



The economy of connection

How the bonds formed by
HR matter across businesses

IRIS. Look forward





Foreword

by Professor Stephen J. Perkins DPhil (Oxon) Chartered FCIPD CMgr
FCMI FHEA, Emeritus Professor, London Metropolitan University,
Senior Research Fellow – Global Policy Institute, London

It's some 40 years since American business schools helped turn *personnel management* into *HRM*, and from the get-go the accent was on adopting a systemic approach. Management attention to creating conditions for employee commitment, flexibility and endemic quality assurance was to be integrated with corporate strategy.

Of course, HRM in an academic environment, unsurprisingly, involved debate – polarisation even – of views about this emerging subject field. Business owners and leaders may feel that some of the argument ignores their practical need for help to run a profitable enterprise. But, with the right companion to pilot through the jargon, business-focused added value can be gained

from a willingness to invest a little time to distil overarching themes. And to apply that knowledge, enabled by the latest technology, to solve problems relevant to both strategic and operational priorities efficiently and effectively.

Studying and advising organisations over the past four decades, I've found that while we've been presented with 'best practices', specific business circumstances mean that we need to apply them critically to avoid disappointment. We need to remove the hype and concentrate on what works contingent on where we are as a business. But equally we need to approach the task holistically – in the jargon, to find the right *configuration* of practices.

People are our greatest asset it's often claimed. But it takes more than algorithms to engage them as complete human beings with their unique backgrounds, aspirations and priorities, as well as high potential, to align with what an owner and/or investor aims to achieve. And to remember that the people we employ – and entrust with creating great products and delighting customers again and again – work in teams as well as independently, and work with other corporate resources, including the technology on which we rely for efficiency.

Ideas that academics and consultants have designed for big corporations don't necessarily transfer without adaptation to the mainstay of any economy – small and medium sized and, increasingly, micro enterprises. So, we need some guiding principles to help decide what's right for specific settings. This thought piece offers those, clearly and accessibly written.

The *economy of connection* helps leaders understand the questions to ask to ensure owners, leaders and managers, partnering with their HR and payroll specialists, can work out how to empower the people they employ. And, how to release their latent power respecting the individual as a team player, using innovative systems to ensure profitable outcomes.



INTRODUCTION

Power to the people

People are the number one asset in any business. The value of human capital management should be at the forefront of all organisational decisions; or, in the words of the first ever chairman of non-profit organisation Investors In People (IIP): “Investment in people appreciates, whereas investment in capital depreciates.”

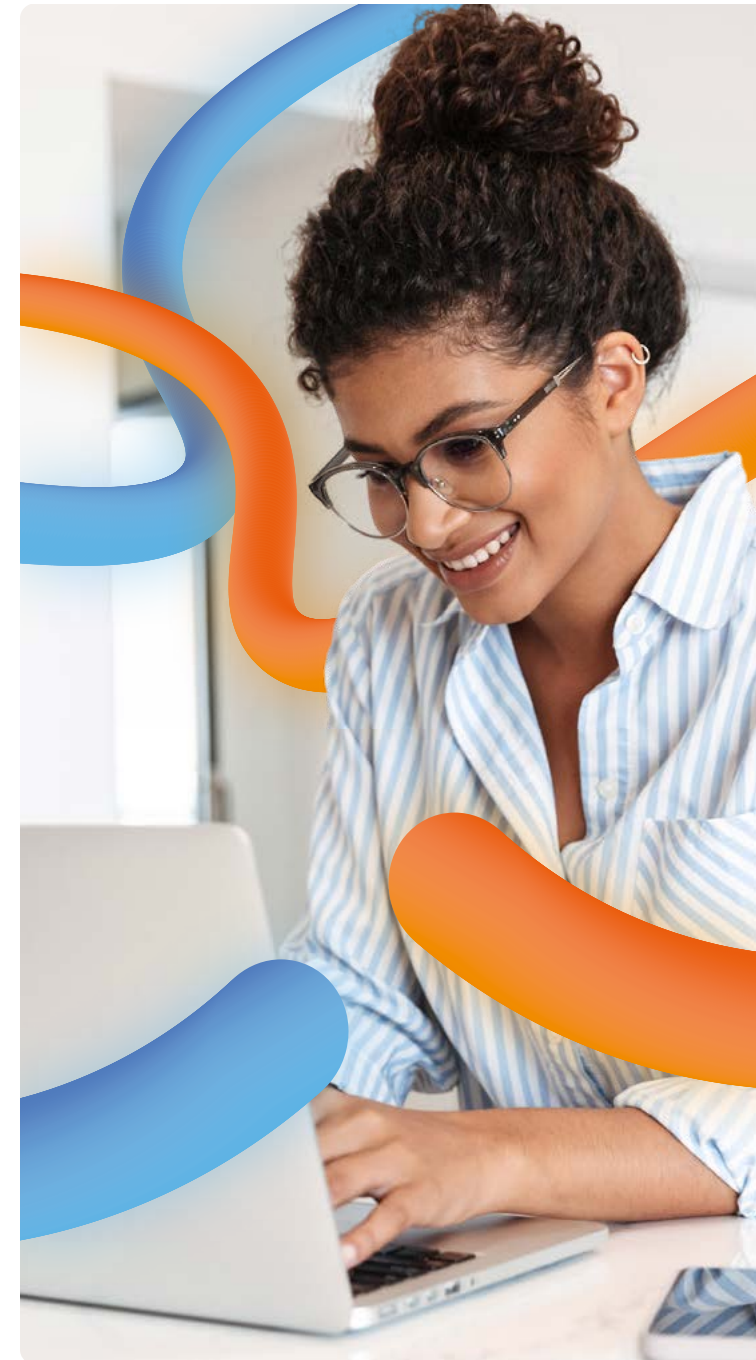
But not every organisation recognises this. When disconnection across departments exists – driven by physical separation, disparate working systems, or an absence of trust – it can seriously hamper company success. Businesses become siloed, teams lack a shared purpose, and employees lose motivation. And crucially, these issues can crop up in organisations of all sizes, from large enterprises to smaller start-ups.

