

Evaluating the Transition to a Centralized HR Model

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As organizations grow, there is a need to have efficient means and methods that allow this growth to be organized. HR services have been decentralized in any company, with HR generalists working within the business units for several years (Collins, 2022). Despite this, this model has resulted in heightened expenses and challenges in enhancing quality. Moreover, there are complaints from the business units that operating under this structure is costly. What has fueled these problems is that this company operates under a decentralized HR model, but the leadership has deemed it fit to centralize its management. This paper aims to assess this change, articulate the vision and mission of the project team, describe the role of a project charter, and outline the components crucial for the project's success.

The Five Steps of Strategic Planning

Strategic planning helps an organization align a course on positioning its resources and goals best. According to Exhibit 2-1 in the textbook, strategic planning involves five critical steps: Strategic analysis, guiding principles, strategic objectives, flow-down objectives, and portfolio alignment (Kloppenborg, 2019). All these steps are critical to ensure that a successful transition to the centralized model of the human resource department is achieved.

Strategic Analysis

The first step in strategic planning primarily focuses on assessing the strategic environment of the organization and the current status of HR services before advancing towards its centralization (Kloppenborg, 2019). The process involves assessing the costs incurred by the current embedded HR model, collecting feedback from the company's various business units, and reviewing the benchmark practices of competitors in the industry. Through such evaluations, the organization can have a clear and better understanding of the problems encountered and the

implications of the centralization process. Therefore, this knowledge is crucial to proceeding with the next steps since the transition establishes evidence-based practices only if equipped.

Guiding Principles (Vision & Mission)

The second step aims to develop a vision and mission to guide the project (Kloppenborg, 2019). The vision statement describes a long-term goal of creating a centralized and integrated HR structure by focusing on the expected benefits of such a change, such as the improved quality of services and decreased expenses. On the other hand, the mission statement clearly describes the project team's plan to achieve this vision, along with the specific measures that need to be taken to make this process as efficient as possible. In this regard, these guiding principles not only provide direction and encouragement to the project team but also create common knowledge that brings consistency of mind among the team members as they tackle the objectives and milestones of the project.

Strategic Objectives

The third planning element is the definition of clear strategic aims and objectives, which are concrete and achievable goals based on the vision and mission. Such objectives act as quantifiable goals that the project team must work towards, as they offer a basis for assessing progress (Kloppenborg, 2019). Some of the strategic goals for the centralization project might be to minimize the cost of the required services to 20%, enhance homogeneity in the HR services delivery across all business units, and establish a training program for the current HR employees. By setting such measurable goals, the project team can assess its progress over time and make necessary corrections to ensure that the project achieves the centralization effort's larger goals.

Flow-Down Objectives

The fourth step requires translating the strategic objectives into flow-down objectives at the department level (Kloppenborg, 2019). It guarantees that every department within the organization has goals and objectives that are unique and measurable for the overall project goals. For example, the HR department might aim to minimize paperwork while the IT department looks at how the company can adopt centralized HR management software. In this way, these goals complement the broader aim of the project, and each department can positively impact the implementation of centralization. It aids collaboration and ensures every department understands its responsibility and contribution towards achieving the project's objectives.

Portfolio Alignment

The last step in the strategic planning process is portfolio alignment, whereby the project portfolio aligns with the strategic direction of an organization (Kloppenborg, 2019). This step is important to prioritize the centralization project and channel resources where needed. Thus, linking the project to wider organizational objectives allows the leadership to guarantee that changing the centralized HR support model obtains the necessary focus and funding. Furthermore, this alignment encompasses continually evaluating the project's progress and modifying the plan to achieve project objectives. Such prevention reduces the likelihood of risks surfacing and keeps the project on track and strategic to the organization's strategy, thus contributing to success.

