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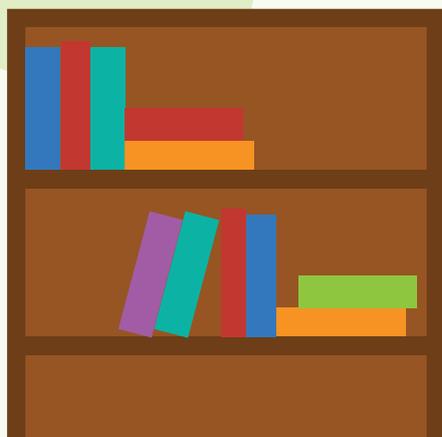
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Managing change – can HR software help?

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With the pace of change in the HR and wider business environment seemingly becoming ever-faster, Human Resources teams have a real challenge on their hands to manage any resulting disruption. Employee engagement and morale is at stake, not to mention the reputation of HR, and there is significant pressure to justify the financial implications of any change projects undertaken.

In this white paper, HR thought leaders therefore focus on the subject of best-practice change management, whilst providing 'real world' examples from the UK's 11th largest housing association, Together Housing. The white paper also analyses the value of technology to help streamline the potentially disruptive change management process, before sharing tips and advice for those embarking upon their own change journey.

Cascade would like to thank the following contributors for their input into this white paper:

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• **Jan Carmichael**, a Chartered Fellow of the CIPD and Head of HR & Professional Studies at the University of Huddersfield

• **Emma Tomkinson (MCIPD)**, Head of HR Business Partners at Together Housing

• **Marc Greggains**, a technology specialist at Cascade HR.

Introduction

In the modern business environment, no organisation, however successful or well established, stands still. Change – the making of something different – is therefore inevitable throughout the private and public sector. The challenge is how to manage such periods of evolution, whether the shift represents something relatively minor, or incredibly significant.

The Society for HRM (2013) defines change management as: "The systematic approach and application of knowledge, tools and resources to deal with change. Change management means defining and adopting corporate strategies, structures, procedures and technologies to deal with changes on external condition and the business environment."

There are various types of change, of course:

• Organisation-specific change, e.g. the implementation of a new information system

• Generic organisation-wide change, e.g. business process reengineering

• Multi-organisational change, e.g. a merger or acquisition.

(Carnall, 2003).

Sometimes this will bring about 'hard', visible or tangible developments, such as the reorganisation of a company size or structure. In other instances, the period of change will require 'softer' transitions that are harder to measure, such as a change in beliefs or values. The less tangible nature of these latter factors means it is easy to lose focus on their importance, which is something all businesses should try to avoid.

This perhaps goes some way to explaining why 70% of change initiatives reportedly fail, according to Beer & Nohria (2000). This is a very blunt but regularly quoted figure. Achieving the desired bottom line improvements or heightened service delivery, as a result of a change project, is therefore no mean feat.
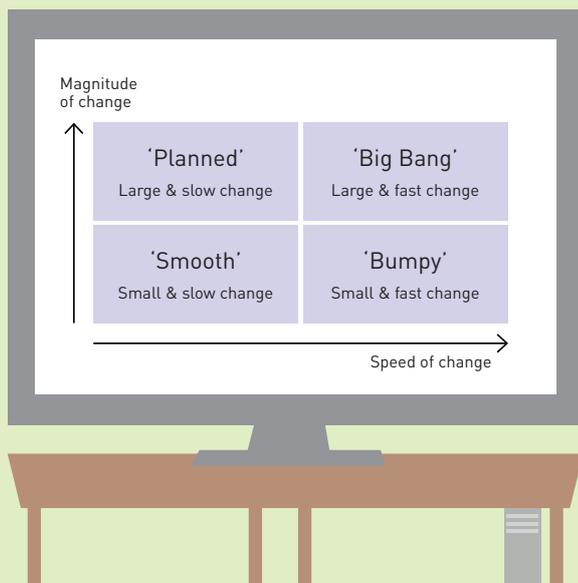
The change impact

The speed and magnitude of change, and the resulting momentum with which it has an impact on organisations and employees, greatly influence the likely level of disruption.

