Job Analysis with Business Environment Data to Determine Work Most Suitable for a Shared Services Center

Tahir Hafeez (LMI) – Tahir.Hafeez@gmail.com
Dr. Lee Friedman (LMI) – leefriedman1406@yahoo.com
Katherine Millar (CIA)

23 JULY 2013

Purpose

▸ Show how you can achieve money savings and better performance for your organization by implementing shared services using our job analysis tool/methodology.

Agenda

1. **Demand** for shared services assessment

2. **Differentiators** of our tool/methodology

3. **Assessment** of work for shared services

4. **Findings**

5. **Evaluation** of the

   ▸ Shared services implementation

   ▸ Assessment tool/methodology

Demand for Shared Services

- Economic efficiencies
  - Labor Savings
  - Cost Savings e.g. Economy of Scale

- Effectiveness
  - Improve service delivery

Demand for Shared Services *Assessment*

- Why Job Analysis?

  - Scientific assessment of the work to determine which work is most suitable to be performed in a shared services setting.

Differentiators of our Tool/Methodology

‣ Our tool/methodology doesn't exist

  ‣ No literature found on how to evaluate the suitability of work to being performed in a shared services setting.

‣ What we found

  ‣ Assumptions that can be inaccurate

  ‣ Arbitrary judgments about the nature of the work

  ‣ No use of a task-based job analysis

Assessment Conducted

- ‣ Identifying and defining tasks
  - ‣ Validating the tasks

- ‣ Conduct job analysis
  - ‣ Data collection and analysis

Task-Based Job Analysis Tool

TASKS	Do you perform this task? (Select Yes/No from dropdown)	HANDS ON TOUCH TIME: Time A Person Takes to Actually Perform the Task — Please complete for minimum (i.e. shortest), typical (i.e. average), and maximum (i.e. longest) touch times						VOLUME — For each task, please report how many times you perform the task	ERROR CHECK: Annual Values You are Reporting — Check your Volume and Typical times for accuracy. Minimum and Maximum times are for reference.		
		Minimum Amount of Time Needed to Complete Task *(Use dropdown list)*		*Typical* Amount of Time Needed to Complete Task *(Use dropdown list)*		*Maximum* Amount of Time Needed to Complete Task *(Use dropdown list)*		*Annual Task Volume* How many of these tasks do you complete over the course of **a year?**	Minimum (in hours)	Typical (in hours)	Maximum (in hours)
Personal Admin/**Computer & Trouble-shooting**	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Personal Admin/**Emails (not part of other tasks)**	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Personal Admin/**Performance Evaluation**	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Personal Admin/**Personal Accounting**	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Personal Admin/**Time and Attendance**	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Personal Admin/**All Other Personal Admin**	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Personal Training	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Meetings-team, staff, ad hoc, etc.	Yes	Hour(s)	Minute(s)	Hour(s)	Minute(s)	Hour(s)	Minute(s)	time(s) per year	0.0	0.0	0.0
Task 1/**Sub-Task 1A**											
Task 1/**Sub-Task 1B**											
Task 1/**Sub-Task 1C**											
Task 2											
Task 3/**Sub-Task 3A**											
Task 3/**Sub-Task 3B**											
Task 3/**Sub-Task 3C**											
Task 3/**Sub-Task 3D**											
Task 4											
Task 5											
Other:											
Other:											
Other:											
									0.0	0.0	0.0
									Minimum (annual hours)	Typical (annual hours)	Maximum (annual hours)

Total **Typical** hours spent on all tasks annually (cannot exceed 2,080 hours/year): 0.0

Stop-Continue-Improve-Change Questionnaire

TASKS

Please provide any concerns or solutions for each question in the space below.

	TASKS	
STOP	What **tasks** should we STOP?	
CHANGE	What **tasks** should we CHANGE?	
START	What **new** tasks should we START?	

INITIATIVES/POLICIES/PRACTICES

Please provide any concerns or solutions for each question in the space below.

	INITIATIVES/POLICIES/PRACTICES	
STOP	What **initiatives/policies/practices** should we STOP?	
CONTINUE	What **initiatives/policies/practices** should we CONTINUE?	
CHANGE	What **initiatives/policies/practices** should we CHANGE?	
START	What **new** initiatives/policies/practices should we START?	

Job Analysis Data

Job Analysis Data	Key Insights From Data
Task Touch Time (Unweighted and Weighted)	A greater weighted touch time means HROs who perform a higher volume of the task require more time to complete the task -- this suggests there is a complexity associated with task performance that will need to be addressed. Conversely, a significantly greater unweighted touch time suggests inconsistency in task performance across HROs.
Task Volume	Enabled computation of HR Group FTE (by being multiplied by touch times); also enabled the computation of weighted touch times.
Count of HROs Who Perform the Task	Knowing how many HROs and, indirectly, HR customers will be impacted by changes in how a task is performed.
HR Group FTE (Full Time Equivalent) Who Perform the Task	Knowing the amount of time currently spent by HROs performing a task informs regarding the staffing requirements of the shared services organization, and the overall HR activity impacted by changing how the task is performed.
Normalized Touch Time Variability Scores	Lower scores (or lower variability in the time required to complete a task) indicate standardization, stability, consistency and/or less complexity in task performance compared to tasks with higher scores.
Task Sorting Algorithm (or Task Tier Equations)	Provided a starting point to begin the Business Environment Analysis exercise.
Strategic-Type Job Analysis Questions	Insight into the issues HROs identify as important, as well as issues that are of concern.
Complexity Job Analysis	To help HR leadership begin to develop criteria to evaluate a task's suitability to be performed in a shared service setting and evaluate potential resources to support task performance.
Task Steps Job Analysis	To help compare the amount of steps in the process to complete a task, as well as the amount of interaction with non-HROs required to complete the task.

