

Change Management

The Secret Behind Successful
Payroll

9/20/23



Our Speakers



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What is Organizational Change Management (OCM)?

OCM is the tailored processes, tools, and techniques that proactively manage the human aspects of organizational change to achieve and sustain the desired business results.

What is OCM?

- A structured, but flexible approach for supporting employees, teams, and leaders to achieve new ways of working
- Accelerates awareness, acceptance and adoption, while minimizing disruption
- Builds desire, knowledge, skills, and reinforcement for the change



What is **not** OCM?

- IT change management
- Project change management
- Project management
- *Just* training and communications
- Focused only on implementing new technologies

A woman in a light blue shirt stands in the center of an office, gesturing with her hands as she speaks to three colleagues who are seated around a table. The colleagues, two men and one woman, are listening attentively. The office environment includes desks, computers, and a bulletin board in the background. The entire image is overlaid with a semi-transparent purple filter.

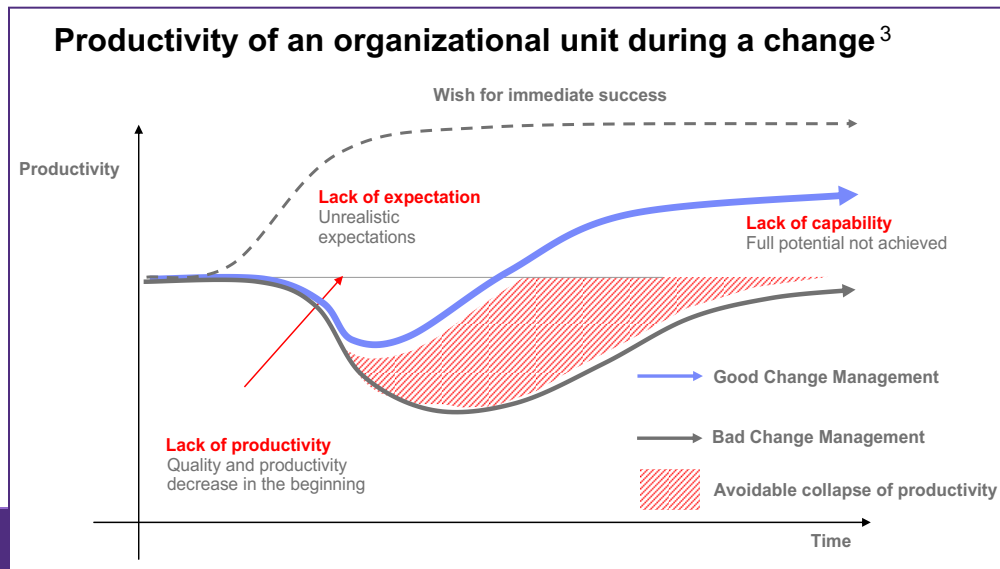
Organizational Change Management –
is a leadership competency essential
to success at an organizational Level

Importance of OCM

71% **project success rate**
when employees are engaged
and drive change¹

69% **greater capacity** for continuous
improvement following a successful
transformation²

6x **more likely to meet project
objectives** in organizations with
'excellent' change programs¹



Value Proposition

- Increase the probability of success by reducing disruption
- Move implementation(s) forward more quickly and smoothly to realize benefits sooner
- Prepare the organization so that change and transformation are sustainable



A photograph of three athletes performing box jumps in a gym. The image is overlaid with a semi-transparent purple filter. In the foreground, a man in a grey tank top and black shorts is jumping onto a large wooden box, with his hands raised above his head. Behind him, a woman in a black sports bra and shorts is also jumping onto a box, with her hair flying up. To the left, another person is visible, partially obscured, also performing a jump. The gym environment includes various pieces of equipment like racks and a fire extinguisher in the background.