It can be a small and slow (smooth) development, such as a minor procedural adjustment, which happens incrementally on a day-by-day basis and therefore almost goes unnoticed. On the opposite end of the scale, it could be a large, fast and incredibly complex (or 'big bang') evolution, which is likely to have a vast effect on behaviour and attitudes. The greater the momentum, the harder the change is to potentially manage.

However, if the level of impact is forecast, the process can naturally be better planned and anticipated. This reduces the chances of any disruption impeding the overall project success.

(Rees & French, 2013)

Those reactions to change will very much depend on individuals' in-built flexibility to adapt. If the change is technology related, there will naturally be a small proportion of Takers/Innovators, and Early Adopters. These people are 'change champions', who will inadvertently be able to influence others. These individuals should be identified, so that they can help to encourage others to embrace the developments that are taking place. It should be accepted that some people will take a little – or a lot – longer to get on board, but on the whole this is normal.

At the very least, leaders of a change management project should acknowledge the role they play in guiding others. They can steer employees through the benefits of the change, likely phases of the process and how best to cope, which is especially important if colleagues sense a lack of control.

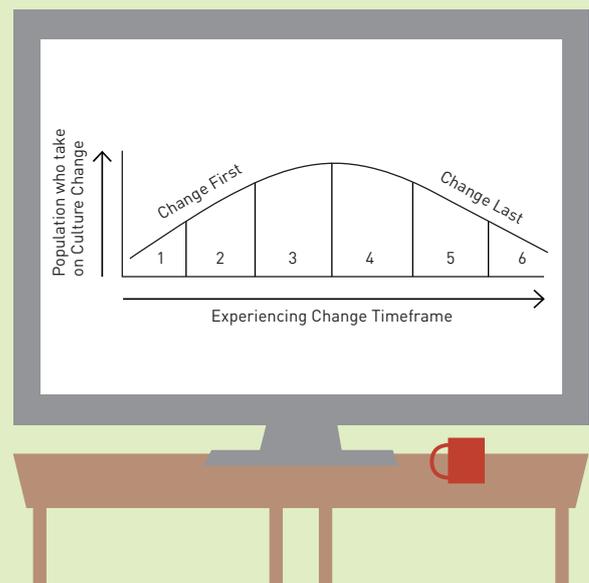Technology adoption lifecycle

The nature of the change is also important. Van Wanrooy et Al. (2013) found, for example, that the type of change that has the greatest impact on employees is the introduction or upgrading of new technology (19%). Alterations to the organisation of work are not far behind (17%), closely followed by changes in work techniques or procedures (16%). That is not to say that all effects will be negative of course, but the likelihood of an impact, of some sort, should be anticipated if the process is to be proficiently managed.

There may be a period of 'unfreezing', where people feel angry or in denial at the need to 'let go'. During the ensuing 'movement' phase, it is likely for employees to experience anxiety, confusion and uncertainty as they search for redefinition, but, with support, new ways of working and behaviours can be established and 're-frozen', as people commit to the future with newfound feelings of enthusiasm and a sense of purpose.

It is important to realise that people are different, therefore the pace at which they reach these admittedly 'umbrella' phases, will vary. Their needs and feelings should be accommodated and addressed, rather than ignored, because such reactions to change are often inevitable.

Managing change with e-HRM

As the case study in the latter part of this white paper goes on to illustrate, HR software – or e-HRM – can prove a very useful tool during the change management process.

Bondarouk and Ruel (2009) explain for instance, that e-HRM is: "An umbrella term covering all possible integration mechanisms and contents between HRM and information technologies aimed at creating value within and across organisations for targeted employees and management."

However for the implementation of e-HRM to effectively support clients during minor or major transitions, it helps to understand the goals of the implementation. These may be:

- Operational or transactional, for example the need to improve efficiencies, reduce costs or release the administrative pressures placed on the HR team
- Relational, such as more widespread access to data, which could be achieved via self service
- Transformational, for instance the greater ability to support remote workers.

