

# The Dangers of Doing Nothing

A business case for investing in people management software



### Introduction

Digital transformation of people management systems and processes is one of the best ways that businesses can achieve accuracy, compliance and excellence in their daily operations. Unfortunately, it is also far too common for transformation projects to be parked and put-off, meaning that businesses are left to languish with unsuitable and outdated solutions that hamper resilience and performance.

In times of crisis such as economic downturn, the natural instinct for organisations is to cut costs across the board, meaning that projects of digital transformation are often some of the first measures to be halted, despite the value they bring. The perceived complexities of these projects can also lead to many businesses to take a "if it's not broke, don't fix it" approach to their systems, particularly when dealing with external stresses.

But what if cost cutting measures and the perceived safety of sticking with what you know, were actually holding you back from achieving business excellence?

At Advanced, we understand that times of crisis present unique challenges for every business. We also appreciate that when times are tough, your natural instincts are to shy away from what may seem like unnecessary expenditure, and take a "do-nothing" approach. But what if by doing nothing, you are actively hampering your ongoing growth? Worse still, when times of crisis demand robust and agile responses from organisations, there could be disastrous consequences for your business if your systems aren't sophisticated enough to meet these challenges.

This guide will explore the dangers of doing nothing and why prioritising investing in people management software could be the make or break point which determines the long term success of your organization through times of crisis. We've outlined the key challenges facing businesses in times of crisis and everyday operations and the reasons why they cannot afford to be complacent when it comes to investing in digital transformation projects.

### Compliance and Legislation

The people management function deals with sensitive personal data on a daily basis. This means that security, data integrity and above all: compliance with laws and legislation, have to come as a top priority.

Regardless of sector or purpose, all businesses are beholden to strict regulations and compliance requirements. Sweeping changes such as those demanded by GDPR regulations have also demonstrated to businesses the need to be agile in meeting regulatory requirements. Legacy systems simply don't offer the complexity and ability to suit these needs and react to changes brought on by turbulent times and legislative changes.

#### Did you know?

The costs of non-compliance could be back-breaking for organisations: <u>The Data Protection Act 2018</u>, which is the UK's implementation of GDPR laws, sets a maximum financial penalty of £17.5 million or 4% of annual global turnover for any infringements. These challenges are even more pronounced during times of crisis when external factors may necessitate the rapid introduction and implementation of new rules and regulations: <u>The Coronavirus Jobs Retention Scheme</u> being an example of how emergency conditions can dictate the need for new rules and regulations that have to be complied with immediately. This also presents an additional layer of complexity for people management professionals, who have to contend with the legal requirements of remaining compliant, all whilst dealing with core responsibilities thrown up by times of crisis.

Older systems can often mean that data is siloed away in unintuitive ways, making certification or proof of compliance with certain regulations far more difficult than it needs to be. Older solutions also offer less visibility, meaning that businesses can unfortunately find themselves walking blindly into non compliance.

# 👶 Maintenance costs

If your organization has used services such as Gmail before, then you are already familiar with Software-as-a-service (SAAS) business models. Unlike the days of yesteryear where software was issued by the provider via CD keys and other archaic methods, SAAS solutions are hosted through the Cloud with all the attendant benefits such as security and accessibility.

SAAS models are a popular and commonplace way of distributing software which are usually paid for via a subscription model. SAAS models are often praised for their ease of setup as with the software being distributed via the Cloud, this tends to reduce implementation times dramatically and means organisations can hit the ground running with using their new systems.

One of the major boons of SAAS models is the scalability of the solutions they offer. Users can instantly benefit from the latest updates and refinements to software as well as get on with their day safe in the knowledge that maintenance and upkeep is being handled by the hosting company.

The flexibility and adaptive nature is one of the key benefits of SAAS models, particularly in light of times of crisis. It's another reason why a reluctance to invest in digital transformation during difficult periods could actively create more barriers. Older, more sluggish on-premise solutions may have been left to languish in terms of regular updates or improvements- not only does this leave organisations vulnerable to potential security breaches, it also means that they lack the flexibility needed to meet evolving challenges.

