

APA Day 3: Changing pay cycles successfully

A change to the payroll cycle affects every employee, even those whose pay won't be impacted, because employees talk. So, planning for the change is key, and planning and execution can take as long as two years, commented Lisa Poole, CPP, VP, business systems analyst at SunTrust Bank. Poole provided some tips and tricks to make the change process as painless as possible.

Change is about efficiency

Efficiency usually means more affordable, easier and whatever makes the most sense at the time, Poole said. A pay cycle change can be precipitated by new software or a merger or acquisition. Sometimes, the C suite can define efficiency as workload reduction, but that might not always be the case, she added.

Communicating change

Begin communicating the change to employees as early and as often as possible, Poole advised. And remember that communication doesn't just go one way; you should be open to feedback, too, she added.

The toughest task for your communications team will be allaying employees' fears of change. Employees' deductions may be impacted due to the change in pay cycles; and they will need to be convinced that, despite the disruption, the change benefits them. That's where the "selling" becomes important, Poole said. And helping employees plan for the change, like teaching them about financial literacy and the need to budget, is part of the communication process, too, Poole said.

Building the plan

This phase requires you to form a different team.

Who to include: Payroll staff, HR, Finance, Legal, IT, employee representatives, Treasury, Communications and an Ombudsman. Don't underestimate the importance of an Ombudsman, Poole said. This is the person who cuts through all the noise by challenging everything and, since teams tend to flow to groupthink, helps the team avoid that result.

Then, create a before-and-after calendar, showing pay dates, processing cutoff times, direct deposit dates and other information.

Testing and parallel runs are also important, Poole said. The problem, she said, is that you often don't have the proper resources to test. So, advocating for the necessary bandwidth is essential.

Finally, Poole suggested that after the change is complete, you conduct a post-mortem. Would you do it again? she asked.