

## FIVE CRITICAL QUESTIONS TO ASK WHEN MANAGING THE PEOPLE SIDE OF AN HCM IMPLEMENTATION



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## Introduction

The number of organizations replacing existing on-premise human capital management (HCM) applications with agile, integrated, and innovative cloud-based software is on the rise. Typically, organizations spend time and resources evaluating HCM software vendors, and choose the option that aligns with business strategy. Leaders expect this investment will produce certain results like grow talent, optimize performance, simplify processes, and create efficiencies. In order to deliver the expected results, an implementation team of the best and brightest design and configure the software. What is often overlooked and prevents an organization from realizing its goals is that an equal amount of energy needs to be spent on change management – understanding and planning for process changes and how they impact people.

## Why Change Management Matters

A thorough analysis of the current and future state helps to identify the extent of the changes your organization will experience during and after an HCM implementation. But, identifying the changes is not enough to ensure your employees will embrace a new way of working. This is why a holistic approach to change management is needed.

The barriers to successful change identified in Prosci's research<sup>1</sup> can be addressed by starting with an assessment of your organization's readiness to change and early involvement of resources to prepare and build an informed change plan that is aligned with your overall project plan.

Ask yourself these five questions before starting an HCM implementation project. The insights you gather will help you create a change management plan that will increase the likelihood of project success.

# 5 Critical Questions

1	How has your organization dealt with past change efforts?
2	Is there a clearly articulated case for change?
3	Does your organization have a socialized change management framework?
4	Have you identified what success looks like?
5	Do you have the right people and roles for your change team?

1 Prosci Inc., *Best Practices in Change Management – 2014 Edition* (Loveland, CO: Prosci, 2014).

**Prosci, a noted change management research and consulting firm, reported in their Best Practices in Change Management – 2014 Edition<sup>1</sup> that the greatest barriers to project success are:**

- Ineffective change management sponsorship
- Resistance to change from employees
- Insufficient change management resourcing
- Division between project management and change management

## How has your organization dealt with past change efforts?

As you begin your preparation for the HCM project, take time to reflect on how your organization has experienced change initiatives in the past. If you did not capture “lessons learned” then, do it now. Think about what was effective in informing and preparing your employees for the new future state. Identify what you would do differently, and why, during the implementation and consider how prior changes have been embraced in your organization.

A series of readiness questions can be helpful in assessing the current conditions in your organization that could enhance or be a potential barrier to change.

The objective is to identify the extent to which:

- **Past changes made sense for the business.** Think beyond your “go-live” date and what you need to continue to reinforce to make sure the changes last.
- **Employees generally welcome change within your organization.** Encourage your employees to see change as an opportunity for growth and new experiences.
- **You have spent time learning from recent efforts at change that did not succeed.** Encourage your leaders to tolerate mistakes and use them as an opportunity to learn and adapt.
- **Your organization is aware of the impact of change management on project success.** Align change efforts with overall project milestones and goals.
- **Employees feel a high level of uncertainty in the organization.** Proactively address the uncertainties by communicating the “why” behind leadership changes, new performance standards, or industry trends that are impacting the future of the organization.
- **People affected by a change are engaged in the planning and implementation of the change.** Include your employees in the process of change by sharing project updates and sneak previews during the implementation.
- **Your organization actively engages change agents in planning for and implementing change.** Identify employees throughout the business who can help share the change message and be an advocate for the new future state.
- **The goals, purposes and potential benefits of change efforts are clearly communicated to everyone in your organization.** Start planning early so your communications are well thought-out and proactive.

Whether a formal or informal assessment is conducted, the information learned at the beginning of the project can help inform your change initiative and ensure you address known issues upfront rather than waiting until it may be too late. In addition to reflecting on past changes, a critical factor in helping employees to see the value of the future state is to have clearly defined drivers, or reasons, for this change.