The responsibility of building these connections lies with HR. They are in prime position to foster the kind of connections that drive the business forward. But HR teams can often struggle to establish a leadership mentality, as they lack

the right tools or support. And payroll also has a significant part to play: if people don't get paid on time, doubt and distrust becomes rife.

So – how can HR build these connections? What methods of engagement work best in the more complex environment of hybrid working? And how can technology solutions support HR along the way?

It's time to explore the fundamental role of HR in building a connected workplace, and why putting the power in your people is the key to business success.



SECTION ONE

The history of HR

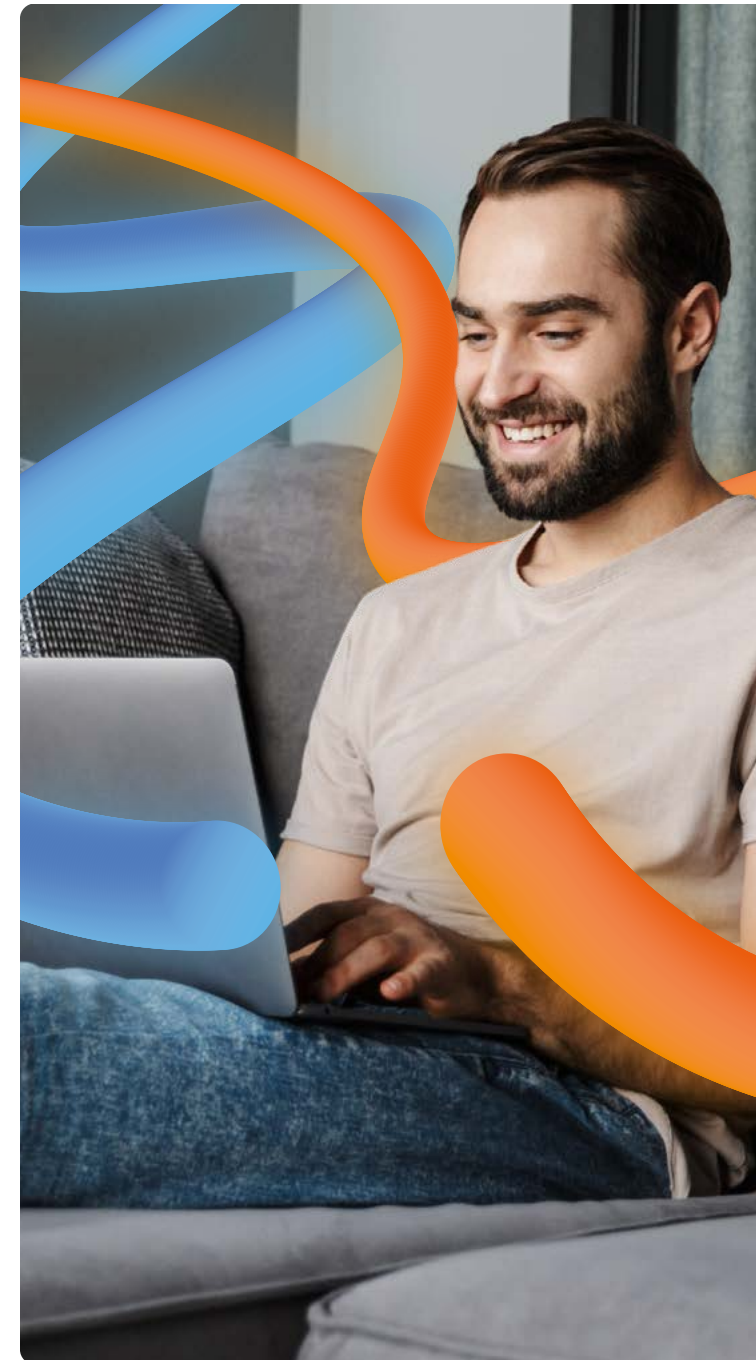
HR has come a long way since the days of offering 'tea and sympathy'. Although an element of this exists at its core, HR's reach now goes way beyond this. Serving as an essential business advancement function, the role has expanded – and the pressure on HR teams is greater than ever.