There are factors affecting an organisation's ability to realise these goals of course, including (in order of significance):

- The development of new HR skills
- Sufficient training
- Engagement with the technology
- System design, i.e. is the product user friendly?
- Familiarity with technology, or the extent to which the organisational culture is accepting of technology.

(Parry & Tyson, 2011).

The benefits of successful e-HRM implementation

If proficiently managed, a successful e-HRM implementation can reap vast benefits for the HR function. Parry (2011) found, for example, that HR teams can deliver increased value to the organisation, due to greater involvement in strategic activities. If HR professionals are freed from transactional work, their time can be spent developing and supporting employees – the core element of their roles, after all. Some fear that more streamlined HR departments could result in a reduced headcount. This may be an objective for some organisations, but largely the goal is to redeploy resources to different activities or roles.

Bissola & Imperatori (2014) add that the greater take up of relational e-HRM practices – such as the use of the system to empower employees and communicate with staff via surveys, workflows and personalised task lists – results in greater trust in the HR department. This goes to show that periods of change, with technology's support, can have a positive impact on the business. In other words, change projects don't always fail, as some research would have you believe.

Having undertaken hundreds of implementation projects in the past, Cascade is well-equipped to support clients with this journey. The technology is purposefully designed to be engaging and easy to use, for instance, and users are carefully mentored during the pivotal training phase. Suitable training methods can even be advised for the wider workforce. But the client must be aware of these influential factors too, to ensure potential stumbling blocks are avoided and the period of change successfully tackled.
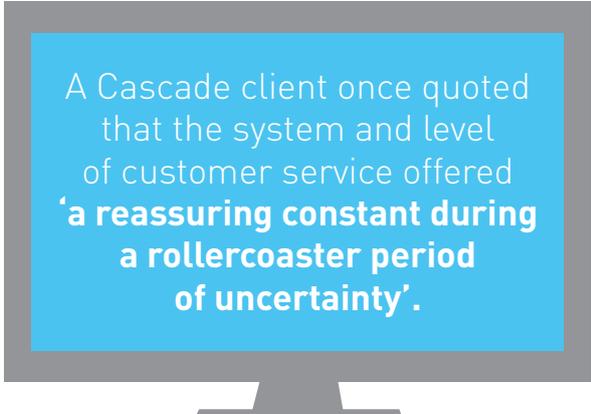
A Cascade client once quoted that the system and level of customer service offered **'a reassuring constant during a rollercoaster period of uncertainty'.**

Identifying best practice

So what is the best practice way in which to manage change? The advice is multifaceted, and of course there is no 'one size fits all' approach. It is important to apply theory that seemingly fits your own organisational objectives and challenges, whilst remaining fluid to react to unanticipated factors that could never be planned for.

The CIPD (2007) highlights some common themes though, that will help you in your journey:

- **Communicate, communicate, communicate**

  If you openly share your vision of the future, which will help to illustrate why the change is taking place and where you hope to be at the end of the project, this helps to reduce the level of uncertainty or fear surrounding what is happening. Be transparent and involve employees at all stages in the change process – you simply can't overdo it. And keep that dialogue open. It is not about talking at employees, it is about involving them, listening to their concerns and ideas, and addressing them.

- **Recognise the importance of training**

  Where change involves the evolution of practices and procedures, or if the project involves the implementation of a new system, ensure everyone is thoroughly trained. Rather than just explaining how to do something, let them practice in a safe environment, and reassure them that mistakes are allowed. Consider the need to adjust your training mechanisms to suit different employees and learning styles too – some people are receptive to larger workshops whereas others may require more focused, one-to-one demonstrations.

- **Strive for sustainability**

  Gather continuous feedback from the HR department, line managers, employees and senior management team, to ensure further thoughts and suggestions can be taken on board. The goal should be to achieve continuous, sustainable improvement rather than a one-off period of progress.