Change is **UNCOMFORTABLE**

Answer these questions

Utilize the following questions as a starting point to frame your thinking

- 1 **Why are we changing?**
- 2 **Who has to do their job differently (and how)?**
- 3 **How much of our outcomes depend on adoption and usage?**
- 4 **What will we do to support adoption and usage?**

Changes in Payroll Utilizing OCM



Implementing New
Systems or
Patches/Upgrades



Regulatory Changes



Opening New Sites-
Acquisitions-
Divestitures

Changes in Payroll Utilizing OCM



Taxation Adjustments



New Payment
Methods



New Cutoff Times

WELCOME!

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Starting Line-Up and MVPs

Starting Line-Up

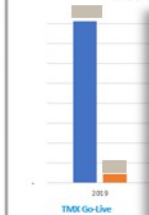
MVPS

- All
- Co
- La
- Lu
- Su
- Li
- Ka
- Al

W-2 PRODUCTION YEAR OVER YEAR WITH ERROR RATE COMPARISON

Hilton

W-2 and W-2C Count by Year



W-2 and W-2C Year Over Year Comparison

Overall number of W-2s produced in 2019 – due in large part to the implementation of the new W-2 production system.

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Local Minimum Wage

As more localities adjust minimum wage, we have pivoted those and we calculate.

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2022 SEASON HIGHLIGHTS

MAJOR WINS – Where we have UPPED our game

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COMMUNICATIONS

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Targeted Communications Throughout Year End

- Year End MVP Meeting Cadence
 - Weekly Meetings by Function
- Team Members
 - Lobby Buzz
- Properties
 - Holiday Processing Schedule
 - Year End Reminders for Financial Wrap Up

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Stakeholder Groups

Understanding how stakeholders are impacted and engaging them at the appropriate level is critical to the project's success

Direct and Indirect Stakeholders



Project Team

Provide insights re.:

- Feedback from stakeholders
- Coordination of activities among varied projects and workstreams



Technology Team

Confirm roles re.:

- System monitoring
- Escalation of issues
- Testing
- Training on new technologies



Core Team

Engage to:

- Clarify roles and responsibilities
- Collect feedback
- Provide guidance on engaging colleagues/direct reports



Leadership

Drive sponsorship by:

- Maintain alignment
- Manage expectations
- Provide support on when/how to promote change



Change Champions

Engage to:

- Provide updates
- Align on key messages
- Gather feedback



Impacted Groups

Engage & prepare by:

- Providing high level project updates
- Maintaining awareness of ongoing activities

Your Stakeholders

onboarding

consultants

HR

HCM

rewards

benefits

call

audit

managers

finance

treasury

center

vendors

compensation

total

risk

team

tax

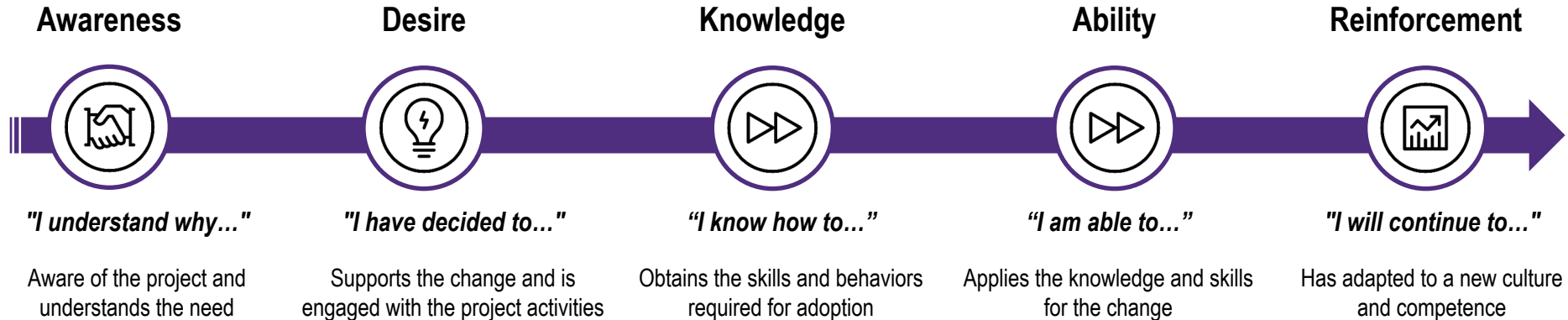
compliance

ERP



How does OCM support the stakeholder journey?