The cheaper implementation and maintenance costs associated with SAAS models are an undoubted boon for organisations. In times of crisis, when spending is tightly controlled, understanding that updates are folded into part of a known cost such as a regular subscription fee, makes costs easier to manage, rather than having to fork out for ad hoc updates.

#### Did you know?

The danger with staying with older technologies means that although you may save money initially through lack of up-front investment, long-term your outlay will be larger as you are forced to take corrective action to fix your solutions as they inevitably break or become unfit for purpose.

## 🚊 Admin Burdens

HR professionals have always been the unsung heroes of their organisations. Acting as champions of company culture and practices as well as dealing with a never-ending myriad of administrative tasks around pay, training and workplace compliance, it's no exaggeration to say that the long term success of organisations relies heavily on their people teams.

Alongside these existing day to day demands, the scope of HR in a modern working world has expanded significantly. In today's organisations, HR professionals are far more than task robots, dealing with day-to-day administration. HR teams are finding themselves increasingly tasked with taking a proactive approach in delivering insights on employee engagement and wellbeing as well as keeping a weather eye on staff retention and any gaps in talent.

The difficulties of achieving these goals are only compounded by the additional strain presented by times of crisis. When external factors hit home, core mission statements of attracting talent, keeping costs down and ensuring productivity, engagement and wellbeing, can all too often fall by the wayside.

#### **Our Advice**

Free your teams from the budern of unnecessary admin so that your HR team can pioneer change and help put out fires. It's no exaggeration to say that the effectiveness of the systems and technologies which people teams utilize daily could be the make or break point which can determine success. HR admin deals with an incredibly broad scope of business operations, particularly that of talent recruitment and onboarding not to mention engagement and wellbeing of employees. These are all factors which demand specific focus, especially during times of hardship and it is reasonable that your people teams will need access to the right tools to help them achieve their goals.

The long term impacts of complacency in sticking with your outdated solutions could see the barriers and hurdles presented by times of crisis linger on into everyday business operations, Without proper visibility of key metrics such as wellbeing and engagement, how can organisations effectively pivot their strategies to help support their people? Furthermore, if failures from a technological standpoint lead to compromises in your people experience, how does that impact employee retention rates?

Outdated and older people management solutions simply cannot automate tasks in the way modern people management systems can. The danger of staying with an older solution is that your HR teams will not be able to get off the "administrative hamster wheel", and will be stuck going over the same lowvalue administrative tasks over and over again. What if your HR team could be pioneers in your business?

### 🕑 Engagement and Wellbeing

As periods of crisis hit home for organisations, a focus on business continuity can unfortunately mean taking your eye off the ball when it comes to safeguarding the wellbeing of your people.

#### Did you know?

<u>Research by Accenture</u> found that only one in six workers feel truly connected to their work, teams and organization.

As strategies and priorities shift into emergency mode, it's all too easy for employees to feel disconnected from the core mission statements of their place of work. Furthermore, if measures taken by businesses are antithetical to the wellbeing of its employees, you introduce the worrying potential for a mass exodus of talent.

When organisations feel the strain of an economic downturn, those stresses are often communicated to employees. Unfortunately, it is an all too common occurrence that external stressors can lead to layoffs and downsizing initiatives. Even if an organization isn't planning any similar measures, speculation and rumour mongering can lead to employees choosing to look elsewhere. Your systems and technologies offer you the perfect framework to gain the visibility you need to understand the moods and the level of engagement of your people and more importantly- offer your people a platform to make their voices heard.

Outdated solutions tend to treat employee assessments and reviews in a very rigid sense- sticking to more traditional annual review structures. When times of crisis occur, events can be very fast moving and the steps which organisations can take in order to ensure business continuity can dramatically upend existing culture and the people experience. It is important that your solutions offer you the ability to become more agile in how you are engaging with your people- communicating key policy changes and also offering more regular touchpoints in order to understand how wider events may be impacting them. Sticking with your older technologies do not provide you with the opportunity to engage your employees meaningfully or regularly without being time intensive.

