware of any state that provides centralized core HR transaction processing. The HRSC's reporting

center is also unique in its ability to compile statewide HR data as well as provide IT, application and reporting support to commonwealth agencies.

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

- \$3.5 million in annual savings through the elimination of 70 full-time positions
- HR service delivery cost of only \$78 per employee per year
- 93 percent of all HR transactions completed within the defined service timeline goals
- Average customer satisfaction score of 3.5 on a scale of 1 to 4 (with 4 as the highest possible score)
- During a recent supplemental benefit campaign, 51 percent of all responding employees utilized the online tool to submit enrollment forms electronically

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

The original organization model envisioned HRSC representatives performing both agency support and employee services. However, the HRSC leadership team soon realized that each function required a distinct and intensive training program and that the implementation timeframe would be inadequate to train staff in both areas. Based on that realization, the model was quickly modified and distinct divisions were established. The HRSC also plans to:

- Expand the use of electronic help desk ticketing
- Utilize customer relationship management software more fully for second-level escalation to outside vendors
- Create internal process improvements based on proven successes
- Broaden services to include the HR transactions for all seasonal hires
- Provide full onboarding support for new hires within all HRSC-served agencies