6 STEPS TO DISRUPTING AND TRANSFORMING YOUR HR DEPARTMENT

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ELEVATING RESULTS
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"Agility is the ability to adapt and respond to change...agile organizations view change as an opportunity, not a threat"

- John Highsmith

Introduction.

Organizations around the globe are tackling unprecedented disruption and change in their industries, products, markets and talent needs. Those that embrace agile structures and approaches are keeping up with the shifting imperatives of their business and leaping ahead of the competition. All of this continues to create daily change in how we organize and interact at work, how we communicate globally and how we manage the diverse priorities and values of multiple generations. Human Resources teams face new challenges which fundamentally impact an employee's commitment to their team and organization.

If you are a senior leader, your ability to align your human resources team properly to facilitate and deliver this change work in your organization can spell either success or failure for your organization. An inability to attract and retain talent, build diverse teams, facilitate succession planning or design and deliver appropriate development can collapse any company.

If you are an HR leader or practitioner, leading this change on your team will be invaluable for you and the organization. The best way to have a "seat at the table" is to focus on building the business and building your talent system for a competitive advantage.

If you are ready to take the lead here are **6 Steps to Disrupting and Transforming your HR Department**

1. Understand Why You Want To Change	**2.** Understand Where You Are Now And Where You Want To Go	**3.** Define Outcomes and Design An Action Plan
4. Engage The HR Team And Key Clients – Secure Their Buy-in	**5.** Implement The Plan. Say Focused. Simplicity Rules	**6.** Do Things. Tell People

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Opportunity and Threat: THE BUILDING PRESSURE ON HR.

High-performing organizations are effective at nurturing talent. Great leaders understand the connection between people and business results and demand value from Human Resources.

Although transformation efforts to deliver such value promise powerful results, many Human Resources leaders fail to achieve those benefits due to lack of planning, analyzing, understanding, and collaboration.

1 in 8 digital transformation projects will "get it right"
- Forbes (discussing projects in their Global 2000)

70% of all transformation projects will fail
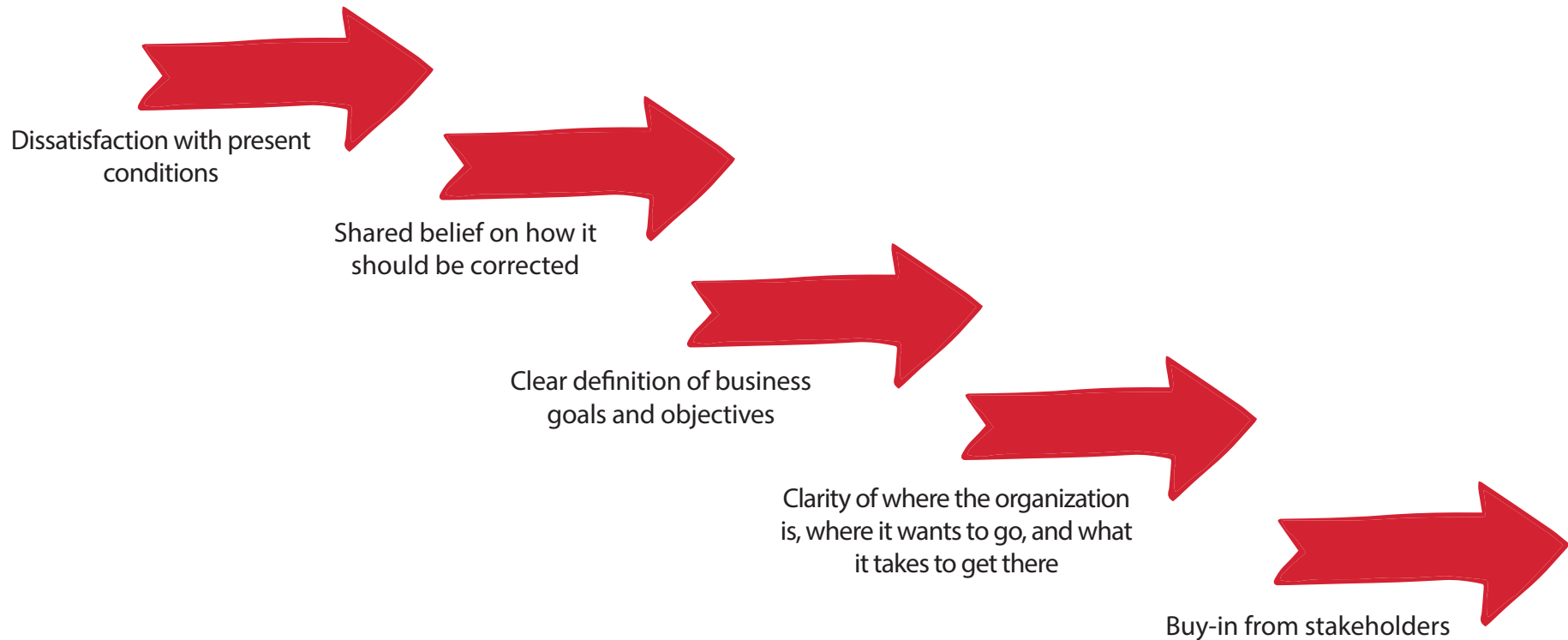- McKinsey