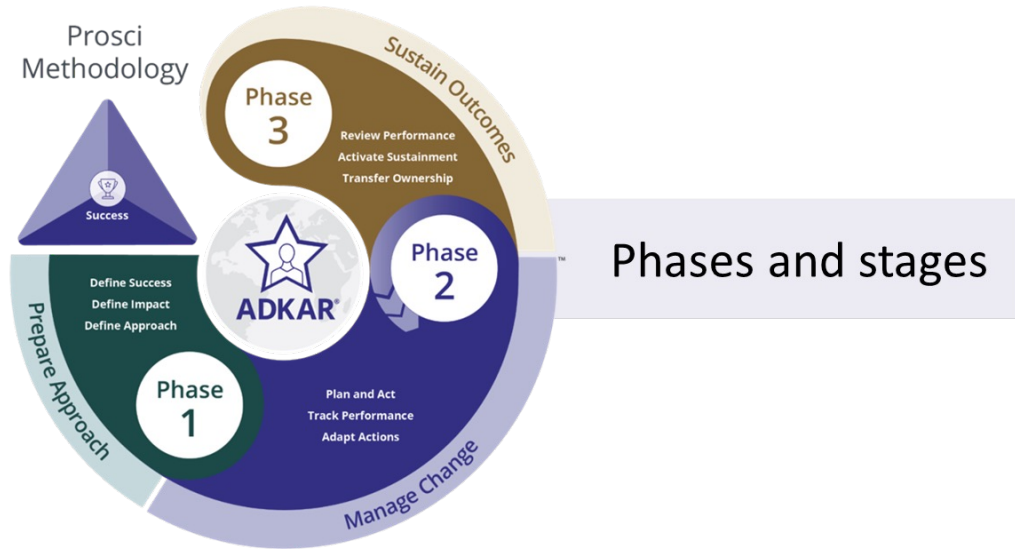
OCM tactics will guide our stakeholders through a structured change journey, including ADKAR: Awareness, Desire, Knowledge, Ability, and Reinforcement. Various stakeholder groups will be engaged in different ways.



A woman with dark hair, wearing a blue and white striped shirt, is smiling and looking upwards. She is standing in front of a wall covered in numerous colorful sticky notes in shades of pink, orange, yellow, and blue. The scene is brightly lit, suggesting an office or creative workspace.

Leadership Risk— Awareness ≠ Ownership

Approach



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Tactical Examples

Dear [Customer],

You previously were involved in McGraw-Hill Education's (MHE) returns customer focus group, which was the first step in our efforts to improve our returns process. Following this focus group, we are now entering the official pilot stage where we will be asking you to use **our new COMMUNICATIONS PLAN** for return returns this fall season.

Using our new Available to Return Quantity (ARQ) report in your returns process, you will be able to understand how the updated report will affect both your operations and develop a fully integrated and smooth returns process from start to finish.

This pilot program will officially begin today, *****, and will conclude on *****. We are encouraged to contact us directly at ***** with your request for an update as you may begin returning product shortly. We have attached an ARQ data file.

As a friendly reminder, please follow the pilot process documented below:

1. Prior to returning any product, please contact MHE customer support for an ARQ report.
2. MHE will provide you with an ARQ report within 1-3 business days.
3. On the report, input the returned quantity, checkback number, and you will be returning back to MHE.
4. Place a copy of the ARQ report in your returns package and return.

If you have any questions, concerns, or general feedback, please contact us at *****.

Thank you for your continued participation!

