

HR Transformation in the Public Sector



By Lindsay Muirhead

The HR field has undergone significant changes during the last two decades. Along with this, efforts to transform the HR function in the public sector are on the rise and picking up momentum. This article explores the range of HR transformation activities, offers advice on deciding if your organization is ready for transformation, and presents tips for implementing transformation projects.

HR transformation can take many forms in the public sector. For some organizations, it means migrating to shared service centers or to centers of excellence in order to reduce duplication and to enhance service consistency. For other organizations, HR transformation entails considering outsourcing options or employee/manager self-service systems to reduce costs. For still others, HR transformation projects are focused on creating strategic partnerships between HR staff and business managers to meet business objectives. This article is focused on this last type of HR transformation.

Just as the range of HR transformation activities is broad, so too is the range of workload levels associated with these various strategic partnership efforts. Transformation initiatives might only require reinventing specific policies and HR programs to capitalize on efficiencies to meet business goals. Alternately, the initiatives might involve large-scale endeavors that significantly change work processes through the complete overhaul of an HR organization, including organizational realignment of departments, personnel, and work activities.

While the range and workload requirements for HR transformation are wide and will vary from organization to organization, the goal typically be the same: to transform the HR function from its previous role as administrator and enforcer of policies to that of a strategic

partner, skilled in consulting and collaborating with managers to inform and influence strategic decisions and meet business objectives.

Transformation Readiness

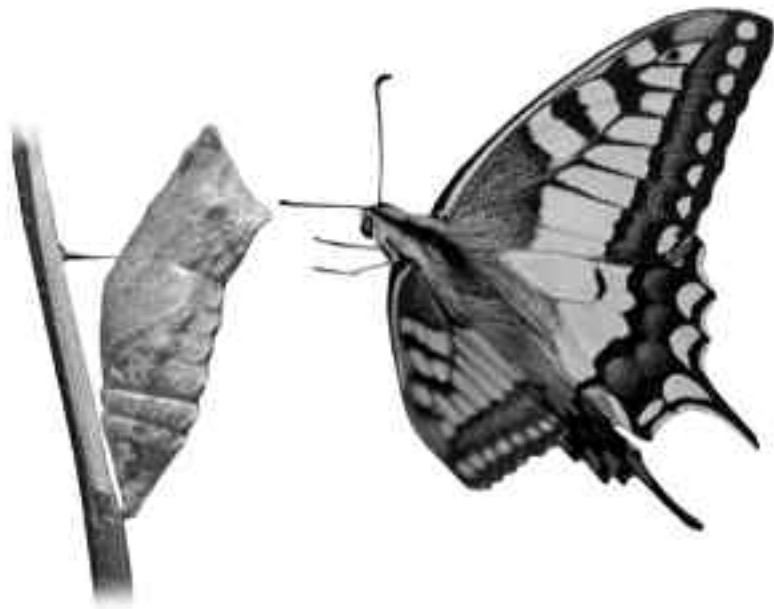
As HR transformation initiatives become increasingly popular, it is wise to first consider if your organization is ready to undertake such an endeavor.

Historically, HR departments were administrative processing centers staffed with experts in functional areas such as staffing, benefits and payroll. While many organizations have moved away from this outdated model of administrative and policy enforcement activities and toward the strategic alignment of HR processes with business strategies, many other organizations have not. Internal HR staff members might still view themselves as functional experts and may be reluctant to alter their roles. In addition, line managers may not initially be accepting of HR specialists in new roles and, furthermore, may not be prepared to work alongside HR as strategic partner. In either case, performing an environmental scan for readiness before implementing any type of HR transformation initiative is strongly encouraged.

In assessing your organization's readiness for transformation, it may be helpful to ask yourself and your organization the following questions.

What Are the Key Drivers of HR Transformation?

The idea for HR transformation can come from either within or from outside an organization. Maybe your organization's strategic plan outlines specific business objectives that can be achieved only through the transformation of HR services, or it might be that your



organization's management team is asking for more HR input on strategic decisions. Externally, your survey analyses and research may have revealed that your counterpart agencies are succeeding in areas you are not, or an external or internal audit could have revealed deficiencies that can be corrected only through a transformation project. Whatever the case, analysis and understanding of key HR transformation drivers will contribute greatly not only to the articulation of transformation project goals, but also to the development of the business case needed to generate management support for the project.

Is There Management Commitment to the Project?

Just as it is crucial to understand what is driving a transformation project, it is even more important to determine if there is support for the change. Without commitment from managers or a change champion, any HR transformation endeavor will fall short. A thoughtfully prepared business case, requiring extensive benchmarking research and analysis may be necessary to gain and sustain support from management.

What Resources Will Be Necessary, and Are Those Resources Available?

As with any project, an HR transformation initiative requires dedicated resources. Depending on the extent of the transformation initiative, these resources could be significant in terms of both time and money. Resource consideration and planning should be an integral part of the HR transformation business case. HR transformation does not happen overnight, and an implementation time frame of several years is not uncommon. The budget for the actual implementation and management of the transformation change could be hefty. Additional staff might also be needed for both the short-term coordination of the transformation initiative and for long-term changes to HR work processes. Finally, external contractor or consultant support can become significant.

Tips for Implementation

If your organization is ready to transform the HR function and make the leap to strategic partner status for HR staff, following the tips below should help you as you implement the transformation project or look to improve ongoing transformation activities.