The most successful HR teams have figured out that the key to building an organization's adaptability to change and achieve tangible business results, is in translating their overall strategy into an actionable human resources strategy and companion execution plan. They understand that it takes great effort, clarity and patience to change the way people operate and interact with each other in an organizational setting.

As you are putting together a plan to transform your Human Resources function or build it to align with today's business environment there are six key steps to successfully disrupt your current practices and transform your HR team for future success.

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1. Understand Why You Want to Change.

What is your "burning platform? Successful human resources transformation begins with a want for change. Humans are habitual creatures and accustomed to operate in familiar ways.
A human resources transformation is successful when there is:

Dissatisfaction with present conditions

Shared belief on how it should be corrected

Clear definition of business goals and objectives

Clarity of where the organization is, where it wants to go, and what it takes to get there

Buy-in from stakeholders

Knowing the answers to these questions for you organization can verify both the need for change and define the "sales pitch" to start the transformation process. Don't skip this process, it can be the most important for change sustainability. Performing a simple change readiness assessment can help define your starting point and form the basis of your transformation program.

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Understand Why You Want to Change.

Reflect on the Needs of Your Business.

Don't navel-gaze. Disrupt internalized thinking and evolve your change from the overall goals of your company and its clients. An organization going through transformation must take the following into account:

Market Forces

- How does the organization see the existing market situation?
- What trends does it expect in the short, mid and long term

HR Management Tools

- How can technology increase efficiency? How will Artificial Intelligence and other automated solution impact how we deliver service?
- What new technology should we implement to minimize errors and make room for more strategic work?
- Are we collecting data effectively and are we delivering valuable insights to our clients?

Current Research and Best Practice

- What are the characteristics of the ideal workforce it envisions?
- What are our competitors doing?
- Which skills and competencies does it need to meet the future goals and objectives?

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Understand Why You Want to Change.

Synchronise HR Strategy with Business. Strategy

- In organizations where Human Resources is excluded from the business strategy formulation table, there is likely to be misalignment between HR strategy and the overall business strategy.
- Deprived of talent insights, the people-related factors will not find their proper place in the business strategy resulting in fundamental flaws which cannot be fixed, even with an intelligent HR transformation plan. HR strategy and the business strategy must relate. Pouring your team's heart and soul into developing new services and capabilities only to discover later that they are not really needed or valued by your clients can drain your team's energy and value to the organization. The essence of your HR transformation should have strong and persuasive business needs at its core, not the newest market fads or sales pitch.

**"Be a business person first.
You just happen to specialize in talent."**

- Jamie Allison CEO epitome. HR Inc.

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2. Understand Where You Are Now.

To effectively envision how you want your human resources to be able to meet the organization's business goals, the transformation process must dive deep into key business drivers and the organizational structure. Clear understanding on how Human Resources delivers value and how its functions are expected to evolve post change implementation, is also important.

What Drives Change?

In most cases these are the three main drivers for transformation. Each of these drivers will present its own set of challenges to HR change:

Revenue Growth

- Demands increasing the number of customers, extending the geographic reach of your offerings and creating innovative products and services

Efficiency

- Demands raising performance and productivity, improving the efficiency and effectiveness of work processes and improving key talent and business outcome metrics.

Brand Value

- Considerations demand managing human resources to demonstrate the brand, customer and employee experience, manage organizational reputation and consistently delivering value to customers

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Understand Where You Are Now.

Analyze the gaps and the need for change

Business drivers and the associated business goals place demands on existing human resources. If the organization is not currently equipped to deliver on these priorities, consideration on how the HR function needs to adapt will be important. The key stakeholders need to discuss the team structure, alignment for results and "ideal HR team" that can successfully lead the change.   Some key questions to answer are:

Identify Required Capabilities.