Putting theory into practice – Together Housing Group case study

One team that has already been through a period of significant change is Together Housing. Formed in 2011, the Group has brought together six different employing organisations, each with their own HR team, becoming the 11th largest housing association in the UK. With a turnover in excess of £180m, more than 37,000 homes in the North of England and over 1,400 staff spread across a wide geographical area, this is a well-established yet complex business.

Together Housing Group has already experienced varying levels of change, which is perhaps to be expected following a merger. In early 2012 for example, the leadership team was restructured, followed by the senior management team and then the wider organisation. The majority of terms and conditions were harmonised, and a group-wide job evaluation was also carried out. In 2013, an integrated housing management system was introduced, initially with mixed success.

It is perhaps therefore understandable that when a staff survey was carried out in April 2014, this revealed that employee engagement levels had dropped to much lower than those within other housing associations in the sector. It was evident that a degree of cultural change was required to ensure productivity, morale and staff retention were not affected as a result.

The driver for change

The Together Housing workforce had experienced a period of real upheaval, and with the six employing organisations each having a different background and ethos, there was little congruence throughout. Some of the housing associations were created as 'stock transfers' from local authorities, other parts of the group came from 'traditional' associations, and there are those which have joined with a more commercial mindset too.

A search for greater stability therefore began. To kick-start the cultural change programme, feedback was sought from the entire Together Housing team to help reshape and re-establish the Group's vision and values. But this alone was not enough.

**Together's HR team reported the lowest engagement levels in two factors:**

- "The systems technology I use enables me to do my job effectively" was more than 30% negative
- "The ability to do my job effectively without working excessive hours" was over 52% negative.

This became a significant driver for a new period of positive change. Together Housing wanted to carry out a business transformation exercise across the HR and Organisational Development side of the business. They knew that:

- A stronger technology set up would be a real enabler for greater employee engagement, as one unified solution, rather than five disparate antiquated systems, would introduce more efficient ways of working. By having one intelligent, integrated piece of technology, the geographically spread HR teams could better 'talk' to one another too, and more robust, accurate management information would be attainable, with relative ease.
- Achieving value for money was going to be imperative, not least because sound investments form part of the housing sector's regulatory framework through annual Value for Money Statements. The sector is also under considerable pressure in terms of its traditional revenue streams.

- As the business is quite complex – with its matrix structure, employees in numerous locations and the provision of varied services – a highly configurable technological solution was needed.
- Payroll had to go live at year end (April 2015), therefore the project timescales were worked back from this date and planned accordingly.
- By introducing self service capabilities throughout the organisation, this would empower line managers and employees to become responsible for more of their own data, devolving unnecessary transactional work from the HR team in the process. This would allow them to focus more on the value-adding elements of their role that Parry (2011) identified.
- The harmonisation and automation of various HR policies and processes would ensure everyone was working in a more consistent, best practice manner, which is important for an organisation committed to continuous improvement.

All of these drivers were clearly laid out from the start and recorded in the project initiation document, to ensure everyone was informed and working towards the same goals. And, upon choosing Cascade, Together realised the software would lay at the heart of these change objectives, for the benefit of the HR team and the wider business.
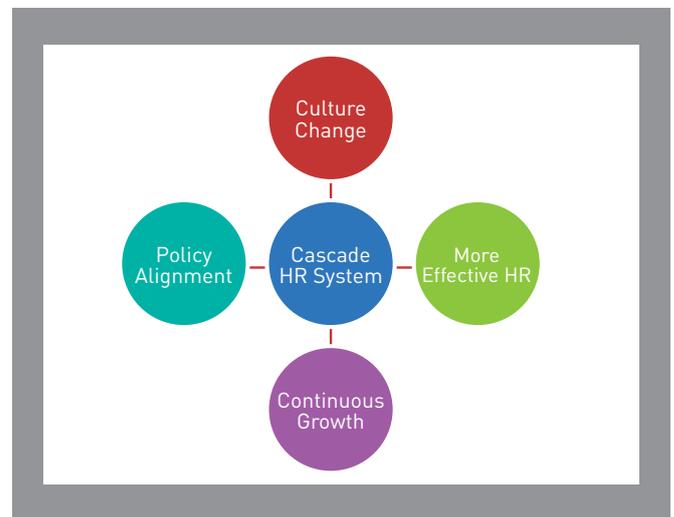
Cultural change:

To achieve Together's vision of being a great employer which provides consistently brilliant services and generates a positive social impact through its activities, **cultural change** was definitely required.