Kind regards,

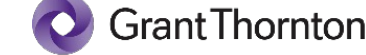
[Add Name and Title]

Communications plan which cares for audiences, delivery, messages and frequency

PROGRAM IMPACT

Monday	Tuesday	Wednesday	Thursday	Friday	Sat/Sun
			1 ONLINE BETA	2 ONLINE BETA	3 ONLINE BETA
			4 ONLINE BETA	5 ONLINE BETA	6 ONLINE BETA
			7 ONLINE BETA	8 ONLINE BETA	9 ONLINE BETA
			10 ONLINE BETA	11 ONLINE BETA	12 ONLINE BETA
			13 ONLINE BETA	14 ONLINE BETA	15 ONLINE BETA
			16 ONLINE BETA	17 ONLINE BETA	18 ONLINE BETA
			19 ONLINE BETA	20 ONLINE BETA	21 ONLINE BETA
			22 ONLINE BETA	23 ONLINE BETA	24 ONLINE BETA
			25 ONLINE BETA	26 ONLINE BETA	27 ONLINE BETA
			28 ONLINE BETA	29 ONLINE BETA	30 ONLINE BETA
			31 ONLINE BETA		

A simple calendar to keep us all on the same page



Today (disconnected)

Tomorrow (standardized)

Putting the complex into easy-to-understand language

FINANCIAL SYSTEMS CLOUD MIGRATION (FSCM)

FSCM is a cross-functional program with owners and team members from FRA, PRA, Systems Admin, Procurement, Application Development, ODS to name a few. This is our inaugural newsletter about the FINANCIAL SYSTEMS CLOUD MIGRATION (FSCM) Program. You can expect to receive updates every few weeks.

OUR VISION

To reduce the complexity, cost and risk of our first systems by implementing a fully integrated suite of cloud products that deliver timely and accurate financial information to key stakeholders.

Current State Challenges

- Fragmented systems across the globe
- High cost to own, maintain and support applications in-house
- Complex and disparate data processes and interfaces

Future State (Benefits of Cloud Services)

- Integrated systems enhance the control environment through automation, reducing manual error
- Cloud management tool provides real-time change and program changes to the system
- Significant cost savings are realized on the cloud, and the program aligns with the 2023 Cloud First strategy
- Integration of all financial systems into one consistent and efficient accounting and reporting

PROGRAM HIGHLIGHTS

- 1. **AGILE APPROACH:** The FSCM program is being managed using the Agile Framework. The Agile Framework helps project teams become more successful through cross-functional collaboration and managing work deliverables iteratively and incrementally via Sprints. Click to read DTCC Blog Posts about adopting the Agile approach from Wednesday, November 1, 2017 [Enterprise Agile: Transforming DTCC into a More Agile and Entrepreneurial Organization](#)
- 2. **FSCM STRUCTURE:** FSCM has been structured in alignment with Agile principles - Three Workstreams oversee nine Squads where the program team members have established charters and workplans to guide deliverables.

A monthly newsletter to keep our project in front of all stakeholders

Program IMPACT

Program Overview Deck

Version 3 | 02/08/2019

Program IMPACT Newsletter

Program IMPACT is a cross-functional program at NRG with owners and team members from Accounting, PRA, Human Resources, Payroll, Supply Chain, and Consolidations to name a few. This is the inaugural newsletter about Program IMPACT; you can expect to receive issues monthly, through the completion of the Program.

OUR VISION

To create a **simplified enterprise platform** that is integrated, efficient, and flexible for the next generation of NRG.