Vision and Mission Statements for the Project Team

Developing a clear vision and mission statement for the centralization effort helps direct the project team and motivation, ensuring focus on the project's objectives (Kloppenborg, 2019). The vision statement: "To build an efficient centralized HR model that reduces the cost of service and supports the business units in a better manner," focuses more on the long-term vision

of efficiency, quality, and support to the business groups. The mission statement, "To centralize HR services by implementing a cognitive, captivating, consistent HR strategy that adapts to the organization's needs while maximizing resources," clearly defines the immediate goals necessary to centralize services effectively. These statements ensure everyone is on the same page and guide achieving the centralization objectives.

The Role of a Project Charter

A project charter is one of the essential documents of project management since it outlines the project objectives and scope and gets the project started (Aborhor, 2021). It engages all the stakeholders, making the project team empowered while at the same time effectively communicating goals, requirements, expectations, and deadlines. The charter marks key milestones and assesses achieving goals and objectives by having a clear set of defined objectives and success factors to ensure the team can tell whether the project is on track. Further, it defines expectations, power, and responsibilities and establishes the lines of communication and coordination. It minimizes confusion, enhances coherence and order, and guarantees that the project team performs optimally concerning its goals.

Important Project Charter Elements

1. Scope Overview (What?)

The scope overview provides a clear understanding of what will be considered a part of the project and what will not be considered a part of the project (Kloppenborg, 2019). Therefore, this element is important as it provides the project team and project stakeholders with information on what is expected of them and what is achievable within the project. Defining the project scope helps the team focus, prevent extra work, and manage resources to achieve the project's goals. For example, in the context of centralizing HR services, this might encompass

providing a centralized HR service delivery model, communicating and educating the employees about the changes, and the ongoing reduction of sophisticated embedded human resource services in the central business units.

2. Milestone Schedule (When?)

Milestone schedules display important activities, events, and the major results expected at certain project phases (Kloppenborg, 2019). It is vital as it gives a roadmap of when which part of the project is due, and the team can work with the timeline to monitor progress. Milestones are useful for checking whether the work is proceeding according to plan and, if there are setbacks or problems, for addressing them promptly. Some of the centralization measures include establishing the initial analysis of the strategy, achieving the process of rolling out the centralized HR system, and migrating business units to the said model.

3. Success Criteria (What?)

Success measures define the standards and parameters by which the project's success can be measured (Kloppenborg, 2019). It is crucial as it helps the team quantify the project's success. Well-defined objectives provide accountability and a benchmark for measuring the effectiveness of the centralization. For instance, performance measures that could be used for this project could be oriented towards a decrease in HR service costs by a specific percentage, the achievement of a predefined level of standardization of the processes in the organization concerning the HR area, and providing for a minimal level of interference with business lines.

Statement of Emphasis to the Project Team

Implementing a change from a decentralized model to a centralized model of HR calls for leadership and focus. The team needs to understand that success hinges on three key elements: the scope description, milestone timeline, and measurement of success (Nizam, 2021). When a

scope is properly defined, it helps us determine which areas are critical and should be focused on while working on the project. The schedule for achieving the milestones will help track the progress and make relevant changes if necessary. The last aspect to be mentioned is the success criteria that foresee how the goals set will be measured to guarantee the optimization and effectiveness of results and the relevance of the overall centralization process.

By focusing on these elements, everyone within the team works harmoniously with the organization's goals and objectives toward a successful end product. Each team member needs to know their roles and how these aspects will help to determine the overall approach we should take, as this will set the groundwork for the main stages of the project.

Conclusion

In conclusion, the change to a centralized model of human resources will be a challenging but essential process for our organization. While dealing with this change, following strategic planning steps, creating a distinct vision and mission statement, and using an organized project charter can help the project team navigate this change easily. Highlighting the scope, timelines, and success factors aligns the project with organizational goals and objectives. By consistently and purposefully pursuing a center-of-excellence model, the centralization initiative may achieve the goal of building a high-quality, standardized, and cost-effective delivery model for HR services.

References

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