

Public sector shared services: fears for job security grossly overestimated

Submitted by: Portfolio Communications

Wednesday, 19 October 2011

New research highlights disparities in the perceptions and realities of sharing HR and payroll services, adding barriers to the realisation of benefits

Nottingham, 19th October 2011 – Public sector organisations are overestimating the challenges associated with implementing shared services (<http://www.midlandhr.com/software-solutions/sector-solutions/hr-and-payroll-shared-services>) with one of the starkest areas of disparity being job security, a customary taboo of shared services. This is according to new research commissioned by MidlandHR, a leading provider of workforce solutions.

The research, HR and payroll shared services in the public sector – perceptions and realities (<http://www.midlandhr.com/hr-and-payroll-shared-services-report>), surveyed the opinions of over 100 UK public sector representatives, from functions spanning HR, payroll, finance, purchasing and IT. The majority of respondents (72%) were from government and education, with blue light services and health organisations also included.

Organisations generally anticipated more negative impacts than proved to be the case for those who had already implemented shared services. This negative perception was most significant for areas like job security, where 67% of respondents felt that sharing services would impact negatively. This figure increased significantly for operational employees where 8 in 10 feared for their jobs. In contrast, out of those that had already implemented shared services, over half reported a positive effect on job security (51%) and career development (53%), while the positive effects on skills development (81%) and job satisfaction (74%) were even more convincing.

Commenting on the findings, MidlandHR's product strategy manager, Karen Bull, explains: "What this research highlights is the tendency for organisations and individuals to overestimate the difficulties of shared services and to underestimate the benefits that can be delivered. Those organisations not sharing anticipated that a shared service would be significantly less positive in areas that are closest to employees' hearts than those already sharing had experienced."

Interestingly, the top drivers for implementing and the top benefits realised once sharing were the same, identified as process efficiency, service quality improvement and cost savings. "It's great to see such aligned results," continues Bull, "showing that organisations are in fact meeting their desired objectives."

The survey consistently showed that perceived barriers were more keenly felt than had been the actual experience of those already sharing. The top perceived barriers were predominantly non-tangible and emotive in nature, such as fear of loss of control and job security, whilst upon implementation of the shared service these were superseded by more practical challenges: the need to develop new service and technology skills, technical issues and implementation time. Interestingly, redundancies were at the bottom of the challenge list.

“The perceptions and realities are reflective of our experience of implementing both, shared service projects in the public sector and outsourcing projects in the commercial sector. Realising the benefits of a shared service is an easy battle, but the winning of hearts and minds is the war to be won,” concludes Bull.

To download a copy of the full report, HR and payroll shared services in the public sector – perceptions and realities, please click here (<http://www.midlandhr.com/hr-and-payroll-shared-services-report>). For more tips and recommendations about sharing HR and payroll services, keep an eye out for MidlandHR’s guide to HR and payroll shared services in the public sector, coming soon.

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About MidlandHR

MidlandHR is a leading supplier of talent management, workforce planning, HR and payroll solutions and services. With a wealth of industry experience, MidlandHR's solutions support some of the largest and most successful organisations in the UK, from both public and private sectors.

Whether organisations require an on-premise solution, HR and payroll outsourcing services or cloud-based SaaS, MidlandHR’s strength lies in its cutting edge iTrent technology and a commitment to providing the highest quality service to meet the needs of every customer.

MidlandHR has extensive shared service experience and expertise, having supported many customers through the process. iTrent provides the flexibility, configurability and scalability required for a shared service.

MidlandHR’s customers include: East Kent Shared Service, Surrey First Partnership, Stockport, Wigan and Trafford Council’s collaborative project, T.M. Lewin, Severn Trent Water, Chesterfield NHS, QVC, Oxford University, Loughborough University, Oxfam, The Salvation Army, Brighton & Hove City Council, Oxford City Council, TK Maxx, Humberside Police, Law Officers Departments, Laing O’Rourke, Skanska and more.

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REF: 11-073