Laying the Foundation

- Aligning all financial systems into one cohesive platform
- Creating an efficient and flexible platform that will be foundational for the next generation of NRG
- Efficient and reliable with the best in-class solutions
- Consolidate from back-end and every one of us to build one platform

Program IMPACT configuration 1.2020

Timeline: August 2, 2019 - November 15, 2019 - December 15, 2019 - April 15, 2020

- Requirements
- Development
- Testing
- Go-Live
- Production

Core Principle

sim'pli'ca-tion (noun)
to make less complex or complicated or easier to do or understand

Program IMPACT

Version 3 | 02/08/2019

Single source of truth

- Embrace standard functionality
- Leverage automation
- Single entry point for all data

Lack of Reporting Usability

- No consistent reporting tool and analytics results to keep
- Complex and inconsistent reporting
- Complex and inconsistent reporting
- Complex and inconsistent reporting
- Complex and inconsistent reporting

Reporting Usability

- Complex and inconsistent reporting
- Complex and inconsistent reporting
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Reporting Usability

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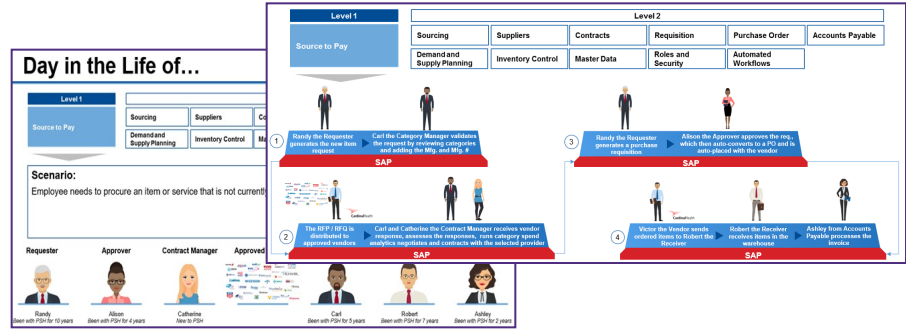
Reporting Usability

- Complex and inconsistent reporting
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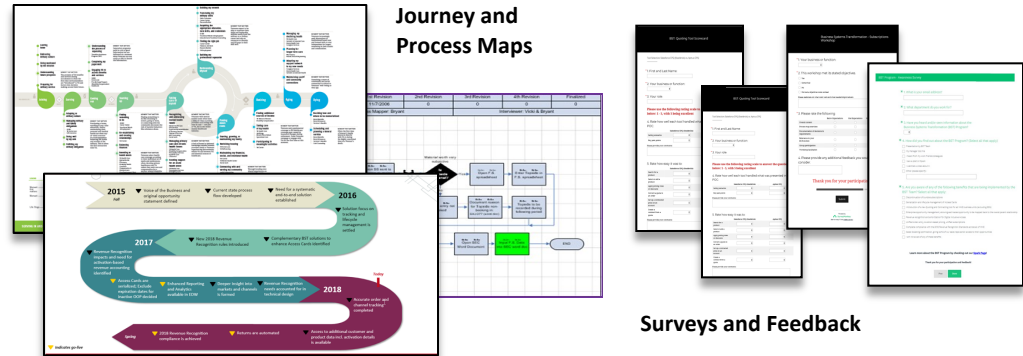
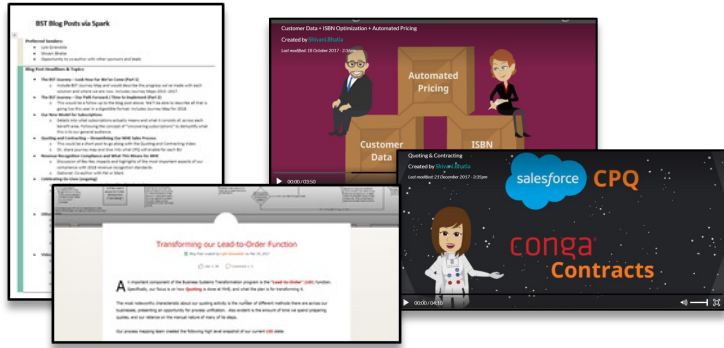
Tactical Examples

