



Shared Services

A New Incarnation of HR

By Missy Kline

The University of Tennessee is a large, public, land-grant university headquartered in Knoxville, Tennessee. The UT System is comprised of five campuses, the statewide Institute of Agriculture and the Institute for Public Service. The university enrolls more than 48,000 students statewide; employs 12,450 full- and part-time faculty, staff and student workers; and enjoys a presence in each of Tennessee's 95 counties.

It's easy to see how, in an institution of this size, the human resources department could get bogged down in the day-to-day operations of transactions, processes and procedures. But University of Tennessee leadership needed more from human resources. It needed a fully engaged strategic partner – one that could efficiently and effectively develop and nurture the workforce and work culture necessary for the continued success of the university.

It was clear a human resources redesign was in order.

Time for Something New

The plan for the HR redesign was set in motion in January 2009. That's when the university's then-president asked chief human resources officer Linda Hendricks to evaluate the HR function across the entire University of Tennessee system in order to determine how best to transform HR from a mostly transactional entity to a more strategic one. The request came as no surprise to Hendricks.

"When I came to the university in the fall of 2008, there was dissatisfaction with HR services on every campus," she admits. "For years, HR had been a transactional, functional

unit – busying itself with policies and procedures and processing manual transactions – instead of trying to align itself with the university's priorities and goals. I want to stress that it's not that we didn't have good people in HR, because we did, and still do, have tremendous talent and phenomenal employees," she continues. "We just weren't utilizing those people's skills and expertise to function in the most efficient way."

The university's HR redesign is intended to right this wrong by increasing the effectiveness of HR; streamlining delivery of services; automating processes and procedures; reducing costs; and adding new services as well as enhancing existing ones.

Planting the Seed

With the directive from the president to improve upon HR, Hendricks began the mammoth task of creating a new model of human resources for the university. The approach she chose was a shared services model with three tiers: the first tier consists of the human resource officers on each campus and in each institute; the second tier consists of regional service centers; and the third tier is the system-wide HR administration. More on this later. But first, a look at how the redesign moved from idea to implementation (because we all know that getting there is half the battle!).

After designing the shared services model, Hendricks took her idea to the president, who she says "supported her 100

percent." He then directed her to set up meetings with the chancellor and/or vice president(s) at each campus and institute to present her vision to make sure that it aligned with their vision and the needs of their campus. "I'm happy to say I got total support from every chancellor and VP I visited, and, as I'm sure you can imagine, that's a

rare feat," says Hendricks. "An even rarer feat was that, after meeting with the chief business officer on each campus and conducting several financial assessments, we were able to keep the initiative budget-neutral in the beginning," she continues, "which meant no scrambling around to find funds in an already uber-strapped budget."

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After all the details were ironed out and the new shared services model was deemed a go by top administration, Hendricks met with each HR officer in the UT system, then with all the HR employees as a group. "We had total support from the get-go from top administrators," says Hendricks. "The apprehension came from the rank-and-file HR folks, which was completely understandable. After all, change can be a scary thing." However, apprehension has turned to excitement for most HR employees as the new shared services model is taking shape.

A Three-Tiered Approach to Shared Services

As mentioned earlier, the University of Tennessee's new HR model has three tiers. The first tier consists of the HR officers on each campus and institute. Hendricks points out the importance of having a face on campus that people know and trust. "Although we can provide a great many services on the web or through call centers," she says "it's imperative that we have a person on each campus that is seen as a strategic partner and a member of the leadership team that guides that campus or institute." Part of the redesign process was to strategically align these HR officers with campus/institute leadership and the system CHRO.

The second tier of the new HR model is made up of two regional service centers (which are new and were implemented as part of the redesign). These service

centers are designed to free up the university's HR officers so that they are able to be more engaged with employees and top leadership on their campuses. The main feature of these service centers is a call center which any employee can call toll-free during business hours and speak to a real person (no automation!) about anything HR-related. Service center employees are highly skilled, extensively trained and specialize in different areas of HR.

The East Regional Service Center is located on the university system's largest campus – UT Knoxville. This service center provides support and services for employees of the university's Institute of Agriculture, Institute of Public Service, the president's office, UT Chattanooga, UT

Knoxville and the Space Institute. The West Regional Service Center is located in Memphis and provides services to UT's Health Science Center, UT Martin, Clinical Education in Chattanooga, the Family Practice Clinic in Jackson and the Graduate School of Medicine in Knoxville.

The decision as to which service center would support which entity was largely based on geographical location. However, a conscious effort was made to group all of the university's healthcare entities into one service center (the West) because, as Hendricks so aptly puts it, "workforce planning, recruiting, compensation planning and many other HR functions are completely different for healthcare-related positions than they are for higher ed positions. By grouping all the healthcare entities in one service center, we could make sure that we were providing the best service and support possible to those employees."

Much of the time and effort spent on the new HR model went into creating and refining the service centers. "Without looking at individual staff members, we asked ourselves, 'What competencies are needed to run these service centers?'" says Hendricks. "Once we had the answers to that question, we then had to look closely at the skills sets of our current HR employees to discover what competencies we already had and where there were gaps." Before making any decisions on the staffing of the

service centers, Hendricks and her team conducted an in-depth analysis of all HR staff members system-wide. The results of this competencies analysis helped to ensure that the right people were placed in the right positions within the service centers.

The third and final tier of UT's shared services model encompasses the system-wide HR administration. When Hendricks first came to the university in 2008, there were 22.5 FTEs in this pocket. Over the next year, that number was reduced to 18. And with the HR redesign, the majority of those 18 employees are being reassigned to the service centers, leaving five full-time employees in the system-wide HR function.

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"We quickly realized that the system office is not where we most need our resources," says Hendricks. The five people who remain in the system HR office are the most senior HR staff members, the ones who are laying the foundation for the new HR function and guiding the redesign process. The remaining 13 employees are highly skilled in specific competency areas and, as Hendricks puts it,

will "add tremendous value to the service centers."

Service Enhancements and a Five-Year Plan


Aside from increasing HR's effectiveness, streamlining service delivery, automating processes and reducing costs, the HR redesign and shared services approach has also enabled the university to enhance existing services and add some new ones (see Figure 1). The HR website has been redesigned to be more user-friendly. The university now has a workforce strategic plan, an HR technology plan and a statewide recruitment brand.

The five-year strategic plan recently created by HR (which, incidentally, has been validated by university chancellors and vice presidents as being aligned with their needs and expectations) encompasses 32 initiatives, including the implementation of new staff orientation and performance management processes and the creation of a career development institute.

“The redesign has allowed human resources to focus on the more strategic issues at hand,” says Hendricks. “We have been able to now turn our attention to issues such as succession planning, capturing data and analyzing workforce trending, developing a recruitment brand, and implementing an HR technology plan – these types of bigger picture items.”

The Final Countdown

The go-live date for the University of Tennessee’s new shared services model is January 4. After a full year of planning, experimenting and communicating (and hustling and sweating and fretting!), Hendricks and her team feel confident that the new HR model is primed and ready to go and that the shared services approach will do wonders for the HR function, and in turn, for the university.

“My ultimate goal for human resources is that we are able to fully align the HR function with the vision and goals of the university, and that we are seen by top administration as a strategic partner that adds value and is fully engaged in helping the university succeed and prosper,” concludes Hendricks. 

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Figure 1
New/Enhanced Services