Assessment Conducted

- Identifying and defining tasks
  - Validating the tasks

- Conduct job analysis
  - Data collection and analysis
  - Task-prioritization findings

Original Task-Prioritization Algorithm

▸ The four task-tier equations used in the task-prioritization algorithm to calculate recommended tiers of which tasks are most suitable (tier one) to least suitable (tier four) to be performed in a shared services setting.

$$Tier\ One\ Tasks = \left[\left(CJA_{BinaryTaskRating} = Routine\right) AND \left(TBJA_{WTTTypical} \leq 1hour\right)\right]$$

$$Tier\ Two\ Tasks = \left[\begin{array}{l}\left(Task \neq TierOne\right) AND \left(Task \neq TierThree\right) AND \\ \left(StepsJA_{NumberOf\ Steps} \leq 5\right) AND \left(StepsJA_{OutsideInteractions} \leq 5\right)\end{array}\right]$$

$$Tier\ Three\ Tasks = \left[\left(CJA_{BinaryTaskRating} = Complex\right) AND \left(TBJA_{WTTTypical} \geq 1hour\right)\right]$$

$$Tier\ Four\ Tasks = \left[All\ Other\ Tasks\right]$$

Legend:
TBJA = task based job analysis
WTT = weighted touch time
CJA = complexity job analysis
StepsJA = steps job analysis

Assessment Conducted

‣ Identifying and defining tasks

  ‣ Validating the tasks

‣ Conduct job analysis

  ‣ Data collection and analysis

  ‣ Task-prioritization findings

‣ Translate findings into a business plan

Business Environment Analysis

Business Environment Factor	Role in Shaping the Shared Services Organization
Business Priorities	Business needs impacted HR leadership task implementation strategy by accelerating the shared services implementation of priority tasks.
Facilities	Was a key variable in analyzing staffing scenarios, as well as growing the staff as more tasks were performed in the shared services organization.
Governance Issues	Governance of task performance requires clear roles and responsibilities for each task's future state. Concerns were greater when embedded HROs and the shared services organization share responsibility for task performance.
Talent Acquisition	Talent had to be acquired from the current embedded HROs. They were selected based on their availability to shift to the shared services setting, and having a suitable skill set to support standing up the shared services organization.
Impact on Embedded Sites	Impact on embedded HRO teams, their customers, and the HRO-customer relationship were considered, particularly when changing how tasks are performed, and the HRO staffing at the embedded customer site.
Policies and Regulations	To ensure tasks could be performed in a shared services setting.
Resources	An evaluation of how many resources will be available at a given time, to ensure the implementation schedule matched the capacity of shared services staffing level.
Business Process Re-Engineering	Considerations regarding how lengthy and complex (procedurally, culturally, politically, etc.) it would be to re-engineer the process prior to changing its performance setting from embedded to shared services.

Assessment Conducted

- Identifying and defining tasks
  - Validating the tasks

- Conduct job analysis
  - Data collection and analysis
  - Task-prioritization findings

- Translate findings into a business plan
  - Business process evaluation of Tier 1 tasks

Business Process Evaluation of Tier 1 Tasks

Business Process Re-Engineering	
Document Processes	1) Identified HRO task SME from each customer site for the task. 2) Interviewed SME regarding how they perform the task. 3) If needed, Interviewed non-HR entity critical to task completion regarding their role in task performance. 4) Document and validate each SME's (and the non-HR entity's, if needed) process to perform the task.
Process Analysis and Research	1) Aggregate and compare all processes. 2) Review policies/regulations related to the task, with emphasis on identifying process requirements.
Create and Validate New Process	1) Create standardized process (SOP) for the task. 2) Validate SOP with HR leadership, SMEs, customers, and customer leadership.

Assessment Conducted

▸ Identifying and defining tasks

  ▸ Validating the tasks

▸ Conduct job analysis

  ▸ Data collection and analysis

  ▸ Task-prioritization findings

▸ Translate findings into a business plan

  ▸ Business process evaluation of Tier 1 tasks

  ▸ Create shared services implementation schedule

Findings – The Big Picture

- Savings! The shared services center is making it possible to fulfill a 15% HR staff reduction mandate by 2014
  - To date, 12% reduction has already taken place, on schedule to meet the 15% reduction goal by 1 OCT 2013

- HR group implemented the first phase of the shared services center
  - 4 tasks wholly
  - 5 tasks partially

Findings – The Shift of Work

▸ Tasks that were relatively **neglected** in the embedded settings (prior to implementing the shared services organization) are getting much **more effort devoted** to them in the shared services setting.