Training plan

Group	Dept.	Change	Impact	Comments/notes	Status	Training	Status	POC
CSG	Call Agents	- CSG rep to prompt customer for serial number on physical access card - Serial number search capability available - new feature - CSG rep to perform code sweep to generate a new access code - new system feature	Medium	Internal CSG communications to deliver training & reinforcement - SOH, Recorder or instructor led	Completed	Internal CSG training to deliver training & reinforcement - SOH, Recorder or instructor led	Completed	Vern Thorson, Kim Clegg, Carlos Martinez, Vaghi Dier
SCM	Buyer Team	- Buyer Team enters card ISBN in Parts Admin Tool - Validates CN and code book to ensure accuracy	Medium	This change is implemented, communications and training delivered internally	Completed	This change is implemented, communications and training delivered internally	Completed	Michelle Belford, Tony Elliott
ITS	EDW	ITS creates and runs exception report with Integrated access code info in CSIM, auto-generated and sent daily to the Finance	Medium	ITS to communicate go live and monitor UAT / stabilization - CSIM	Completed	ITS training is not needed, RAG for issue handling in progress - Meeting UAT expected	Completed	Sam Hayward, Doreen Tuo
MMSE	Data Quality							
MMSE	Finance	Training - CSG rep to prompt customer for serial number on physical access card - Serial number search capability available - new feature - CSG rep to perform a code sweep to generate a new access code - new system feature	Completed	SOH, Recorder or Instructor Led TBC	Completed	Internal CSG Training	Completed	Vern Thorson / Kim Clegg
ITS	Revenue Accounting	SCM Buyers - Buyer Team enters card ISBN in Parts Admin Tool - Validates on and code book to ensure accuracy	Completed	Internal SCM Team	Completed	Internal SCM Team	Completed	Tracy Dillmore / Jack McGowan / CM Team
CSIM	TBD	CSG Revenue Accounting - Auto-generated report for serialized Access Cards - New exception report available - CSG error report to be auto-generated and emailed to the team - New process / definitions to monitor errors (error defined), will include other details - Potential system and process workarounds identified in SIT that are currently being tested	In Progress	Walk-through, job aids, and supporting materials	In Progress	IST CM Team / Cagay Khatone	Completed	Tracy Dillmore / Jack McGowan / CM Team
CSIM (Terms TBD)		To be confirmed with in-depth assessment by CSIM following first live months of UAT	Not Started	TBD - approach and plans in progress	Not Started	Joyce Kessler / Angie Walters / CM Team	Completed	Joyce Kessler / Angie Walters / CM Team



Leveraging a variety of training delivery methods



Measuring Success

Adoption Metric	Example Metric Focus Areas	Example Measures
Positive User Experience Have you created a positive experience that engages people?	• Process/Tool user feedback • User-centered design feedback • Help desk analytics/error categories • Super user / local change champion feedback	% of help desk tickets for payroll post-deployment (help desk reporting) % of super users reporting user issues (super user survey) Payroll cycle time
Commitment Have individuals made a deliberate decision to participate and do what it takes to work in the new way?	• User feedback • Manager feedback • Participation/Contribution metrics	% of managers reporting their employees are committed to the change to complete their work (manager feedback survey) # of users providing feedback about the tool (user feedback forum responses, user surveys/roundtables)
Action Are employees exhibiting the behaviors and acting in the ways expected for successful change?	• User/Manager feedback of behaviors • Observation of behaviors • Application/System usage data • Process metrics (for example, activity/volume data)	# of users using new self-service by day/month (tool data) # of unique logins to the portal month-to-month (tool data) # of cases solved by the chat bot Reduction in contact volume for simple payroll questions

Answer these questions

Utilize the following questions as a starting point to frame your thinking

- 1 **Why are we changing?**
- 2 **Who has to do their job differently (and how)?**
- 3 **How much of our outcomes depend on adoption and usage?**
- 4 **What will we do to support adoption and usage?**

Operational Readiness –

Your **ability** to stabilize from a change event because of the **preparedness** you have engaged in





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Global Lead Payroll





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THANK YOU!



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