"The best HR leaders should refine the capability to understand where people are coming from, and how communication can resonate with the workforce."

Professor Stephen J. Perkins DPhil (Oxon)
Chartered FCIPD CMgr FCMI FHEA

Being interested in people and having empathy is the first step to building effective HR processes. But access to the right technology can strengthen their offering, enabling them to customise the employee experience, automate or outsource admin, and free up more time for day-to-day 'softer' HR requirements.

An essential touchpoint for the business as a whole, HR – and as an extension payroll – offer a significant opportunity to spotlight the unique aspects that each individual brings to an organisation. Combining good old-fashioned conversation with the right data can help businesses become more empathetic, and in turn empower their people to perform.



Whether it's a dedicated team or a one-man-band, HR's role is powerful in really getting the most out of employees.

It's also crucial to getting the right systems and solutions in place to meaningfully impact the organisation. Put simply, HR is the connection point between people and potential; but it also has a part to play in fostering those connections throughout the entire business.

SECTION TWO

Getting connected

Building interpersonal connection isn't just about bonding over water cooler gossip. Employees need a collective aim to believe in.

Company culture occupies emotional space as well as the tangible and physical, meaning that connection has to go deeper than surface level. To really get under workers' skin, HR departments need to start the process before an employee steps foot through the door.

When you hire a new employee, that person feels a sense of achievement: they've been selected, deemed skilled enough to carry out the job at hand. In response, this person may feel obligated to 'return the favour' by performing well – or to the best of their ability – in their new role. In social psychology, this cycle of trading positive actions is explained by [the theory of reciprocity](#). A business invests in us, so we reciprocate that action by investing in the business.

Plus, human beings are social animals. We're driven to mobilise around a positive sense of purpose, which includes working together to contribute to a greater good. An essential element of this collaboration is connection: we need to feel connected to not only each other, but a common goal.

So that initial seed of trust provided by the business plants the foundation for a shared sense of togetherness. But it's up to HR departments to feed and shape that until it grows into connectedness. As Professor Perkins puts it, 'it's this *connectedness* that is most likely to advance the organisation'.





Humans often adhere to predictable patterns of behaviour. Much of what happens to us is path-dependent: once we have made certain decisions, all our following choices and actions are self-reinforcing. We want the business we work for to succeed because we want success for *ourselves*.

There is one particular area where HR and payroll can really make an impact. Once they have completed the interview process and hired the perfect fit, they need to ask themselves: what does the ideal onboarding experience look like?



SECTION THREE

Jump on board

The onboarding process can make or break an employee's experience of its new business, and is crucial to fostering connection.

HR is every new employee's first point of contact. They need to be on hand to get the 'smart basics' right: to guide new starters as they adjust to their new surroundings; to help understand certain protocols; and to provide insight into how they should interact with their fellow colleagues. This process is essential for building initial rapport that can lead to connection further down the line.

