

Why e-HR projects fail to deliver business benefits

Organisations can sometimes feel that they have not achieved the planned benefits from their investment in technology. While it is easy to point the finger at technology, more often than not, it is not software which is the problem but the way in which it has been implemented.

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One KPMG study into project failure concluded that only 7% of project failure was due to hardware and software issues, but that 17% was due to failure to define project objectives, 20% was attributable to poor communications, 32% due to poor project management and 17% due to managing the transition issues. Unfortunately, people issues are often seen as 'soft' by bullish, testosterone driven project managers who treat the introduction of technology like a military operation and focus on getting networks in place, loading software and parallel running. One project manager I once encountered held a simple view of change management - "get them in a room and bang their heads together". It might get short term results but has little to do with ensuring an effective transition!

So, why do projects commonly fail to deliver benefits? The main causes we find are:

- Poorly Defined Vision - organisations don't really understand what benefits they were looking for in the first place and what problem they were actually trying to solve. Unless the problem is rooted in real business issues that directly affect the business, nobody will notice the difference. High absence levels, poor recruitment turnaround times, lack of strategic planning data are real issues; HR frustration with the current system is not (at least not directly). The answer is to create a compelling vision that addresses real business issues.
 - Lack of measures - unless you can define what it is you want to change, supported by realistic measures, how will you know whether you have succeeded? It is important that you set valid, realistic targets and measure the outcome.
 - Technology for its own sake - There's a famous saying that runs "if all you have is a hammer, everything looks like a nail". Some problems can be solved with technology, others can't and it's wrong to expect systems to solve problems such as poor staff capability, poor policies and bad management. Likewise, technology which works against your company culture will certainly lead to failure.
- Lack of process change - if you take a bad process and automate it, all you get is an e-enabled, bad process. Time and again, organisations fail to fundamentally re-think their processes and challenge the way things have always been done. Implementation offers a unique opportunity to look at what technology can offer to improve processes and to find creative ways to deliver services. Does the process really need 3 levels of approval? Who really needs to check that form? Can we add extra value to a process that will make it more useful?
 - Managing the change - as noted, this is often seen as 'new-age' and akin to hugging trees, but make no mistake, unless people buy-in to the technology, it will eventually fail. There is no particular reason why people should welcome technology; of course, you can compel people to use systems by removing alternatives, but unless they can see 'what's in it for me', they will tend to work around or at best avoid it. Taking a 'resistance is futile' stance only creates resentment.

If, however, you can demonstrate that technology will make their working lives easier (for example, making it easier for them to book time off, claim expenses or complete an appraisal form) it will be seen as useful and people will want more.

A little preparation at the start of your project, challenging accepted ways of doing things and thinking creatively can help avoid disappointment later. The initial business case should focus on how these important non-technical issues will be dealt with. Project success is ultimately about managing 'soft' stuff. Still, as they say, the 'soft' stuff is actually the hard stuff.



Steve Foster

As a managing consultant, Steve Foster has worked with a wide range of major clients, helping them transform their HR operations. Steve also managed Northgate's HR Outsourcing division. He brings specialist knowledge of HR business process improvement, e-HRM planning and implementation, outsourcing and change management.

Steve regularly presents at HR/technology conferences, has published several articles on technology strategy and human capital management and is regularly quoted in professional magazines and journals. A current area of interest is how organizations make sense of e-HRM technology and its impact on HR transformation – Steve is currently undertaking Doctoral research into this area through Hertfordshire Business School.

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