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# Is Your Current HR Service Delivery Model Working for You?

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## Executive Overview

*An employee experiences a joyous life event with the birth of a newborn son. He realizes that he needs to add his new baby to his medical coverage so he calls his go-to contact in his organization's HR department since she assisted him with an issue in the past. His HR contact happens to be a specialist working on a strategic initiative to reduce turnover within the organization. The specialist is interrupted by the call and drops what she was working on to assist the employee on the phone. She logs into the organization's HRMS, adds the baby to the employee's medical plan coverage, and informs him of the new plan cost. She records the interaction on her desktop spreadsheet and goes back to her more strategic work. A week later, the employee calls her again to verify that the medical plan changes are reflected in the system as medical bills from the hospital delivery are beginning to appear in his mailbox. This time, he reaches her voice mail since the specialist is out of the office and he leaves her a message. The employee anxiously awaits a response and two days later the HR specialist returns the employee's call. Expecting prompt service, the employee is pleased that she has returned his call but annoyed that he had to wait two days to get a response. She again interrupts what she was working on to log into the HRMS and confirms the employee's medical coverage now includes his son. The employee hangs up and the specialist returns to her turnover reduction deliverable. She is so absorbed with the project at hand that she forgets to log the employee's call in her spreadsheet.*

This is a common scenario that occurs in many organizations today and highlights significant issues that prevent efficient HR service delivery. HR organizations are constantly faced with the challenge to contain and reduce costs while contributing to the bottom line. Staff reductions can leave fewer HR staff to manage service delivery. HR organizations are plagued with inefficient service delivery models. Service delivery processes and best practices are either not defined or inconsistently followed. There are many indicators that can point to a broken HR service delivery model and HR service can be assessed by looking at both the employees' and agents' actions. And although you may provide HR self-service and portal content to the workforce, these self-service channels are often not utilized enough to achieve needed cost savings. To address these challenges, many HR organizations are looking at how they can reduce costs, improve service efficiency, and increase employee satisfaction by streamlining HR service delivery. This paper examines the service delivery challenges facing organizations today, outlines a common approach to delivering world-class HR service, and details the technology necessary to transform workforce service delivery.

## What is Workforce Service Delivery Excellence?

Human Resource consultancy CedarCrestone has identified five levels of HR operational excellence: administrative excellence, service delivery excellence, workforce management excellence, talent management excellence, and performance/workforce optimization excellence.<sup>1</sup> Administrative operations are often targeted first as these functions involve mission critical processes such as payroll, employee benefits, and government reporting. Organizations can target these HR administrative functions for technology adoption by deploying a core Human Resources Management System (HRMS). Deploying applications enables automation of core HR processes like time and attendance, absence management, payroll and benefits administration. Organizations that have adopted a core HR record-keeping system and keep it up to date are able to take advantage of the best practices inherent in their HRMS of choice. These organizations can be described as having achieved administrative excellence.<sup>2</sup>

Once organizations have achieved administrative excellence, they often focus on the remaining areas including service delivery and talent management excellence. Those working toward talent management excellence adopt technology to automate their talent management functions such as performance management, talent acquisition, career and succession planning, learning management, and compensation management. Organizations achieving service delivery excellence have deployed self-service applications, often under a portal umbrella, call center technology, and a knowledge base that couples person-specific content with transactional services. Medium and large-sized organizations moved to a service center approach with streamlined and standardized processes.<sup>3</sup>

## Current Trends in HR Service Delivery

A recent survey of 5,000 HR professionals across 160 organizations concluded that the shared services model for HR service delivery is experiencing a second surge in popularity. The surge in adoption was strong across industries and organizational size. In fact, since 2007, HR shared services adoption has increased at an average rate of 39% per year.<sup>4</sup> See Figure 1 below for how adoption has steadily risen over the past several years. There are no indicators that this trend in HR shared services adoption is slowing anytime soon.

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<sup>1</sup>CedarCrestone 2010-2011 HR Systems Survey

<sup>2</sup>Time-Honored Truths, Human Resource Executive Magazine, June 16 2009

<sup>3</sup> CedarCrestone 2010-2011 HR Systems Survey

<sup>4</sup> 2010 Shared Services Practices Survey Findings, Shared Services Institute

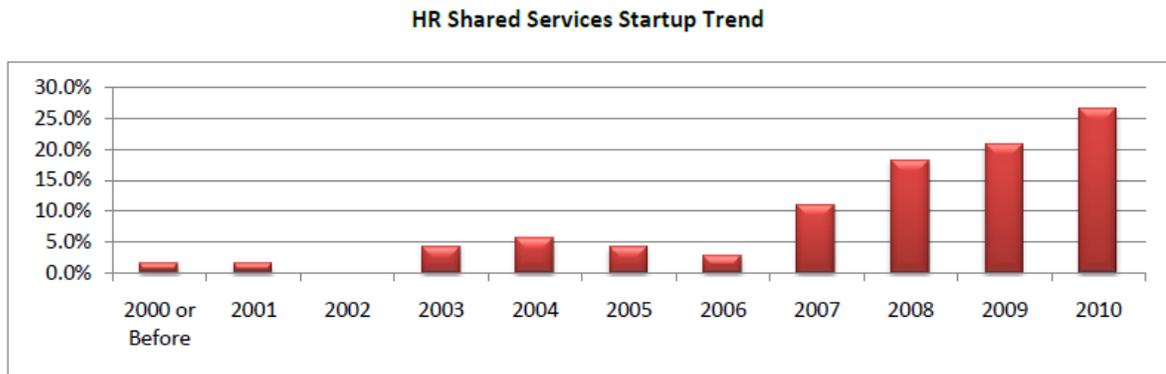


Figure 1: HR Shared Services Adoption by Year<sup>5</sup>

Organizations are also tasking HR service centers to serve broader populations. In addition to the active employee population, shared service centers are providing HR service to non-active populations including former employees, retirees, and even job candidates. HR call centers are most commonly taking a tiered, HR-only approach to providing service for these growing populations.<sup>6</sup>

Now that we know the ingredients required for HR service delivery excellence – an employee portal with self-service functionality, a call center technology-enabled service center, and a knowledgebase, let us take a closer look at how organizations are faring in their adoption of these key technologies.