Cascade went on to support this evolution by:

- Empowering managers to better support their teams via self-service, and guiding them as to what to do and when, with the help of proactive workflows

- Delivering accurate, timely data that facilitates informed decision making, and encourages the development of a more performance driven culture

- Supporting a mobile working strategy, regardless of location, given the technology is browser based and thus accessible regardless of location

- Allowing the HR team to 'temperature check' the engagement of employees using Cascade's survey tool.

Policy alignment:

Pre-software implementation, Together had 74 HR policies across the group, with much duplication, however these have been aligned and reduced to approximately 20. The current policies are more in line with legislative changes, the organisation's needs and the cultural fit of the business. All information on policies such as sickness absence and maternity leave is now consistent, transparent and centrally sourced.

More effective HR:

Having streamlined processes, reduced unnecessary admin and shortened the time required to undertake tasks such as collating data for reports, Together's HR team is now able to provide a more value-adding, transformational service which offers support and guidance on strategic business issues. HR professionals throughout the group are also no longer restricted by geography – they have access to the same data, and can work in a more unified way, wherever they may be.

Continuous growth:

Together Housing is constantly building more homes and appointing new employees, therefore the company's HR technology has to be flexible to adapt with the business, in order for the investment to be futureproofed. Cascade proactively encourages change, by helping to uncover trends and opportunities/challenges; enabling the user to create new screens and build more best-practices as their needs evolve; and providing the option to invest in additional modules as and when they are required.

Does technology create its own degree of change?

Of course the implementation of an integrated HR and payroll software solution represented a period of change in itself, which also required best practice management.

So how did Together Housing approach this?

- The implementation was run as a Prince 2 project, ensuring it would be compliant with any ensuing audits

- From the outset there was a strong people focus, with the roles of key project team members clearly identified. These people were also widely understood to be change champions, which would prove important

- Together Housing worked closely with Cascade to develop a detailed project plan. This helped to ensure the speed of change could be controlled (see the change momentum chart from Rees & French (2013) on page 3). This document was also accompanied by a communications plan, risk register, training plan and user acceptance testing records. All provided a comprehensive overview of the anticipated change, challenges and milestones. Nobody could argue the business wasn't prepared!

- Each module was installed, configured and tested over a 12 month period, to ensure control over the speed of the change. A month's contingency was also planned for, when giving notice to all legacy system providers, to mitigate the risk of any unforeseen problems with the payroll implementation. Although this 'safety net' proved unnecessary, it nevertheless ensured Together had a 'plan B' should it have been required

- The training of key HR staff was delivered gradually, enabling that knowledge to be disseminated to the wider team over a nine month period

- A new payroll team was formed, providing an effective redeployment of newfound capacity within the HR team. The cost savings that Cascade helped to recoup, given the value of the system, also funded the recruitment of a new Payroll Manager

- The technology has been branded to look like a Together Housing product, so as to provide a reassuring essence of familiarity from the start

- Managers' guides – highlighting all newly-harmonised processes and relevant flowcharts – were produced and circulated, to offer another form of communication and a useful reference point moving forward. Workflows established within the technology itself have further streamlined the processes, removing unnecessary work for the HR team, and prompting the right person to do the right thing at the right time. This has overcome any feelings of uncertainty which often arises during periods of change