▸ HROs that remain in the embedded settings (after the shared services implementation) are able to devote **more time to critical strategic planning** and vision types of activities that they never had time to do before selected transaction tasks were lifted off of their shoulders and moved to a shared services center.

▸ Because HROs in the embedded sites have had more time to focus on "how" they are doing the tasks they are still responsible for (e.g. refining SOPs), the they have needed to expend on the work they still **amount of labor** do has **decreased**.

Evaluation of the Shared Services Implementation

Quasi-experimental study in November 2012

▸ Touch-time for tasks moved to the shared services center were reduced.

HR Task	Volume of Tasks Performed by Shared Services Organization	AVERAGE/TYPICAL Touch Time			PROJECTED SAVINGS	
		ACTUAL Shared Services (minutes)	ORIGINAL Weighted Touch Time (minutes)	SAVINGS (Original - Actual)	Touch Time Performing Task (hours/year)	Labor Cost ($/year)
Service Awards	32	24.3	55.6	31.3	123.9	$5,530
Recognition Awards	18	33.2	41.6	8.4	18.7	$835
Salary Actions	3	25	37.9	12.9	4.8	$214
				Total Projected Annual Savings	147.4	$6,579

Evaluation of the Shared Services Implementation

Quasi-experimental re-study in June 2012

- Touch-times were reduced for:
  - three of the four tasks wholly moved to the shared services
  - four of the five tasks partially moved to the shared services.

- Qualitative feedback from the HROs was unanimous that the shared services center should continue and grow

- Increase in labor (FTE) devoted to the nine shared services tasks

Evaluation of the Methodology

‣ Revised Task-Prioritization Algorithm

  ‣ Based on analysis of the actual SSC implementation schedule, we were able to refine the task-sorting algorithm.

$$Tier\ One\ Tasks = \left[\left(CJA_{BinaryTaskRating} = Routine \right) AND \left(TBJA_{WTT\,Typical} \leq 1hour \right) \right]$$

$$Tier\ Two\ Tasks = \left[\begin{array}{l} \left(Task \neq TierOne \right) AND \left(Task \neq TierThree \right) AND \\ \left(StepsJA_{NumberOf\ Steps} \leq 5 \right) AND \left(StepsJA_{OutsideInteractions} \leq 5 \right) \end{array} \right]$$

$$Tier\ Three\ Tasks = \left[All\ Other\ Tasks \right]$$

$$Tier\ Four\ Tasks = \left[\left(CJA_{BinaryTaskRating} = Complex \right) AND \left(TBJA_{WTT\,Typical} \geq 1hour \right) \right]$$

Legend:
TBJA = task based job analysis
WTT = weighted touch time
CJA = complexity job analysis
StepsJA = steps job analysis

Evaluation of the Automated Tool

▸ New Annual Hours Questionnaire

▸ Other improvements

Annual Hours Questionnaire Please answer the following questions to determine the target range of hours you should report (Click on each question for additional information)		
How many hours are you scheduled to work per week, on average?	40	Hour(s)
How many days of **paid** leave (annual, sick, and any other type of leave combined) do you typically take in a year?	16	Day(s)
How many days of **unpaid** leave (leave without pay, etc.) do you typically take in a year?	16	Day(s)
How many days of holiday leave do you take in a typical year?	10	Day(s)
How many days of other types of leave (maternity/paternity, wedding, bereavement, disability, etc.) did you take this past year?	3	Day(s)
How many hours of **unused** compensatory-time hours (i.e. hours that you allow to expire without using) do you have in a typical year?	5	Hour(s)
How many hours of paid overtime do you work annually?	5	Hour(s)
How many hours do you work that are otherwise unaccounted for over a typical year?	20	Hour(s)

Total hours available to work/year	1878	Hour(s)

Your target range for annual hours of touch time is between	939	Hour(s)
and	1784	Hour(s)

Review

1. **Demand** for shared services assessment

2. **Differentiators** of our tool/methodology

3. **Assessment** of work for shared services

4. **Findings**

5. **Evaluation** of the

   ▸ Shared services implementation

   ▸ Assessment tool/methodology

Conclusions

- This tool/methodology helped stand up an HR shared services center within a federal government agency that achieved virtually immediate savings (e.g. labor, touch time) and performance improvement (e.g. neglected tasks)

- Demand for the application of the tool/methodology continues to grow with our federal customers

- The tool/methodology has already helped other LMI clients

Next Steps

▸ Phase 2 of the HR shared services implementation

▸ Maturation of the tool/methodology by applying it to other shared services initiatives

▸ Preparing a journal manuscript

▸ For you to be successful!

US Government Disclaimer

All statements of fact, opinion, or analysis expressed are those of the author and do not reflect the official positions or views of the CIA or any other U.S. Government agency. Nothing in the contents should be construed as asserting or implying U.S. Government authentication of information or Agency endorsement of the author's views. This material has been reviewed by the CIA to prevent the disclosure of classified information.

Questions or Feedback?

Thank you!