### Technology Adoption

The 2010 Shared Services Institute survey results point to not only how far organizations have progressed towards service delivery excellence, but also to the work that still remains for many organizations. Despite the availability of lower-cost service channel technologies, organizations surveyed reported that telephone and email are the most adopted delivery channels.<sup>7</sup> Web self-service and chat to contact the service center are gaining ground, but are still significantly behind the leading channels. See Figure 2 below for additional channel adoption.

<sup>5</sup> 2010 Shared Services Practices Survey Findings, Shared Services Institute

<sup>6</sup> Ibid

<sup>7</sup> Ibid

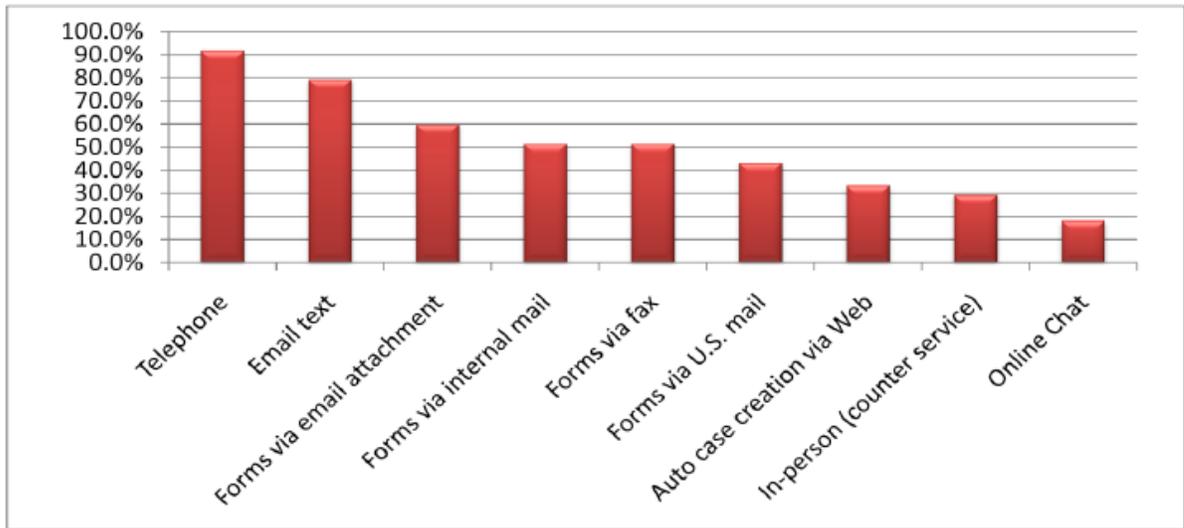


Figure 2: HR Service Delivery Channels<sup>8</sup>

Employee HR portals, one of the key technologies for enabling service delivery, are in use at 80% of the organizations surveyed. HR portals are likely to be the first source employees check when looking for information and a well-executed portal experience can help deflect calls from your HR service center. HR portals often contain links to self-service transactions in the HRMS, links to HR case management self-service, and access to a searchable knowledgebase. Of the HR portals deployed today, home grown solutions were found to be the most common.<sup>9</sup>

An automated HR case management tool, used to log and track employee inquiries, is another key technical ingredient in service delivery excellence. Surprisingly, only 56% of organizations surveyed had deployed an automated case management tool in their HR service centers. The use of a searchable, automated knowledgebase is equally important in achieving service delivery excellence. Just 40% of the organizations responding to the survey indicated they have deployed an automated knowledgebase. That's right, less than half of the HR service centers surveyed have an automated, centralized repository of information for their HR service agents and employees to search for consistent answers.

The Shared Services Institute also found that more HR service centers do NOT use call center enabling technologies like Interactive Voice Response (IVR) and Automatic Call Distribution (ACD) than those who do. Let's take a brief look at why these technologies are important. IVR is a technology that allows callers to interact with a computer or database using telephone keypad inputs or

<sup>8</sup> 2010 Shared Services Practices Survey Findings, Shared Services Institute

<sup>9</sup> Ibid

their voice.<sup>10</sup> IVR systems are typically used by service centers to handle high call volumes, reduce call center costs, and improve the caller experience. ACD is a device that distributes or routes incoming calls to a specific group of service center agents based on information obtained from the caller's IVR inputs. Based on the caller's inputs (i.e. press 1 for benefits inquiries, press 2 for payroll issues) and agent availability, the ACD system routes the call to the appropriate service agent. For our purposes, the call center technologies of IVR and ACD are important since they are necessary to enable Computer Telephony Integration (CTI). Service centers with CTI deployed are able to use caller IVR inputs such as employee ID, social security number, or case number to populate data displayed on the agent's computer when a call is routed and received. Examples of CTI "screen pops" can include screens that display identifying information (name, address, employee ID) or the specific case an employee is inquiring about.

Almost half of the organizations surveyed with shared service centers reported using an Oracle HRMS platform.<sup>11</sup> A majority of organizations (almost 60%) indicated they run their HRMS on-premise as opposed to utilizing hosted, software as a service (SaaS), or outsourcing models.

The technology adoption trends point to the fact there is still much room for improvement as organizations work towards HR service delivery excellence. The key service delivery enabling technologies of an employee HR portal, self-service access, automated case management tool, and HR knowledgebase have been adopted in varying degrees across today's organizations.

## Business Challenges Impacting Service Delivery

There are many business challenges impacting today's organizations and their ability to provide world-class HR service. Several of the challenges seem almost universal in their occurrence and often drive the business case for moving to a HR shared services delivery model.

We will first examine the pressure of inefficient service operations. Inefficient service operations can result from a lack of clearly defined service delivery best practices as well as a continued reliance on manual, paper-based HR processes. Organizations without a set of their own defined HR service delivery best practices are prone to haphazard service delivery. Without common and consistent practices, employees' experiences with HR service could vary with each service center interaction. Manual, paper-based HR processes are likely to be more complex and consume more time than streamlined, automated procedures.