# P<sup>+</sup> Recruitment and retention challenges

Whilst traditional mindsets around periods of downturn generally take the view that recruitment initiatives should be parked as a cost cutting measure, there is an emerging school of thought that focused talent attraction drives could actually be an asset when it comes to ensuring success during times of crisis and beyond.

From a people management perspective, most organisations will have been following a very similar, orthodox route when it comes to sourcing talent. Starting with a job description which sets out a specific set of required skills and the required experience, this has served as the foundation for most talent searches for many years now.

However, there is now a suggestion that the science of talent acquisition demands a more nuanced approach in order to be truly effective. Taking a deeper dive into the hiring decisions made by many organisations today and an interesting picture emerges which suggests a change in philosophy is required.



#### Did you know?

<u>Research by Gartner</u> has found that only 29% of business leaders feel that they have the talent in place they need to meet current operational needs. In times of crisis, these requirements become far more acute, so how exactly can organisations ensure that their talent attraction drives are as focused and effective as possible?

Again, the answer lies in the systems which you rely upon daily. Failure to invest in your people management systems has the potential to severely hinder your ability to find and attract the key talent you need to drive forward success.

Your HR systems in particular should be set up to give you visibility of key gaps in your operational structure which would be best suited to focus on when hiring during a crisis. Older or less sophisticated solutions may simply not be able to offer the granularity of data needed meaning that you are essentially hiring blind, with little to no measures in place to assess the long term effectiveness of new hires, or how successful your organizational structure is in recovering investment.

One of the most effective ways organisations can ensure higher retention rates is by reflecting the needs of your workforce. One of the most common elements which employees are looking for within their places of work are opportunities for growth and development. Employees who have an understanding of their opportunities for advancement will undoubtedly feel more engaged with their workplaces and more inclined to stay. There is a strong appetite from employees to earn more and therefore it is vital that your people teams are communicating with your workforce and making them aware of just how they can advance their careers internally.

Taking the decision to halt projects of digital transformation could greatly hinder your ability to communicate these opportunities to your workforce, leading to disaffection and disengagement amongst your people- many of whom will suddenly start to consider their long term place within your organization. In ever greater numbers employees are looking for workplaces that use tools of the same standard they have at home. By putting off investment into solutions now, you could be significantly damaging the prospect of being able to recruit and retain the best talent when you need them most.



Times of crisis often demand an agile and reactive response from organisations. To that end, the accuracy and immediacy of the data available to you will be absolutely critical in helping you ensure a strong sense of business continuity as well as allowing you to remain focused on maintaining your people experience.

In times of crisis, every aspect of your business will come under scrutinyparticularly from an expenditure standpoint. The accuracy of your data is inextricably linked with the performance of your business functions and the strength of the information at your fingertips will determine the effectiveness of business critical missions such as talent recruitment and engagement.

Older systems can leave you wide open to a host of data based issues such as lag times in reporting, accuracy and integrity as well as data being partitioned off in silos and inaccessible for many employees. They may not even report at all on certain data categories which are fast becoming imperative to have a firm grip on such as Diversity and Inclusion metrics. This can leave your HR team with less time to focus on driving performance and analysing reports to contribute to important decisions. Data accuracy and integrity are core requirements at the best of times and this need only becomes more pronounced during times of crisis. Bad data or even data which is needlessly circuitous to access can cut your people off from vital tools in their arsenal to help them action effective, real time strategies. Bad data can lead to you and your people making guesses in the dark and worse decision making when it comes to business continuity planning. There has never been a more important time to be informed and have mission-critical data available to you to make informed decisions on everything from recruitment to engagement.

#### **Our Advice**

Ensure you always have access to crucial data so that you can make business critical decisions wherever you are.

# 🖯 Security

People data represents some of the most sensitive information your organisation will ever hold. From employee records, payroll information and GDPR data, the potential security threats presented by an older solution simply is an unacceptable risk for people management teams.

On top of this, factor in the financial risk of your organisation suffering a data breach. The costs to damage-control the breach will be higher by a large margin than they otherwise would have been if you had transitioned to a new workforce management software on time.