1 Prosci Inc., *Best Practices in Change Management – 2014 Edition* (Loveland, CO: Prosci, 2014).

## Is there a clearly articulated case for change?

Organizations with high user adoption take the time to position and prepare leaders and managers for their role in communicating change. Leaders need to be visible and sharing messages related to the business strategy. Managers must have the information they need to explain the changes to employees and describe the “what’s in it for me” proposition to their direct reports.

Before a change is initiated, your organization should know and be able to articulate not only what is changing but even more importantly, why. Whether changes are due to a need to standardize performance expectations or simply because existing systems are outdated, your organization must have a clear vision for the future that can be easily articulated to employees.

Conducting an impact analysis of the culture, stakeholders, supporters, resisters, and other organizational factors is a vital step in setting the foundation for an action-oriented change plan with specific communication objectives.

### Change impact analysis helps identify the:

- Aspects of an organization's culture that might impede or help a change
- Key changes to process and policy
- Size of the gap between current and future state
- Risks that could derail the implementation
- Impact to stakeholders
  - Endings and losses
  - Potential areas of resistance
  - Benefits for each stakeholder group
  - Actions needed to support the stakeholders



Your case for change needs to address the factors that are influencing change: both the drivers and restraining forces. An organization needs to leverage the drivers of change and minimize the barriers to transition effectively between the current and future state. Stakeholder identification and segmentation is a critical aspect to ensuring the current change effort is successful. Completing a stakeholder inventory early in the process allows the change team to analyze current commitment levels, consider potential derailers, and develop plans to mitigate risk at both the group and employee stakeholder level. During change analysis, identifying and evaluating risks provides valuable insight to inform where resources can and should be deployed to mitigate risks. Conducting risk analysis early in the change process allows for a proactive mitigation plan as you near implementation.

The information gathered during the impact analysis aids in developing targeted and effective communication to articulate the case for change. To increase the likelihood of high user adoption, create a cascaded approach for the deployment of messages, starting with high-level messages about business strategy coming directly from leadership. Engaged and visible executive sponsors who can clearly articulate the case for change will help your employees see that the changes are purposeful and planned.

## Does your organization have a socialized change management framework?

The results and outcomes of a project or initiative are defined by, and depend upon, employees adopting the change. During times of change, change management is a critical tool for delivering results and outcomes, not an optional add-on or afterthought. A key element of managing change is to have a methodology and model for purposeful change.

Organizations with an existing process for managing change that is well known by employees have a head start in an HCM implementation. Using a consistent approach helps employees know what is expected and how your organization will prepare them for the new future state.

Not all organizations have such a framework or model, but don't let the lack of a structure be a barrier. Start by gathering information through an impact analysis. The next step is to use the information to build an integrated plan. There are five elements to include in your plan that will create a holistic approach to managing change.



First, it is important to **COMMUNICATE** to your employees and tell them what is changing, why, and what is in it for them. Engage your employees through targeted communications and leadership visibility throughout the project. You will use the “why” and “what’s in it for me” to develop the various communication touch points to help your employees understand what is happening and what will be expected in the future.

**TRAINING** on the new system as well as how to implement any new processes is the second element. Employees will need new skills. Your training should employ a multi-method approach to reach employees with different learning styles and to address the needs of employees in your home office and those working remotely or in satellite offices. Your training programs and materials should teach employees what they need to know and do to support the changes.

The third element to consider is how you will provide ongoing **SUPPORT** to ensure you have a process in place to answer and respond to your end-users' questions. The objective in creating a formal support structure is to remove any technology barriers that might cause an employee to see navigation or access issues as the reason to not follow or implement new processes.

A closely related fourth element is about long-term **GOVERNANCE** and managing the evolution of technical and process changes. Your organization will need to determine a decision-making framework through which you will view and evaluate future change requests not only to your HCM system but also to associated processes. Your goal is to prepare for growth and change at the beginning of the implementation and create a long-term structure and process for addressing ongoing business and strategic needs.