Let's take the example of an employee updating their W-4 elections. The manual process would involve many steps starting with an employee's request for a paper W-4 form, HR sending that form to the employee or indicating where that form can be downloaded, the employee completing form and

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<sup>10</sup> Wikipedia.org, "interactive voice response"

<sup>11</sup> 2010 Shared Services Practices Survey Findings, Shared Services Institute

sending it back to HR, and then HR entering the updated W-4 elections into the HRMS. The W-4 process, administered manually using paper-based forms, could take several days or more and touch multiple HR employees.

If the same process of updating W-4 elections were automated using HR self-service, the employee could simply log into the HRMS via self-service and access the W-4 link and update their elections online. Direct interaction with HR employees is not necessary in the automated W-4 process and time to complete the W-4 updates has been trimmed from day to minutes.

Another potential cause leading to inefficient service operations is dispersed and inaccessible HR knowledge. When employees cannot find the HR information they need on HR policies and procedures, they contact someone in HR to get that answer for them. Likewise, when HR workers cannot find the information they need to answer employee questions or complete their tasks, misinformation may get propagated within the HR organization and the larger employee population. HR workers and employees need a central and consistent source for accurate HR information. Too often, organizations manage HR information in a myriad of places such as an intranet, department file servers, wikis, online employee handbooks, and so on. If there is no central repository for this HR knowledge, employees may not be able to locate the information they need to answer their questions. Similarly, HR workers tasked with searching a number of disparate sources for information may not find the knowledge they need to do their job. In order to deliver efficient HR service, organizations need to follow a set of common practices while administering automated processes and they need to centralize HR knowledge so it is accessible to employees and HR workers alike.

Perhaps the greatest pressure today on HR involves the cost of service delivery. HR service delivery costs are amplified when an organization's resources are not properly utilized, leaving higher-paid HR specialists to answer basic employee inquiries instead of focusing on more strategic initiatives that would benefit the organization's bottom line. Conversely, HR generalists with skills better suited to resolving basic inquiries waste time and energy trying to resolve issues that should have been escalated to a specialist. According to HR Management magazine, Gartner reported that HR organizations spend as much as 70-80% of their time dealing with administrative duties and employee/manager questions and issues.<sup>12</sup> Generalists may begin working on an issue and after fully understanding the inquiry, reassign the matter to a subject matter expert (HR specialist) for resolution. The workload balance should be more strategic and take HR workers' skill sets into consideration when issues are assigned. The resources consumed with administrative duties and basic employee/manager questions best not be your higher-paid HR specialists.

The method of employee interaction with the service center directly impacts the cost of service delivery. The lowest cost service channels are e-channels such as web self-service, email, and chat. As the Shared Services Institute survey highlighted, the channels of web self-service and chat are not yet

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<sup>12</sup> A Multitier Approach to Delivering HR Services, HR Management magazine, Issue 11, Q2 2009

widely adopted. Resource intensive channels, such as telephone, remain at the top of the adopted HR service interaction channels despite the fact they are also the most expensive. In order to reduce service delivery costs, organizations need to move to lower cost service channels such as web self-service while enabling employees to help themselves by searching the HR knowledge base.

If these lower cost channels are already deployed, organizations should consider making those channels more appealing to their employee population in order to drive greater user adoption. According to consulting firm Aon Hewitt, there are several ways to increase self-service utilization.<sup>13</sup> They suggest proactively collecting employee email addresses so information can be pushed out to employees using electronic channels, ensuring that all communications prominently display the portal or self-service web site address and de-emphasize the HR service center phone number. Another much more cost effective move includes completely eliminating paper-based annual enrollment packets and paper paychecks, instead sending postcards to employees with information on accessing the web site to complete their enrollment, enter direct deposit information or view their online pay slip. Since current HR organizations spend a majority of their time resolving employee questions and fulfilling administrative duties, shifting some of that burden to employees can result in cost savings. When employees are empowered to help themselves, employee satisfaction should rise while HR service delivery costs decrease.

The prevalence of unproductive, dissatisfied workers is the final HR service delivery business challenge we will examine. Employee productivity can suffer when staff and employees are confused over complex HR policies or procedures without a central source for accurate answers. HR worker unhappiness is compounded by staff reductions, a result of economically-driven layoffs, which mean surviving staff are doing more with fewer resources. Fewer resources lead to an overwhelmed HR department, and its HR service delivery team, where slow problem resolution disappoints the employees they serve. Dissatisfied employees are more likely to become disengaged and studies have shown that poor engagement impacts workforce productivity and ultimately the organization's bottom line. One study by Gallup found that the United States alone is currently losing \$382 billion dollars a year due to the lower productivity of a disengaged workforce.<sup>14</sup>

## A Common Approach to Service Delivery

There are many possible approaches to HR service delivery. The multi-tiered HR service delivery model is generally regarded as the best practice approach to service delivery. In this approach, the service center assists only with HR related inquiries or issues. According to HR Management magazine, Gartner concluded in a report that "a properly implemented multi-tier model expands the use of self-service applications, leverages less-expensive service center agents (while still providing a

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<sup>13</sup> Optimizing HR Delivery Channels, Aon Hewitt and TPI, Inc., HRO Association

<sup>14</sup> Gallup, 2007

high level of service) and reduces the amount of time HR subject matter experts spend answering routine questions, freeing up their time to spend on more value-added activities.”<sup>15</sup> By enabling employees and managers to help themselves in the lower tiers of the service delivery model with self-service and access to the HR knowledge base, HR specialists are liberated from answering routine questions. This means they have more time to devote to strategic, or value-added, activities that benefit the organization and move it closer to achieving performance excellence.

If we take a closer look at the multi-tiered service delivery approach, a common model contains four tiers referred to as Tiers 0, 1, 2, and 3. (See Figure 3).

