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Complex basics: Managing change as part of transformation

Effective change analytics can help align the organization to improve everything else you're doing.

Transformation is change. No insight there. But when HR organizations manage transformation, do they manage change well enough? Successful HR transformations that address requirements include change — and they invest as much as 15 percent of the overall transformation budget in change management, (2003 AMR Research Report). Real life experience confirms that when a transformation team is well experienced in change management the transformation achieves — and often exceeds — its financial and qualitative goals.

So there is a strong case for making sure an HR transformation builds in enough change management skill. The question is: How much change management is enough? What does the right approach look like?

One useful determinant is the way an organization defines change management to begin with. Too many leaders view it as nothing but a vehicle to drive user adoption — in effect, an institutional-level behavior modification exercise. They focus almost entirely on pre-go-live measures to raise user awareness and alter activity patterns.

A more mature view of change management goes broader and deeper than that. True change management is a risk mitigation approach that identifies and addresses critical issues around strategy, process, technology, and people over the complete lifecycle of an HR transformation program. Key to this approach is a seasoned understanding of the points where HR transformations can fail. By developing a comprehensive view of transformation risk, a change team can then mitigate each risk with targeted strategies and tactics and systematically remove the obstacles to transformation success. One of these common risk areas of course is user adoption, but there are many others that often go unnoticed until it is too late. With a risk mitigation approach to change management, the result can influence the quality of the business case, strengthen leadership alignment, improve process design, and support successful adoption of processes and tools. Change is therefore crucial to realizing real business benefits, driving growth and retaining key talent by ensuring the HR transformation is not thwarted by unforeseen challenges.

Become experts in program risk

Intelligent change data before, during and after implementation is fundamental to identifying resistance hotspots, understanding where exactly to make change investments, and to help maintain strong leadership alignment around where the implementation challenges are and what to do about them.

From the moment an organization plans a transition, it should make sure to invest time in studying its own risks. These things can't be left to chance — planners should map and study leadership alignment levels, employee readiness, change impacts, geographic readiness, and user adoption levels related to the proposed transformation changes.

Here are some of the questions to ask to ensure that your assessment of program risk is broad and deep enough before moving to change solution development.

- Are you **tracking leadership alignment** levels to ensure that there is strong agreement around the HR operating model and vision for the transformation?
- Do you have **change readiness tools** to objectively assess employee readiness for the changes that are coming? Knowing readiness levels early and consistently throughout an HR transformation is a critical input.
- Are you **analyzing the change impacts** resulting from your HR transformation? Is there a disciplined approach to identifying, mapping and translating change impacts into change management strategy for your transformation?

- Do you know the level of **geographic readiness** across your organization, to ensure that your implementation roadmap has the right sequence and accounts for preparations that need to be made in advance?
- Are you working on a **training needs analysis**, to determine what capabilities the new environment will require of your employees? With these capabilities carefully mapped, you can determine where the gaps are to the current capabilities. This gap analysis helps to identify what kind of training will be needed to ensure a smooth transition.
- Are you developing a **user adoption measurement strategy** that clarifies post-go live goals and how you will measure your progress against them? Measuring user adoption will indicate where additional intervention may be required and will help you continually improve change management throughout the transformation.

What could be so bad as to put a transformation at risk of failure? Why all this talk about risk? Our experience with global HR transformations shows that risks pop up everywhere and can be just as lethal at the start of a transformation as they are near go live. Strategic alignment levels, for example, often are misleading at first glance. Leadership teams are prone to believe they are aligned and agree about the general direction of their respective programs, but when prodded and studied at close range, the strength of those alignment levels often doesn't hold up. What one leader feels is a critical strategic objective, another feels is not so critical, and they disagree about how

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the objectives should be translated into tangible outcomes. Such small, seemingly inconsequential cracks in alignment can cause huge, negative ripple effects down the road. Disagreements at the top can serve as ammunition for employees at the lower ranks who don't want the change in the first place.