Function Aduit

- HR team capabilities/process gap audit will help identify the top three or four capabilities/changes required. Prepare a list of possible capabilities and interview stakeholders to assess the relative importance and how it ties to the business strategy
- HR function and processes are not upgraded or disrupted?

Cost Analysis

- Poor definition of costs involved in the transformation process usually invite opposition from finance and other functions. If the actual costs incurred during the process are too high, the company may be tempted to reduce, cease or change the program. Be very clear on:
- Resources, technology, time and capital and cost to bridge gaps
- One-off costs in capability development, redeployment and redundancy
- Ongoing costs of maintenance, support and operational management
- What costs are incurred if the HR gap isn't filled?
- At what risk is the company if the HR function and processes are not upgraded or disrupted?

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3. Define Outcomes and Design an Action Plan.

What exactly is driving the disruption and need for transformation?

For example, in manufacturers and financial services companies, it could be changing business models; for retailers, it could be reducing operating costs and for business services providers, it could be the pressure to cut costs across the processes. Maybe you are adding a data analytics team and need change to support the talent acquisition and development needs of that new business line. Regardless of the impactor, if you understand the needs you can outline the outcomes you look to achieve.

Defining your desired outcomes:

Define Outcomes: What does success look like?	Define Capability Outcomes	Prioritize your Goals	Prioritize your Investments	Design an Action Plan	Plan to Secure Early Wins
• Clearly define the ideal future HR team the senior leadership envisions. Confusion in defining outcomes is result of poor strategic vision, derived from lack of understanding of factors driving the process	• The capabilities that have been identified as crucial to the business strategy should be broken down into specific measures that can be tracked Key performance indicators and metrics need to be designed to identify whether or not the desired capabilities are accomplished	• Do not underestimate the challenges in implementing change - only take on what you can handle Work effectively with limited resources Pareto Principle - identify workforce segments, systems and processes most critical to achieve the important outcomes envisioned Benchmark against industry best practices 360-degree audits reveal how HR practices are perceived in delivering value	• Focus on areas best aligned with the organization's overall business strategy and prioritie The costs, benefits and risks are thoroughly analyzed before resource allocation • Do not expect immediate quantifiable benefits. HR managers must go beyond cost-benefit analysis • Auditing HR practices is the best way to identify investment areas that align with business strategy	• Specific goals to be achieved by target dates • 90-day or a 100-day plan articulating high level milestones followed by next level milestones for processes, people and technology • If there is confusion in direction, having an action plan will bring the team back on track	• First month should ideally contain tasks and outcomes that deliver 'quick wins' which will please skeptics • Make progress 'visible' to create momentum, build credibility and encourage behaviour change. • Plans that are too ambitious in one go encounter resistance and are likely to fail

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4. Secure buy-in from HR and key clients.

Change that is imposed top-down without stakeholder involvement almost always fails. Most HR transformation and change management plans falter because too few people design them and make assumptions about what is best for the organization without consulting with the stakeholders.
Identify all the people who are going to be affected by the proposed transformation and involve them in the process from the beginning

Explain Benefits in Tangible Terms

- Articulating how a change in behaviours, processes and values translates into a positive impact on bottom-line is critical to gain a business buy-in from key stakeholders.
- The presented business case must be rooted in addressing real business needs and issues the organization is facing, not just to satisfy trends.

Map Interdependencies

- Identify and track all interdependencies that can potentially affect costs and benefits envisioned.
- The usual interdependencies in businesses include technology, interfaces, change programs in different functions and other initiatives within HR

Achieve Buy-in

- Identify the main beneficiaries and change supporters of the program and articulate the benefits predicted in the plan to make them the driving agents of change.
- Present the case in business language your target audience would best understand.
- Get people excited about the plan.

Identify Sources of Resistance

- Change naturally creates resistance. Some stakeholders will embrace change, learn what is needed and successfully make the transition. Some will commit to the change but find it difficult to fulfill their new roles and responsibilities. It is the job of senior HR team to assist them through the journey.
- Some will overtly oppose the plan because their existing roles are threatened or fear the new technology or have problems with the proposed processes and systems. Then there will be people who give the appearance of supporting the change but stealthily oppose it.

Identify Genuine Concerns

- The senior HR management and other change leaders should communicate honestly with the stakeholders who have reservations about the plan.
- Through on-going and open channels of communication, leaders should identify genuine concerns some of which will likely be linked to lack of clarity in defining outcomes, roles, responsibilities, processes and systems in the transformation plan.
- Conduct one-on-one meetings and deploy employee satisfaction questionnaires to check the pulse.
- Our own experience in consultancy suggests that the cause of most HR transformation failures can be traced to poor stakeholder engagement and communication.