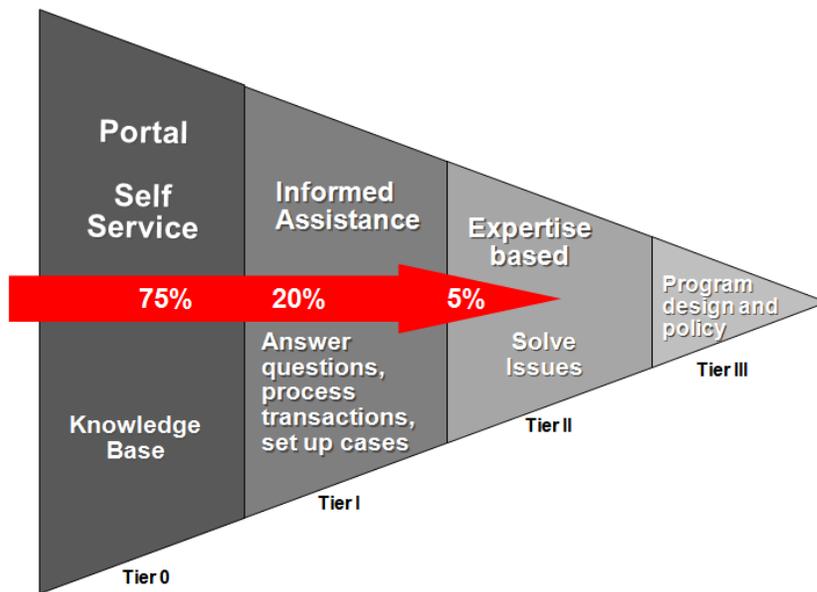


Figure 3: Multi-tiered HR Service Delivery Approach

Tier 0 delivers service through an employee HR portal and self-service transactions. This ideally is the first stop for employees seeking information or resolution and includes searching the HR knowledge base, accessing HR self-service transactions, and creating/managing HR self-service cases.

Conservatively, organizations can target a 75% resolution rate at Tier 0 but top-performing HR service centers can address 80-90% of inquiries at this initial tier.<sup>16</sup> If an employee bypasses Tier 0 and contacts the service center directly via telephone, they begin their interaction at Tier 1.

Tier 1 is also where we find the issues that employees could not resolve using Tier 0, so they may have used self-service to create an HR case. That HR case gets assigned to an HR agent working within Tier

<sup>15</sup> A Multitier Approach to Delivering HR Services, HR Management magazine, Issue 11, Q2 2009

<sup>16</sup> A Collection of Practices for Human Resources Shared Services & Service Delivery, Version 1, U.S. Office of Personnel Management, Sept. 2007

1. Inquiries at Tier 1 often involve matters that require the HR organization to intervene, such as paycheck errors and benefits enrollment mistakes. HR representatives within Tier 1 of the service center log HR cases for employee callers and, depending on the issue, may be able to resolve matters on that first call. Organizations often target 20% of employee inquiries to reach Tier 1, but top service centers see between 10-20% of issues reach that level.<sup>17</sup>

The next service delivery tier, Tier 2, contains the center's HR subject matter experts and specialists. Issues handled at Tier 2 are escalated or reassigned by agents working in Tier 1 when they cannot resolve a matter either because they don't have authority to make necessary changes or because resolution requires a specialized skill set. Best practice suggests that at most 5% of employee inquiries reach this highest service level. Optimized HR service centers see as few as 1% of all employee issues at Tier 2.<sup>18</sup>

The final tier represented in this multi-tiered delivery approach, Tier 3, is where HR policy experts work on strategic initiatives that positively impact the organization's bottom line. These can be HR programs or policies that further talent development, increase employee engagement, reduce employee turnover, manage successions, or other value-added activities.

One of the many benefits of utilizing a multi-tiered HR service delivery approach is an organization's ability to reallocate resources to work on Tier 3 initiatives. Once free from the burden of answering routine employee questions, HR policy experts are able to spend more time on these strategic initiatives aligned with the organization's broader business needs. This will remain important as the economy improves because according to IBM Research Director Eric Lesser, "shared services centers help to free up more strategic HR personnel to focus on key issues around workforce redeployment, training, leadership development, employee morale, etc., that are strategically important, especially in difficult times...In today's economy, organizations must be prepared to address strategic workforce issues or risk having a decimated workforce when the [economy] returns."<sup>19</sup>

## Leveraging Technology for Efficient Service Delivery

According to the U.S. Office of Personnel Management, "managers and employees must embrace a new sense of ownership in the HR process and be willing to fully leverage technology, rather than a paper-based, face-to-face process, to process administrative and transactional work."<sup>20</sup> The same shift also applies to HR representatives servicing the employee population. Technology is an enabler that

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<sup>17</sup> A Collection of Practices for Human Resources Shared Services & Service Delivery, Version 1, U.S. Office of Personnel Management, Sept. 2007

<sup>18</sup> Ibid

<sup>19</sup> HR Shared Services: A Fresh Look, BusinessWeek Research Services, May 2009

<sup>20</sup> A Collection of Practices for Human Resources Shared Services & Service Delivery, Version 1, U.S. Office of Personnel Management, Sept. 2007

allows organizations to transform their HR service delivery practices and is an essential ingredient in service delivery excellence. To reduce costs while providing efficient world-class HR service delivery, organizations should deploy these technical components: an employee HR portal, self-service, automated case management, an HR knowledge base, and an employee communications tool.

## Employee HR Portal

The employee HR portal should be the first place employees and managers look for information to resolve their questions or issues. It is important that the HR portal support role-based access so that managers see links and information that pertain to their management duties while employees see only the links applicable to their role in the organization. The HR portal site should be easily configurable allowing organizations to make it their own by modifying the layout of the pages, controlling the amount and type of information presented, and adding their logo or graphics for branding. To ensure continuity and a seamless employee experience, the HR portal should support single sign-on (SSO) which allows employees to access other applications or systems without requiring them to re-enter their login credentials. Common links on the HR portal include HRMS self-service transactions, case management self-service, and knowledge base self-service. To increase portal usefulness, the HR portal should also be able to display HR-specific portlets or pagelets including embedded analytics as well as important announcements meant for employee broadcast. The HR portal you deploy will further demonstrate its relevance by supporting the latest Web 2.0 technologies including wikis, RSS feeds, instant messaging, and online discussion forums. Past design experience tells us that employees are more likely to visit and use an HR portal that looks clean, is easy to navigate, is intuitive and displays relevant information.