Investing in the right change analytics tools and measuring alignment, readiness and adoption early and often can be the difference between a transformation that succeeds and one that fails. HR Transformation leaders who think about Change Management as much more than a function of driving end user adoption will be more likely to avoid the typical pitfalls of many transformation efforts. Change analytics data can be the driver for leaders to establish sufficient support to adequately mitigate risks and close readiness and alignment gaps in time — helping to more quickly realize the business imperatives at the heart of the transformation.

A market-leading approach to studying change readiness

Key to your change analytics approach will be using tools that are well-tested and respected in the market. One such tool is Deloitte's proprietary approach to assessing change readiness — As One. Based on a best-selling book of the same name, the As One approach employs a diagnostics survey that many Deloitte clients currently use around the world to understand how "ready" their employees are for the transformation they are about to undertake.

The As One diagnostic survey can help organizations measure readiness in three ways:

- To what extent do leaders and employees understand and support the HR priorities?
- How strongly do leaders and employees identify and connect with different parts of the organization (such as geographies, functions, divisions, and the corporate center)? This can inform where they prefer to get their information and whom they will listen to the most throughout the HR transformation process.
- How do people in the organization prefer to work together employee to employee? Employee to leader? These "collaboration models" can help predict the way a large-scale transformation will be received, and where challenges may lurk.

The results of the As One diagnostic survey are easily manageable in a self service tool that filters survey scores against a host of demographics and other inputs. These results are not meant to locate weakness in a team. On the contrary, they are designed to locate opportunities to strengthen a team's ability to work together effectively. When people work together during a big transformation, their ability to do so may be the most important metric of all.

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Change solutions and the silent sound of success

As you utilize a host of change analytics tools to locate and assess program risk, solving that risk becomes an equally important focal point of the change team. Some of the questions your change team will need to address from a solution standpoint include:

- Do you have a leadership alignment plan that will address all of the gaps in support, overcome any confusion, and help turn your leadership team into strong champions of the transformation approach?
- Are you employing formal change advocates, selected from throughout your own leadership ranks, who can help develop the approach with the change team — and serve as champions for the initiatives you launch? Involving change advocates early increases perceived legitimacy of change management efforts and helps bring the rest of the organization along to increase commitment to the future state.
- Do you have the right training strategy to help prepare HR team members whose roles may change? The “right” training strategy will consider the needs of global stakeholders and will be aligned with other changes taking place in the organization.
- Are your stakeholder engagement tactics well-planned and well-executed? Are they achieving measurable gains in sentiment and behavior change? Among other considerations, timing is important for stakeholder engagement. Engaging employees, managers and HR too early or too late can create unnecessary anxiety in the organization. Transparency is imperative throughout.
- Do you have a communication plan that strikes the right balance of relevant content and appropriate style and tone? Are your messages well timed and well written? Are they written in the language of the audience to ensure they’re actually digesting the material?
- Is there a global component to your HR transformation that makes use of both regional and local change resources, engages country and local HR leaders, and drives the organizational readiness approach down to the country-level roadmap and timing?
- Are you coordinating change strategy and tactics across your entire HR transformation program? This includes maintaining awareness of other initiatives in the organization that may affect the same resources or impact implementation timing.

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Having the right change solutions to mitigate each of the risks identified — and to prevent risks that haven't had a chance to take form yet — will be a critical part to your change management approach. So how will you know when it's working? What are the signs of success? Often a successful result proves anti-climactic for leadership teams, because success typically is accompanied by a prolonged silence. Nobody complains. There are no spikes in calls to the shared service center. Emails do not flood the program inbox. Meetings are not consumed by rudimentary questions that should have been predicted and addressed earlier in the change approach. Silence therefore is a great outcome.

More often than not, however, there are ongoing questions and concerns. And the good news is that the analytics and solutions outlined above are designed to catch those early, and address them quickly. This is why the change management team and approach needs to be vigilant at every stage of an HR Transformation. Risks are like weeds. They find ways to pop up when you're not looking. Understanding the nature of those risks, and having strategies to mitigate them, is therefore a very simple equation that helps focus change efforts and ensure a positive HR Transformation experience.

