

P-Direkt

Shared Service Centre HRM for National Government

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Organisation: Agency of the Ministry of the Interior and Kingdom Relations

Country: Netherlands

Level of government: Central government

Sector: General public services

Type: Digital, Human Resources

Launched in: 2007

Overall development time: 5 years

Link to the innovation's website

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Description

P-Direkt is a new and modern human resources management (HRM) shared-service that provides the ten Dutch ministries and their 120 000 end-users with a variety of administrative and informative HRM services in a standardised way, via a self-service portal and a central contact centre. Services included on the portal include payroll, personnel registration, management information, end-user support, and HR analytics, among others.

The main developments include launching mobile HRM services via apps, time-shift and workforce planning, identity management, and orientation on talent management. P-Direkt is unique because of its standardised way of working, the state-of-the-art ICT within the service, the high grade of automation, and its very large volume.

Why the innovation was developed

The development of P-Direkt was initiated by big government reforms in 2003 and 2004, which had two main goal: a better government with less people, and reduced costs. This was translated into the HRM fields through "Better HRM support in a more efficient way". This new policy and plan was developed and led to a series of Cabinet decisions about the development of P-Direkt in 2004, 2006, and most recently in 2008.

Objectives

Improve access, Improve effectiveness, Improve efficiency, Improve service quality, Improve user satisfaction

- Becoming more of a "one civil organisation" in the national government, instead of 10 ministries/organisations, and become more flexible to respond to issues in society.
 - Provide the same kind of service quality everywhere people work in the national government.
 - More transparency and management information through digitalisation.
 - Improved cost efficiency.
 - Become more efficient and flexible as a government.
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Main beneficiaries

Government bodies, Government staff

Existing similar practices

Shared Service Centres on HRM

In the private sector, civil society or elsewhere

ING, Ministry of Defence, Shell, the Municipality of Amsterdam, the Municipality of Rotterdam

Shared Service Centres on HRM are becoming more frequently used within large organisations in both the public and private sector.

Results

Efficiency

- P-Direkt has succeeded in reducing costs by half (50%). The cost benefit analysis made at the end of 2011 showed that P-Direkt saves up to EUR 50 million every year. There are more savings to realise now that this centralised service (with its centralised infrastructure) exists as a base.
 - The net gain of 50 million EUR each year is half through less personnel needed - from 1500 FTEs (full-time equivalents) to 750 FTEs - and the other half through less IT (personnel systems) needed.
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Service quality

Accessibility:

- Modern employeeeeship via a self-service portal and always available HR services.
- Faster delivery of salary or components.

Reliability:

Harmonised HR services at a constant and trusted level.

Other:

More management information.

User satisfaction

With the huge change made, in the first instance the user satisfaction went down. Gradually it is has been climbing up and is now (as of November 2013) at a sufficient level. 80% of the customers find the service sufficient, and 60% find it good.

Other improvements

The government acts as one organisation and has become more flexible:

The National Government consisting of ten ministries works on the HRM field with P-Direkt as if it were one organisation. So it centralised the HRM policy and practice further, thereby supporting the flexibility of the National Government, e.g. when four ministries had to merge as soon as possible, the replacement of 20 000 employees became a sudden reality. With a very innovative and largely automated replacement scenario, P-Direkt succeeded in replacing these 20 000 people along the four ministries within a year and with almost no administrative hassles for the employees involved.

Evaluation

We used a cost benefits analysis as an instrument in 2006 and 2008 for the decision-making about the start and further development of P-Direkt.

At the end of 2011 we finished an update of the cost benefit analysis which now serves as a kind of evaluation.

Development

Design

The development of P-Direkt was initiated by big government reforms in 2003 and 2004, aiming at a better government with less people and reduced costs.

Design time: 1 year

Testing

Innovation has been built up gradually and in different phases:

- In the first year we standardised the processes and built the first central personnel systems.
- In the next year we finished building the personnel systems and started with gradually implementing the systems and the new way of working in the different ministries.
- In the third year we built up - alongside five ministries - the biggest part of the shared service organisation, the contact centre, which in fact started working mid-2009 and was officially opened in January 2010. From that point, we gradually rolled out the new way of working and all of the systems at the other five ministries, and the last ministry was connected in October 2011.

Testing time: 1 year

Implementation

Tools used:

- Cooperation between the ten Dutch ministries and the project organisation of P-Direkt.
- Where we needed expertise or people, we hired them from the private sector (IT or consultants) and we mainly organised resourcing from employees of the ministries themselves.
- The design was done by P-Direkt, with the standard functional processes as a base, and on that base we also designed the IT architecture. For the development of the IT side, four personnel systems were involved (portal, HR, personal file, and payroll); we contracted four IT parties who provided the main part of people working on the project. The software was bought with a procurement procedure and is mainly SAP (portal, HR and payroll) with EMC for the file system. For the contact centre, we work with Genesys and SAP-CRM. The testing was done by a testing unit of P-Direkt on the base of a strategic testing framework.
- We worked with a large transition programme with transition management and teams on the side of P-Direkt and the ministries. We paid a lot of attention to change management and communication, especially towards the big group of end users involved. The end user group was divided in three parts: managers, employees and HR professionals.

Resources used:

We invested about EUR 100 million in this programme in terms of direct costs.

Implementation time: 3 years

Diffusion

P-Direkt was a front runner for the national government in building up a generic support infrastructure for all of the support functions (ICT, Facilities, Archives, and Communication, etc). This generic infrastructure is now being developed and implemented over 5 to 10 years.

In other public sectors, we also see the development of shared service centres as an important topic.

P-Direkt is now working as an example for the whole of the public sector in the Netherlands, but also in Europe and more widely around the world. Every month we have visitors from other organisations and countries who are eager to learn from P-Direkt's example.

Diffusion time: 1 year

Challenges and solutions

- Maturity governance beginning: put in place an evaluating governance every year with all the stakeholders in place.
 - Quality personnel involved low: developing and implementing intensive training and coaching for the employees.
 - Distrust from ministries in the beginning: focus from the beginning on delivering on time and with quality and on budget.
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Partnerships

Consultancy and IT organisations

Private sector

A few consultancy and IT organisations were hired.

All dutch ministries

Other Public Sector

All of the ministries were included in the P-Direkt process.

Lessons Learned

Lessons Learned

- Take control of such an intensive transition as a government itself and be in the lead.
 - Start with standardising the processes.
 - Involve line management with standardised decisions.
 - Big complexity needs a step-by-step development and implementation (no big bangs).
 - Make use of lessons learned elsewhere.
 - Approach this kind of innovation as a change process (and not as an IT-project).
 - Involve the end user directly in development of especially the user interface.
 - Take care of real commitment at the top.
 - Keep track and move with the winds where necessary.
 - Take genuine cooperation as a key way of working with all of the parties involved.
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Conditions for success

In a complex transition with ten ministries and 120 000 employees involved and having to deal with quite complex HR regulations, taking enough time is essential for the success of the innovation.

Other information

- There is not one right way to do this kind of innovation; they are "learning projects."
- Pay a lot of attention to educate and train the personnel involved.
- Cooperate with work councils and unions from the start because of the personnel aspects involved.

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