## Self-Service

The HR portal is the jumping off point for the next essential component of self-service. Excellent service delivery hinges on enabling your employees to help themselves. Employees searching for information on the portal should be directed first to knowledge base self-service, which we will discuss in more detail shortly, where they can search the HR knowledge base for answers. HR self-service access should allow employees to complete common HR transactions or tasks including but not limited to: updating personal information, viewing online pay slips, entering direct deposit details, enrolling in benefits, completing performance appraisals, searching internal job openings, enrolling in learning, reporting time and so on. In addition, managers need access to HR transactions for their direct reports such as approving timecards, allocating variable compensation, and planning careers and successions. As mentioned previously, single sign-on should be deployed that enables employees to access these systems without logging into each one separately. If an issue cannot be resolved using HR self-service, employees and managers need access to HR case management via self-service to create cases or track existing inquiries. HR organizations with service centers backed by employee/manager

self service and an HR-focused help desk tool are able to service, on average, 167 employees per HR resource as opposed to only 134 employees per HR resource in organizations without self-service and an HR Help Desk.<sup>21</sup>

## HR Case Management

Arguably the backbone of excellent service delivery, employees and HR service agents require access to an automated HR case management tool. Case management tools, sometimes called help desk applications, universally provide several benefits for the HR service center including automated workflow, case assignment, and case tracking. Many case management products exist today and the majority of them were created with IT or customer support service needs in mind. A small number of case management tools, however, were designed with HR service delivery in mind and have best practices built in.

True HR case management tools enable service agents to resolve employee inquiries as quickly as possible by giving them access to information from the HRMS from within the help desk. They provide a single source for the caller's HR data and service center data so agents are armed with the information they need to resolve most calls on first contact, allowing more inquiries to be handled by fewer agents. HR-focused case management tools that prominently display employee HRMS information empower agents to resolve most of the inquiries coming into the center. Relevant HR information could include employment data, benefits plan enrollment, payroll information, and absence data. It is estimated and widely accepted that at least 60% of inquiries reaching the HR service center are simply data verification questions. Employees, for example, often contact the service center to verify that a recent change they made to their benefits elections or payroll withholding has been processed and is reflected in their records. HR agents are able to resolve these inquiries quickly and often on first contact when relevant HRMS information is available to the agent within the help desk application. It is not enough to just have access to information from the HRMS, the information available to agents should be retrieved and displayed real-time. It is important the data be current since employees could submit HR self-service transactions in the HRMS and then contact the HR service center to verify those changes. If the HRMS information available to agents within the help desk application is stale, agents will not be able to effectively resolve these basic HR data verification inquiries.

Agents should also have visibility into a caller's service center history including HR case history, interactions, and past correspondence. This is crucial to curb the issue of answer-shopping where callers contact the service center repeatedly, hoping to get a different agent, until they get the answer they wanted. With access to the caller's interaction and case history, agents are able to curtail answer-shopping by providing consistent answers based on what a caller has already been told. If an inquiry cannot be resolved using the HRMS information available, or if an issue requires escalation to a

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<sup>21</sup> CedarCrestone 2010-2011 HR Systems Survey

specialist for resolution, HR service agents need the ability to quickly and easily create an HR case for the caller.

Agents need the ability to access HR knowledge base content from within the case and tie relevant solutions directly to a case. The actual HR case, sometimes called a ticket or inquiry, should also support productivity tools that enable agents to populate case information with the minimum number of keystrokes and clicks. Features like service center-defined defaults that agents can select to populate all required case fields, boost agent productivity while ensuring that HR case information is completed consistently. To fully assist callers and resolve their issues, HR agents sometimes need to access key HRMS transactions. It is most efficient if HRMS transactions are accessible from within the case, as opposed to requiring agents to leave the help desk tool and sign into a separate HR system. Another benefit of displaying real-time HR information within the help desk application is the fact that any changes the agent makes when accessing the HRMS are immediately reflected in the HR case management tool. Access to HR information and HRMS transactions is vital for HR service agents but it should not be unrestricted. It is important that agents only have visibility to HR information and transactions based on their role as well as their security permissions access in the HRMS. Agents should not be able to view or update information that they would otherwise not have access to if they logged directly into the HRMS.

### **Service Level Management**

High-performing HR service centers measure key indicators including service level management. Service level agreements are necessary to track performance against agreed-upon response and resolution commitments. It is important to have the ability to associate service level agreements to HR cases and then report against the percentage of cases meeting or exceeding those agreements. The help desk application should support the ability for administrators to define different levels of service and further require that HR agents associate these agreements to the cases they create. Service level agreements are also valuable to HR agents responsible for resolving assigned cases. The most pressing cases, with past or looming service level deadlines, can be worked first. This ensures that prompt and equitable service is given to the workforce. Not all service level agreements have to be created equal, however, as organizations are likely to apply shorter resolution timeframes to higher priority employee inquiries and issues. The agreement does not guarantee that all inquiries are treated the same, but it does ensure that all inquiries of a certain type are handled within the same timeframe.

Service center managers need visibility into the service level agreement statuses of HR cases assigned to their team members. This allows HR service center managers and supervisors to reassign case workloads if they see agents with a disproportionate number of cases exceeding the service level agreement. Service centers that analyze service level adherence and find they have difficulty meeting their case service level agreements should research further to understand the causes. Inability to meet case service level agreements could indicate any number of problems including that the service center is understaffed, that processes are not sufficiently automated, or cases are not properly being escalated to specialists in a timely manner. Without the ability to track service level adherence and reassign HR cases as necessary, the service center has no way to measure whether it is providing prompt service nor does it have a way to proactively re-allocate caseloads before unresolved cases exceed agreements.