Plan for Transformation

The first step for any major initiative involves thoughtful planning. Planning should include a clear definition of the key drivers of HR transformation, as identified in the above environmental scan for transformation readiness, as well as and conducting background research into previous transformation initiatives to evaluate lessons learned. During the planning phase, organizations should also identify the desired outcomes of the transformation. Establishing transformation outcomes will help create a vision of what the organization will look like once the transformation is complete.

After creating the transformation vision, the next step is to develop a detailed plan for how to achieve the vision. This project implementation plan should include time frames, milestones and resource allocations. The plan should address anticipated challenges and outline strategies for avoiding or mitigating those challenges. It will also help to spell out how the gap between current processes and desired processes will be bridged. In total, the transformation plan should explicitly state the why, what and how of the initiative so your organization will be prepared for obtaining stakeholder buy-in for the project.

Obtain the Necessary Resources

The importance of forecasting and securing resource investments cannot be overstated. Resource planning must be done before any transformation project even gets off the ground. You will also have to allow for the normal administrative delays inherent in getting these resource allocated.

If budgetary limitations do not allow for initiating the optimal transformation initiative, it might be necessary to reduce the scope of the project or to delay it until resources become available. The last thing an HR staff wants to do when working to build a strategic partnership with management is to create excitement and expectations about a change, and then not deliver the promised results because of resource shortages. Such a situation will not only derail the transformation, but will also erode the foundation of trust and credibility necessary for a strategic relationship with management.

Look for Strategic Opportunities and Involve Stakeholders in the Transformation Process

As a first step towards forming a strategic partnership, HR staff should look for opportunities to have strategic discussions with managers. For example, if your organization is currently conducting staffing planning, you, as an HR professional, may be able to provide line managers with workforce data that could be helpful for making staffing decisions. Managers will appreciate this, and they might then

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further involve HR staff in other strategic decision-making and organizational activities.

Involving management stakeholders in the HR transformation process can also be a great initial step toward overcoming management resistance to the project. Ask for input and feedback throughout the transformation and change initiative. Show customers that the HR department is listening and making suggested modifications to the process. Ask customers how HR staff can continue to help them meet their business goals.

Focus on Change Management

One of the main challenges with any type of change initiative is resistance to change. Business managers might resist HR transformation for many reasons. They might not be accustomed to working with HR staff in a collaborative way, or they may not understand the value that the HR staff bring to strategic decision making. Well-designed communications and change management plans that address and involve all external stakeholders can help the leaders of the HR transformation project meet this challenge.

A comprehensive communication plan should specify the target audiences, the key messages, the methods (multiple methods are encouraged), and the time frame. Communications to managers about the HR transformation initiative should be sent out well before any changes occur. Change communication methods could include Web sites dedicated to transformation project information and updates and video messages from organizational leaders to the workforce heralding the project. Any written communications could be supplemented with face-to-face meetings between HR staff and line managers to discuss anticipated changes to workflow and processes. Finally, introducing changes slowly may help with management acceptance of transformation efforts.

Resistance to change might also be felt from HR staff. As mentioned earlier, many HR departments still operate under functional models. HR staff may view themselves as expert administrators in specialty areas and may find it hard to transition to more flexible, consultative roles. The need to help HR staff transition is another reason for developing internal change management and communication plans. Frequent and consistent communications to staff about the HR transformation initiative and the benefits of the transition throughout the planning and implementation phases of the project are encouraged.

Ongoing focus and discussion groups can be organized so that staff going through the transition can discuss issues, apprehensions, challenges and successes. HR departments should also put in place the necessary training and development activities to assist HR staff as they transition to their new roles. Training could focus on technical skills, as well as soft skills such as customer service and conflict resolution that are important for their new consultative roles. Utilizing change management resources such as training opportunities and discussion groups should go along way to easing internal HR staff resistance and apprehension.

Evaluate and Improve Upon the Transformation

Last, best practices for managing change include conducting ongoing monitoring and outcomes evaluation. As mentioned previously, it will serve HR staff well to consult with management stakeholders throughout an HR transformation process to receive managers' feedback on the initiative. Such consultations will not only help HR staff ensure they are meeting their customer service goals during the transformation, but will also help gain management buy-in to the transformation process.

Internal checks of the HR staff transition are also encouraged. Monitoring and evaluation can be informal, such as one-on-one chats and phone calls, or more formal, and include surveys and focus groups. In any case, HR transformation does not happen overnight, and periodic monitoring and evaluation are necessary to ensure that the transformation goals, outcomes and objectives are being met and which activities or objectives need to be adapted to meet challenges or new conditions.

Overcoming Transformation Challenges

Constant change is part of the transformation process, as is frustration with challenges and project setbacks. Common project hurdles and obstacles include changes in the organization's senior leadership, changes to organizational priorities and budgets, and delays in acquiring needed technology and other resources. When confronting any of these challenges, it is important to keep the big picture in mind and to revisit the transformation end goals to stay focused. Organizations may also consider what implementation steps or independent projects can continue to be carried out to keep the transformation momentum and progress going while working through challenges or setbacks.

HR transformation initiatives will continue in the public sector as managers and HR professionals alike come to realize the importance of transformation and the value of establishing strategic business partnerships. However, those transformation projects will only be successful if organizations diligently analyze their readiness for change, plan appropriately for the projects to ensure proper resource allocation, engage stakeholders through thoughtful change management activities, and perform necessary evaluation activities in pursuit of continuous improvement.

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