- A staggered approach to the roll out of self-service has enabled Together Housing to introduce elements of Cascade function by function, so as not to overwhelm managers and staff. Face-to-face meetings were utilised for the initial stage, but drop in sessions have also been made available, as have user guides – complete with step-by-step screenshots. Anecdotal feedback to date reveals this approach has been well received, the guides are deemed very helpful and the system itself has been praised for its intuitiveness.
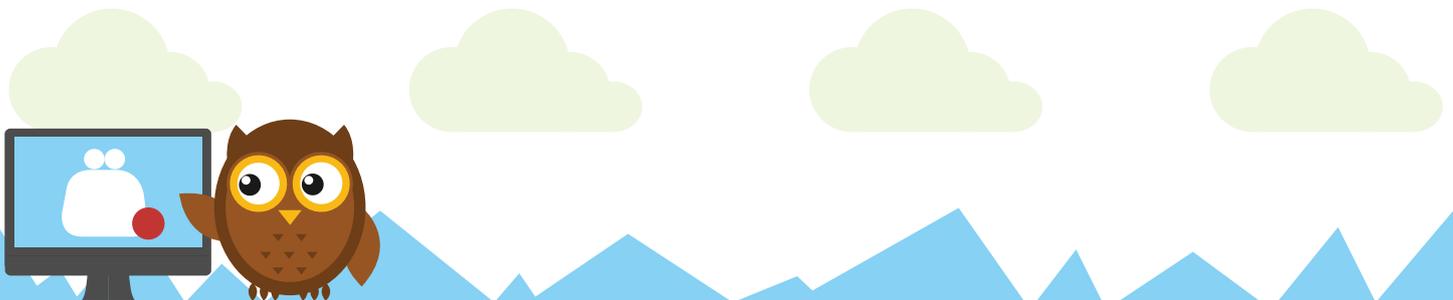
Conclusion – managing change from a practical perspective

To help conclude this white paper, having digested all of the theory that comes with change management research, Emma Tomkinson, Head of HR Business Partners at Together Housing, offers some closing thoughts:

"When it comes to tackling change from a practical perspective, my advice would be quite simple.

Identify what you need up front. Things will almost inevitably evolve but it's important that you actively consider what you wish to achieve from any change programme. Otherwise it will be easy to lose focus, especially during tougher times, which could have a disastrous impact on employee morale and engagement.

Take time to devise a detailed project plan and constantly refer to this, allowing for more time than you think may be necessary to provide an element of contingency, and breaking larger tasks down into smaller chunks to avoid feeling overwhelmed. Keep pushing forward and celebrate wins along the way, however small.

If using technology as a change enabler, ensure the chosen solution meets your needs. The research and shortlisting stages should be carried out incredibly thoroughly, steered by a detailed tender process and taking on board comments and feedback from existing users. Fairly imminent objectives should be considered, as well as longer term e-HRM related goals.

The benefits of the change management programme should be widely communicated before, during and after the project. If focusing on a software implementation alone, for instance, it is important to identify a technology champion or two, who will help promote these benefits to colleagues in the wider organisation, instilling confidence, rather than fear, in the new system. 'Sell, sell, sell'.

The approach to project management should have a people focus throughout. The right team members should be involved from the outset, and external help should be sought where required. With regard to the implementation of Cascade, for instance, we welcomed the experienced guidance of the vendor's own project manager and product consultants, who helped us from day one.

Where possible there should be a project closure assignment, whereby a benefits realisation analysis ensures there have been no oversights in terms of communication, learning or objective fulfilment. Measure improvements along the way, to ensure evidence can be provided to key stakeholders, such as a project sponsor or the person controlling the purse strings.

And, whatever the level of your project success, don't see the exercise completion as the end. The most successful organisations remain continually receptive to change, and invest in technologies and processes that encourage them to evolve, as standing still for too long is never an option."

In summary

Whatever the catalyst for change, be it a merger, acquisition, recession, skills shortage, or simply the desire to improve efficiencies, a considered approach is certainly required. We hope you have taken away some useful points from this white paper, and we encourage your further research and reading if there are some particular elements that you have found of real interest. You can also connect with our contributors on LinkedIn.

Alternatively, if we can help you with some more specific requests for information, please call Cascade on **0113 255 4115** or email **info@cascadehr.co.uk** and we'll be in touch with some advice.