## HR Knowledge Base

The HR knowledge base is the key to empowering both employees and service agents to find the information they seek. As discussed, both employees and agents should have access to the same searchable knowledge base containing HR content. However, not all content should be visible to employees using self-service so solution managers need the ability to provide access only to HR agents for certain content. To help ensure that the most relevant content is displayed for employees and agents when they search, solution managers should be able to group content and associate criteria to those knowledge libraries. Users searching the knowledge base should return only content pertinent to them based on criteria such as their location or role, providing for a more personalized experience.

The HR knowledge base should support new content creation as well as content aggregation from existing internal and external sources. These content sources could include the intranet, internet web sites, file servers, or any other source of digital knowledge. It is important to be able to leverage existing internal and external content so that not all knowledge base content must be created manually from scratch; this saves the HR service center time and eliminates duplicate copies of content that must be maintained.

Once an organization has a shared HR knowledge base, their employees and agents have access to a consistent source of information. HR agents will be able then to provide standard and predictable responses to employee inquiries. Sometimes the mere existence of the knowledge base is not enough; organizations can still struggle with employee and agent user adoption if the content is visually plain. It is equally important to have the ability to format knowledge base content and make it visually appealing using rich text, embedded links, tables and images. This allows organizations to mimic the experience their users are having on other web sites within the HR knowledge base and promotes user adoption. Lastly, the knowledge base should be accessible from within the HR case management tool so agents can search the shared content to resolve employee inquiries and associate solutions to the case. Employees using self-service HR similarly need the ability to search the knowledge base as a standalone tool as well as from within the context of the HR case they are creating.

## Employee Communications

Finally, to effectively close the service delivery loop, HR organizations need a tool that allows them to communicate with their employee population. Employee communications should deliver the right message to the right audience, capture feedback so an organization can take action, and allow organizations to gain HR program insight and measure success. The communications tool should support employee segmentation based on HR and/or help desk criteria, for example only those employees enrolled in a specific medical plan or all employees who opened an HR case within the last three months. Using data from the HRMS and help desk application allows organizations to send a targeted message to the exact group of employees they wish to reach. The communications tool should allow the HR organization to easily see how employees are acting upon the messages by reporting information including which recipients opened an email, who clicked an embedded link, and so forth. Follow-up communications should be supported so, for example, a reminder email could be sent to just those employees who did not open the first important email communication.

Interactive communications are important to capture employee feedback which can be analyzed to improve HR service delivery, streamline processes and procedures, or plan for future initiatives. When HR organizations better understand employees' wants and needs, they are able to roll out high value initiatives that meet the needs of their constituents. After launching new HR programs, the communications tool should allow Tier 3 resources to monitor the success of those initiatives and adjust the HR organization's investments based on real-time employee feedback. Employee communications can be used to welcome new employees, survey a population on a specific topic, inform the workforce of relevant changes, or promote events. For example, service centers benefit from the ability to send timely satisfaction surveys to employees after their HR cases have been resolved. Employee responses should be collected, analyzed by the tool, and used to report trends in service center satisfaction. This gives HR service center management a real-time pulse on the employees they serve and their perception of the organization's HR service.

## Lowering Costs with Alternate Service Channels

Multiple service channels enable organizations to reduce costs and service more employees with fewer HR service agents. The most costly service delivery interactions occur when employees call the HR service center on the telephone and speak to a live agent. Phone calls tie up individual HR agents for extended periods of time and prevent them from assisting other employees during the duration of the call. The lowest cost service channels are those that allow employees to help themselves without involving a live service agent. These are sometimes referred to as e-channels and include HRMS self-service and help desk self-service. E-channels also provide employees with 24/7 access to the service center which is especially important for organizations that operate across countries, across time zones within a country, or service employee populations that must access a computer after working hours. HR service delivery costs drop to near zero when employees submit their own HR transactions, such as updating personal information, through HRMS self-service. Similarly, service costs can decline substantially when employees use self-service to search a standalone HR knowledge base and find answers without creating an HR case.

The next most cost-effective delivery channels are those that provide service involving HR agents without the use of live voice. If employees search the knowledge base and cannot find answers to resolve their inquiries, they need the option of creating self-service HR cases. These cases should be automatically assigned by the case management tool to HR agents for follow-up and resolution but do not necessarily require a live conversation between the employee and the agent. Email is another low-cost channel that allows employees to contact the service center and report issues or ask questions. The email channel can be used to direct employee inquiries to different email addresses based on the issue and case management integration should allow automatic creation of HR cases stemming from inbound emails. All email communications between the employee and service center pertaining to an inquiry should be captured as interactions and associated to the HR case. Agents then need access to this email communication history so they can verify what an employee has already been told in order to provide consistent answers from the service center and help eliminate answer-shopping.

Chat is yet another alternate channel involving HR agents that does not require an expensive phone conversation. It is important that employees be able to initiate live chat with the HR service center

either directly from the HR portal or from within the self-service HR case management tool. Chat enables HR agents to multi-task while assisting employees and takes away some of the pressure from a live phone conversation. In some organizations agents can handle multiple chats simultaneously, in essence allowing each agent to service several employee inquiries at the same time. This would not be possible using the standard telephone channel. As the service delivery adoption trends highlight, chat is currently one of the least deployed channels for HR service. We expect the adoption of live chat within the HR service center to continue to rise especially since chat is becoming prevalent for customer support websites. Employees will soon be accustomed to using chat when interacting with customer support centers in their personal lives and will expect similar service channels from their HR organization.

The least cost-effective but most widely used service channel today remains the telephone. Organizations intent on providing high-touch HR service rely on service center agents to handle inbound phone calls. Although telephone service is the most expensive option, there are ways to improve its efficiency and reduce costs associated with that channel. Integration with an Interactive Voice Response system (IVR) and Automatic Call Distribution (ACD) device are important to properly route incoming calls to available agents with the right skill set. Routing calls based on the nature of the inquiry will result in shorter per call times and enable HR agents to handle more calls per day. Further, deploying Computer Telephony Integration (CTI) with the HR case management tool will ensure that the agent receiving the call has all the relevant information they need on their screen to immediately begin verifying the caller's identity and resolving the HR inquiry as soon as they answer the call.