The purpose of gathering **FEEDBACK** during and after the implementation is to assess the quality and results of your change management efforts and identify where you may need to make course corrections to ensure the changes are sustained, rewarded, and measured. When an organization implements a change, no matter the size or nature or type, the bottom line is to improve the performance of the organization in some meaningful way. Another type of feedback is initiated by identifying how you will measure the extent to which you achieve your objectives and improve performance. To do this, you will need to know what success looks like to the organization and to your different stakeholder groups.

## At the end of the project, what will success look like?

During a high-impact, time-consuming project such as an HCM implementation, success can often be viewed as reaching the anticipated go live date. While this is an important element, it is not focused on the longer-term impact of the change that goes beyond the system.

Organizations have different drivers for making a system change. It could be to automate paper processes, simplify work, alleviate pain points, respond to employee feedback about availability of information, or replace outdated legacy systems.



Success can take many forms; it often changes according to who you ask. Take the time to identify what success looks like from a variety of perspectives at the beginning of the project. Sustaining long-term adoption is dependent on leaders, managers, and employees seeing the HCM as the solution to their problems or a new way of working that produces the outcomes they desire. It is important to know what the different stakeholder groups see as their problem or pain point and what will help to solve that problem.

When you know and understand the pain points of your current process, you can evaluate your decisions in that context. In addition, you can ensure you have the right people involved in the project who can make the decisions that represent the different perspectives of your stakeholders.

## Do you have the right people and roles for your change team?

When planning for change, organizations identify key players for the project team but often overlook the need for a designated change lead. The change lead should be involved from the beginning of the project and can ensure that change actions are woven into the overall project team. Change impacts can be identified at any point. The value of involving a change lead in the project is to have a central point to compile the change impacts.

Another key responsibility of your change lead is to conduct a change analysis to identify your organization's change readiness, including current perceptions, potential resistance and resisters, and advocates. Similar to identifying how success will be measured, assessing your culture and appetite for change at the outset of the project is an important part of preparation.

An internal change lead can also help to identify your internal resource availability and capabilities to address impact to your employees through communications, training, support, and governance actions. A change lead has responsibility for guiding the change analysis, leading the creation of changes plans, updating sponsors and key stakeholders on change impacts and progress, and providing the key link between other change team members and the project team.

### Typical roles and responsibilities are:

- Instructional Designers and Training Facilitators who can develop training materials and prepare process experts to deliver end-user training
- Communications staff who can write key messages, talking points, and executive briefings to keep sponsors and stakeholders aware of what is changing, why, and when
- A marketing team who can create a brand and image for your new system and talent strategy

- Technical and process experts who can build your end-user support structure, and resources to respond to and resolve issues
- A governance lead who will create and manage the process to address how your system is supporting your talent strategy and leveraging new functionality to support talent processes
- Leadership and executive sponsors who are visible champions for the change
- A network of change ambassadors embedded in the business who can be on-the-ground messengers supporting the process and system changes

The benefit of identifying your resource needs and availability early in the project planning process is to give you time to find the right support before you need it. Whether the change in your organization is expected to be minor or significant, the right change team members will help your organization navigate the space between the current and future state with less disruption to the business. Identifying your change resources and planning for change at the beginning of the project will minimize surprises late in the implementation and frees your project team to focus on the implementation.

## Conclusion

Overcoming these barriers to create successful change requires preparation, early involvement of resources, and an honest look at your organization's readiness for change, including evaluating previous experience and capturing lessons learned. Start by integrating your change plan with your project plan. In order to accomplish that, you will need to identify resources, select your change framework, and evaluate your current communication and training practices to know what resources you have and where you need to add support to meet your organization's change needs.

The objective is to be prepared and view change management as an indispensable element of your HCM implementation and project planning. Start strong and view the integration as a long-term partnership to initiate before, grow during, and maintain long after your HCM system goes live.