Plan to Secure Early Wins

- Senior leaders should genuinely support all stakeholders impacted by the transformation plan through the change process. Thrusting change from top-down is a pitfall every leader must avoid.
- Accurately communicate the change initiative. Explain changes in roles, responsibilities, HR processes and systems, process work streams and people work streams after the introduction of new technology, infrastructure, delivery options and governance mechanisms preferably in documentation to secure their buy-in

5. Implement the Plan. Stay Focussed.

Implementing HR transformation is fundamentally similar to any other change management program. It can be tempting to expand the scope of transformation initiative to address things that weren't considered in the original plan. Unless absolutely necessary, avoid such distractions.

It is also common to get caught up in transactional management and firefighting ad-hoc issues and lose sight of overall goals and objectives. Avoid and stay focussed on things that will have the greatest impact on achieving desired outcomes.

Expect Issues Throughout Program and Manage Them	Assign Clear Accountabilities	Develop Capabilities to Meet Business Goals	Measure Progress and Realise Benefits
• Failure to deliver a critical deliverable in time, lack of funds, lack of resources, delay in signing a critical document, unexpected demands for additional functionalities, lack of confidence, resistance to change, deviation of deliverables from expectations, less than expected performance and what not; issues are unavoidable and they happen. • Issues should always be documented. They are the most important source of learning for continuous improvement. • Log the issue, the action involved to resolve, and its impact	• During implementation, the leadership frequently has to address issues related to confusion/conflict of responsibilities of various HR delivery channels • Avoid issues by process mapping, accountability mapping, role definition and capability identification • Prepare a charter for who does what, how various channels interact with each other, what information is shared and how decisions are made	• The leadership needs to identify the existing HR capabilities using various performance analysis tools and establishing functional profile of the HR teams in each capability. Investments should focus on largely on capabilities that are primary and add most value to the business goals. • Conducting 360-degree reviews and best practices analysis in the early stages of designing the transformation plan give an idea of the strengths, weaknesses and challenges of all your HR professionals.	• Metrics are important to track progress and know when the performance is deviating from the plan. Such deviations may occur in three areas: people, processes, and technology. Close and continuous monitoring provide early and in-time warnings • To measure the impact and ROI of the program, detailed metrics to measure across the scope of HR services should be identified. • Performance metrics help us evaluate how much we have improved from the base level while benefits realisation metrics tell us whether we have been able to achieve what we wanted.

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6. Do Things. Tell People.

Execution and communication are the recipe for a successful and sustainable change effort. Massive results can come from being fanatical about following the plan and consistently communicating and celebrating milestones.

Steps to a Strong Execution Plan

Know where you are going.
Clear, specific goals that link to the organizational strategy and cascade to each individual involved in the project. Everyone needs a line of sight to the big picture.

Measure and communicate progress.
At the outset, key metrics need to be outlined, communicated and continually re-visited openly. Be sure everyone knows the timelines expected, who the lead is and what the current status is.

Accountability and progress.
Ferret out any issues early and create an accountability mindset. There many ways to do this ranging from a standard project plan format to visuals like the staff flu-shot barometer you might see in a local hospital

Now, tell people.
A good communication plan enhances your results. Sharing in the success can build pride in both your team and your company, enhance your brand (of the project team, the department or the company) and can help everyone feel like they are part of something bigger. If you want a sure-fire way to increase employee engagement, deliver on this phrase.

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Conclusion.

Leading change may seem overwhelming. However, with strong senior management support, the right people engaged from all areas and levels of HR, and the right technology will ensure a smooth transition. If your organization does not have the expertise in certain areas, it is crucial to engage a consulting firm who can provide direction and keep the plan on track. Throughout the transition, it will be important to check the pulse of the project and ensure that there is clarity in every step of what is happening, who is involved and the implications of the change. This document was designed to provide insight and help you with each step of the process. epitome HR can help you through this process with solutions like managerial coaching or a 6 week action learning program.

About epitome. HR Inc.

We are a full service talent consulting firm that will help you transform your Human Resource function by putting your people practices and employer brand at the heart of your company's success. We know how important this is to you because we have been there. We've been through real change and have delivered recognized results in organizations big and small.

As executive level HR professionals with diverse industry experience, you can expect a strategic approach that builds sustainable solutions and gains senior level support. Through leading edge and industry recognized business solutions we will maximize your company's potential.

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