## Importance of Integration across the Service Delivery Platform

We have touched upon the importance of integration in HR service delivery throughout the paper. For obvious reasons it is important that the HR portal and IVR/ACD are integrated with the rest of your service center technology. Employees must be able to access self-service case management and the knowledge base using links displayed on the portal. These portal links should support single sign-on integration, as we discussed, so employees are not required to log-in separately to each application they must access. Service centers that have deployed IVR systems and ACD devices will further benefit from CTI integration with their HR case management tool. Organizations that utilize CTI in conjunction with their IVR/ACD systems are likely to realize reduced call times, an increased first call resolution rate, and a decrease in the amount of call transfers within the service center.

Integration between the HRMS and HR case management systems provides a key benefit for HR service delivery. It is important to have the same relevant employee information in both the HRMS and the HR case management tool so that cases can be logged against consistent data. Changes made to employee data in the HRMS should automatically flow over to the HR case management system. For example, new hire data entered into the HRMS also needs to be sent to the case management system so HR cases can be created when the employee uses self-service or contacts the service center. Likewise with terminations entered in the HRMS, that update should also be reflected in the case management system so HR agents providing service to the ex-employee are aware of their employment status. Information passed from the HRMS to the case management system should include reporting

structure which then allows managers to report HR cases on behalf of their direct reports. This integration also allows for HR agent skills and competencies recorded in the HRMS to flow over to the case management system where they can be used to assign new cases, escalate inquiries, and route incoming calls or chats.

Security is yet another benefit of an integrated service delivery platform. Access to data in the HRMS can be controlled based on existing HR agent security permissions when the HR system is integrated with the case management system on a single platform. Agents who normally cannot access payroll information directly in the HRMS should not be able to access that data from within the case management tool. Deploying an integrated, single security platform will allow organizations tighter control over access to HRMS data. Integration between the HRMS and case management tool also enables HR agents to jump directly from the case into HR transactions while respecting the security setup in the HRMS. Direct access from within the case to transactions in the HRMS should allow service centers to reduce call handling times and make their agents more efficient overall.

Lastly, important benefits can be realized when the communications tool is integrated with the HRMS and case management system. Employee communications can be properly targeted to the right population when the communications tool can leverage employee data in the HRMS and case management system. Employees are more likely to pay attention to messages that are relevant to them and the response rate should increase for targeted interactive communications such as surveys.

## Legislative and Regulatory Compliance Considerations

There are many legislative and regulatory compliance issues to consider when choosing an HR case management system. Oracle cannot provide any legal advice regarding compliance and must encourage all organizations to research and fully understand the legal requirements that impact HR in the countries in which they operate. Below, we discuss some examples relevant to HR service delivery.

Within the U.S., compliance with the Health Insurance Portability and Accountability Act (HIPAA) is a major concern impacting HR service delivery. Contained in this legislation is the HIPAA Privacy Rule which provides federal protections for personal health information held by covered entities and gives patients an array of rights with respect to that information. The HIPAA Security Rule, most relevant for HR service delivery, specifies a series of administrative, physical, and technical safeguards for covered entities to use to assure the confidentiality, integrity, and availability of electronic protected health information. Since employee inquiries can involve health information, it is important that any HR case management tool deployed for HR service delivery support HIPAA compliance by allowing HR cases to be secured. Access to secure cases should be restricted to only the appropriate agent group, for example medical benefits, within the HR service center.

Sensitive HR grievance processes, such as those protected by U.K.'s Equality Act 2010, must also be supported by the HR case management system. The Equality Act covers the same groups that were protected by existing equality legislation - age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity - but extends some protections to groups not previously covered, and also strengthens particular aspects of equality law. Since the transgressor is commonly reported in a discrimination or harassment complaint, the HR case

management system should support the grievance process by allowing agents to identify both the employee reporting the issue and who it is being reported against. The transgressor should be prevented entirely from viewing the case in self-service and only the appropriate HR group should have access to the grievance. Many organizations have to support similar requirements for other sensitive HR policies such as reporting sexual harassment.

## Is Your Current HR Service Delivery Model Working for You?

It is important for organizations to assess and re-assess their HR service delivery approach to ensure they are achieving optimal results. There are many indicators that can point to a broken HR service delivery model and HR service can be assessed by looking at both the employees' and agents' actions. Your HR service delivery model is likely not working if employees are not empowered to help themselves. If your employees waste time looking for the correct person to contact in HR or just revert to calling who they know in HR whenever they have an issue, your service delivery model may need adjustment. If employees make it a habit to answer-shop until they get the answers they wanted to hear, consider an improvement of your service delivery enabling technology. Also, if your employees often complain of slow HR response and resolution times it is probably a sign of an inefficient service delivery approach.

Likewise, if your HR service agents do not consistently use your current case management system they may view it as a burden that does not add any value. This could be an indication that your current case management tool does not fully meet your HR service delivery needs. If your HR agents typically handle inquiries they are over-qualified to resolve, your service delivery model likely needs tweaking. Your service delivery approach may be less than optimal if agents often recreate the wheel when assisting employees and provide inconsistent answers. Finally, if your HR agents suffer from a lack of employee insight to quickly respond to inquiries and are not accountable for their actions, you should consider changes to your HR service delivery technology.

## How Oracle Enables Efficient HR Service Delivery

Oracle's workforce service delivery offerings provide the complete set of technological solutions that organizations need to enable efficient HR service delivery. Beginning with the employee's first stop at Tier 0, Oracle offers applications-focused portal solutions for PeopleSoft HCM and E-Business Suite HCM customers. Organizations have a choice of deploying the Oracle Portal or PeopleSoft Applications Portal. These portal solutions are delivered with out of the box integration to Oracle HCM, provide role-based access to employees, and leverage Oracle's Identity Management and SSO security products. Organizations can also choose to deploy Oracle's WebCenter Suite portal solution with or without an application-focused portal. Oracle's WebCenter Suite is a development platform that includes a fully pluggable architecture for customers to integrate services into the applications that they build. These services can include everything from enterprise applications, content, communications and collaboration tools, to custom applications. WebCenter Suite provides not the only the ability to aggregate content from other sources and link to applications but it also delivers the

platform for rapid creation of a new generation of context-centric, composite applications that will change the way people work.