Beyond the financial costs of data breaches, consider the wider impact on your organisation. How does the knowledge of a breach of sensitive information affect how the markets and wider workforce view you? From a workforce management perspective, even a single instance of your data integrity failing can be enough to seriously damage your reputation, particularly among potential new hires.

In times of crisis in particular, these financial penalties could be potentially back breaking, especially during periods where finances are strained. Furthermore, key talent acquisition drives will effectively be scuttled as very few people will be willing to take a risk on an organisation with a proven track record of data breaches. Older, physically wired-up on-premise solutions keep you at risk from physical theft and loss of irretrievable data. Newer, Cloud-based technologies keep you safer from security pitfalls and penalisation, keeping your data and your money secure and giving you peace of mind that your data is backed up in case of disaster.





# Implementation time

It's a very human quality to be wary of change. This is no more prominent than when we're talking about making changes to core business systems. Projects of transformation can see whole departments or even the entire workforce moving onto a new solution. The fear of getting it wrong is a powerful thing and the myriad ways in which a project can be mishandled can lead to organisations erring on the side of caution, sticking with outdated solutions.

One of the key factors driving this fear is the implementation of a new solution. The fear of change is largely motivated by an innate sense that any new system or technology will be a hardship to get up and running.

This isn't exactly a baseless fear- the implementation stage could very well be the make or break point which determines the long term success of a project of digital transformation. Furthermore- much like with anything in life, first impressions count. A bungled implementation stage will have a way of negatively colouring your perception of a solution and its supplier. Organisations that have Customer Success Managers available to help guide a successful implementation can be key to making a smooth transition to a new solution. One of the major elements which hinders implementation is the time which organisations allow themselves for getting a new solution in place. With the best will in the world, workforce management solutions can be complex things and finding a solution that suits your needs can take time. Furthermore, even the most seasoned professionals will struggle to make a successful implementation happen with the snap of a finger. Therefore, planning ahead and allowing time for research, sign off and implementation is imperative if you want to avoid the dangers of doing nothing about people management software that isn't up to scratch.

Take the time to consider your requirements and importantly- begin your search for a new solution before your current one reaches the end of its contract date. Not only does this ease some of the pressure from you but it also offers you a real time comparison with your current solution.



#### **Our Advice**

Think ahead. Starting your research now and investigating potential providers could save you from a rushed and ultimately failed implementation.



### → What's next?

It's easy to find comfort in familiarity but choosing to maintain your outdated and potentially unreliable software only puts off any eventual and more momentuous changes you will have to make in the future to stay competitive.

Biting the bullet with a proactive approach to security, compliance and performance will help you stay successful in the long run. Simply put, staying on top of projects of digital transformation benefits your entire organisation. It is possible for organisations to embrace the digital era confidently - even if you have critical legacy applications to integrate.

In times of crisis in particular, understanding that you have every available tool in your arsenal to help you ensure strong business continuity and long term success will be absolutely vital. When times are tough, it has a way of highlighting areas of weakness like never before: your systems and technologies represent a vital arm of your business function and you simply cannot afford to wait until a period of crisis before you find them lacking. We believe that the systems and technology used by your business daily should empower you to achieve more. All too often, organisations find themselves hampered by sluggish or outdated systems which mean that management and HR professionals find their working day is taken up by manual checks and correcting errors, rather than focusing on achieving the full scope of their roles.

That's why our <u>Advanced People</u>, our suite of people management solutions, including <u>time and attendance</u>, <u>performance management</u>, <u>payroll</u> and <u>HR</u> <u>software</u>, has been designed by experts with over 40 years' experience, crafted to specifically tackle the key HR and workforce management challenges facing businesses in today's working world. We can help you put together the case you need to avoid the dangers of doing nothing when it comes to your people management priorities.



### We would love to hear from you

If you'd like to find out more about how Advanced's people management solutions can help you achieve excellence- even during times of crisis- don't hesitate to get in touch with one of our friendly team members today.

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