Oracle's PeopleSoft HCM and E-Business Suite HCM provide extensive employee and manager self-service capabilities that enable employees to submit their own HR transactions. Employees are empowered to take control of life events including but not limited to changing benefits elections, updating personal information, and creating a career plan. In addition, managers are given the self-service tools they need to effectively manage their direct reports with access to transactions, for example, that enable them to allocate compensation, approve timesheets, and plan successions.

Oracle's PeopleSoft HelpDesk for Human Resources delivers quick answers to employee questions with its self-service knowledge base. HelpDesk for Human Resources offers self-service capabilities that enable the workforce to search a knowledgebase, browse FAQs by topic, or use an interactive branch script to get answers based on their specific answers to a series of questions. The knowledgebase search is keyword based and provides search results that are scored for relevancy. Knowledgebase content can be segmented and secured based on criteria such as employee location and role, resulting in knowledgebase search results that are personalized to the employee. Knowledgebase content can either be built by your HR organization or the knowledgebase can leverage existing content and search external content like policies and procedures documented on web pages and in files making that information available in the search results. For content built in the HelpDesk for HR, a rich text editor is provided to administrators to enable the creation of rich text content that can contain links to HR self-service pages, directing employees to help themselves even further. The HelpDesk for HR provides a variety of live and offline channels for the workforce to contact HR when direct interaction with HR is required for more complex issues that cannot be resolved by the knowledgebase, portal or HR self-service.

Fully integrated with Oracle's PeopleSoft Multichannel Communications and CTI Integration offerings, HelpDesk for HR provides employees with alternate channels of HR service agent interaction including interactive voice, live chat and email. PeopleSoft Helpdesk for HR provides HR agents with tools to boost their productivity and deliver excellent service. With delivered integration to both PeopleSoft and E-Business Suite HR systems, the 360-Degree View displays HR summary data for the employee "caller" like personal profile information benefits summary, absence information, job data, payroll data and direct reports (if the employee is a manager). To simplify the HR case creation and resolution process for the most routine questions, with 2 clicks from the 360-Degree View or the Case, the HR agent can automate the creation, categorization, and resolution of cases for your service center's frequently asked questions. The HelpDesk for HR delivers complete case management capabilities, enabling HR organizations to capture and categorize inquiries in order to understand trends and guide users through case management best practices.

With the HelpDesk for Human Resources, you can deliver a centralized knowledge base integrated to case management, enabling information to be shared across HR for the consistent and quick resolution of inquiries. HR agents can quickly navigate to the PeopleSoft or E-Business Suite HR pages to either make an update or retrieve more information. HelpDesk for Human Resources "Action Links" deliver predefined drop-down lists of commonly accessed HR pages organized by category, with over 130 links to pages related to Benefits, Payroll, Stock, Learning Management and more. The HelpDesk for

HR delivers comprehensive and fully configurable workflow management, with an alert and notification engine that keeps case resolution on track. Agents and management can be alerted when cases are reassigned, if a service level agreement commitment is at risk, when escalation is required, and much more.

HelpDesk for Human Resources was designed to enable HR organizations to securely track and handle the most sensitive of HR employee issues in order to protect the privacy of sensitive employee information, reduce liability, and ensure HIPAA compliance. Most importantly, HelpDesk for Human Resources is a highly configurable system enabling HR to quickly adjust the system to better meet your service needs. Field labels can be changed, drop down options can be updated, workflow can be configured and much more. The flexibility of the HelpDesk for HR will reduce your service delivery costs and make service delivery more agile.

Oracle's PeopleSoft Workforce Communications is a comprehensive solution for planning and delivering HR programs and surveys to the workforce and can help HR organizations address these challenges. Workforce Communications enables organizations to continue the service dialog with their workforce and close the service delivery loop. To understand customer satisfaction, the Workforce Communications solution provides surveying functionality integrated to the HelpDesk for HR, delivering surveys to customers upon case resolution. HR organizations can gain insight to how satisfied their customers are, where improvement is needed and if satisfaction is linked to certain types of issues or individuals in the HR organization.

Workforce Communications also enables HR organizations to deliver proactive service communications to educate the workforce on the most common service inquiries using the email and web. HR organizations can deploy regular service newsletter communication campaigns to raise awareness of lower cost channels, top issues, and to ultimately reduce HR inquiry volume. Workforce Communications will allow you to understand trends in employee engagement, make sense of critical feedback/data captured, and identify workforce populations that are the most and least engaged. Most importantly, Workforce Communications is fully integrated with PeopleSoft HCM and E-Business Suite HCM which enables organizations to target the right employee population based on information stored in HR and the HR HelpDesk.

Oracle's integrated workforce service delivery solutions can help you cut HR service delivery costs, increase employee satisfaction, and boost workforce productivity through a single sign-on interface for all HCM transactions, HR-specific help desk technology, and a multitude of self-service HR functions. These solutions enable you to:

- Reduce the burden on HR staff with employee and manager self-service
- Achieve best practices through self-service, secure sign-on, portals and shared service models
- Increase employee satisfaction and streamline employee inquiries with HR help desk

## Conclusion

Organizations expect their HR service delivery centers to accomplish more with fewer resources and contain costs while providing excellent HR service. Taking the right approach to service delivery is a critical first step to meet those goals and will allow organizations to service more inquiries with fewer HR agents. Choosing the best service delivery approach for your organization often means considering a shift to a multi-tiered HR service model with key enabling technologies implemented. To provide the highest quality HR service with the fewest resources and the lowest costs, organizations should deploy essential solutions including an employee HR portal, self-service, automated case management, an HR knowledge base, and an employee communications tool. Driving employees to the lowest cost service channels while empowering them to help themselves will ultimately reduce your HR service delivery costs, improve your HR service delivery, and result in improved employee satisfaction.



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