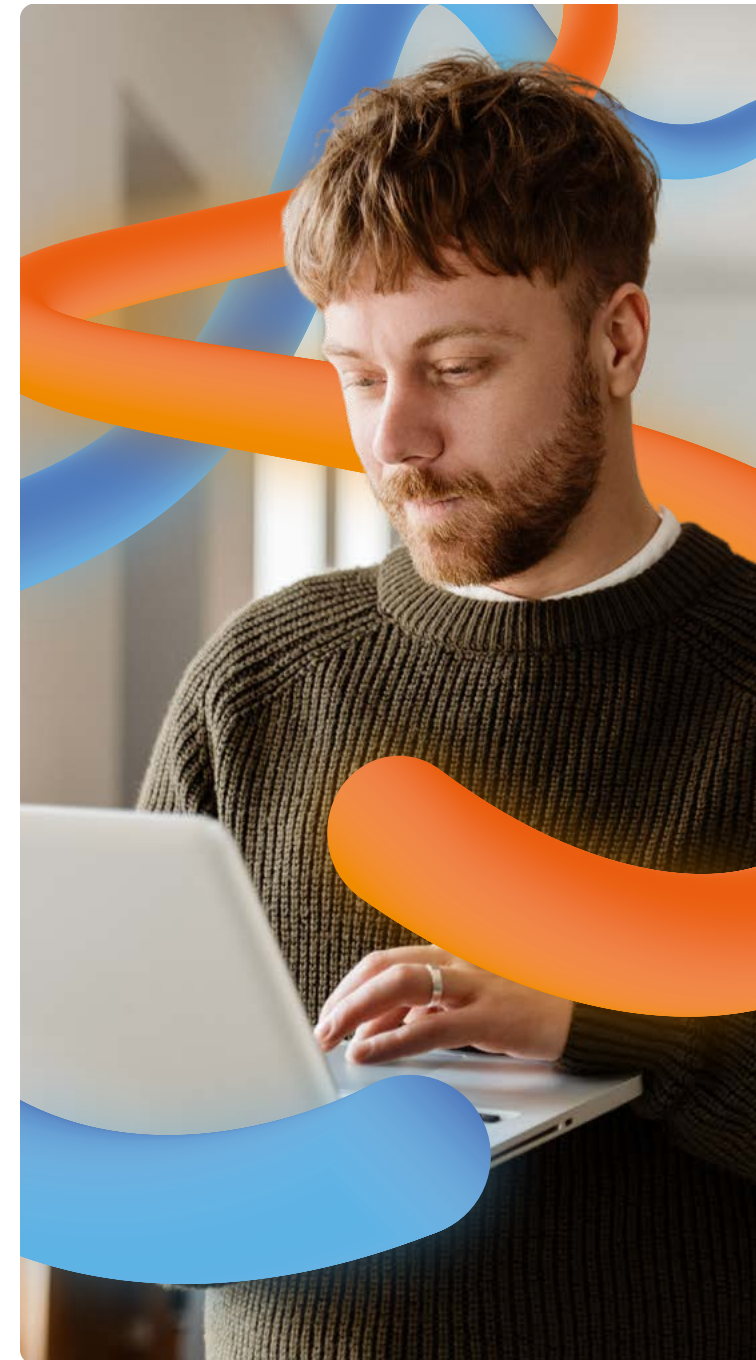


Turn to tech

HR and payroll departments, whatever the business size, often rely on technology to help them provide this assistance. In a hybrid-working world, software that connects new starters to their colleagues has become a must-have rather than a nice-to-have.

But beyond the functionality to support these tasks, what HR really needs is more time to focus on the day-to-day, and the 'soft' services only HR professionals can provide. Delivering that emotional connection early doors is key to getting employee buy-in to the business.

And HR can take it one step further by providing personalisation. Once achieved by arranging framed photos on a desk, now this means taking whatever physical or virtual steps necessary to ensure each employee has an experience adjusted to their needs. Which specific software packages are relevant to their role? Which of their colleagues do they need personal inductions with? If people feel comfortable and catered to, it enables conversation, which in turn fosters connection.



SECTION FOUR

The future of hybrid working

A turbulent period of life and work has led employees to question the status quo and ponder how, and *where*, they derive meaning from work.

HR professionals have to ask themselves: how can the difference in how people now interact fuel better processes for the benefit of everyone? The answer lies in taking a communicative approach – more specifically, listen rather than tell. If leaders listen to how people feel about hybrid working, it strengthens the bond and reinforces the view that ‘we’re all in this together’.

Listening also creates trust. If people don’t feel like they can trust their employers, they feel disconnected. HR should invest effort and time in understanding what it is that their staff are concerned about to avoid alienation and instead boost motivation and morale.

The shift from physical to virtual has leaned heavily on tools and solutions to mitigate the transition. Using the right technology can help not only build, but in these circumstances rebuild the sense of connection through enabling people to feel ownership over their environment.



SECTION FIVE

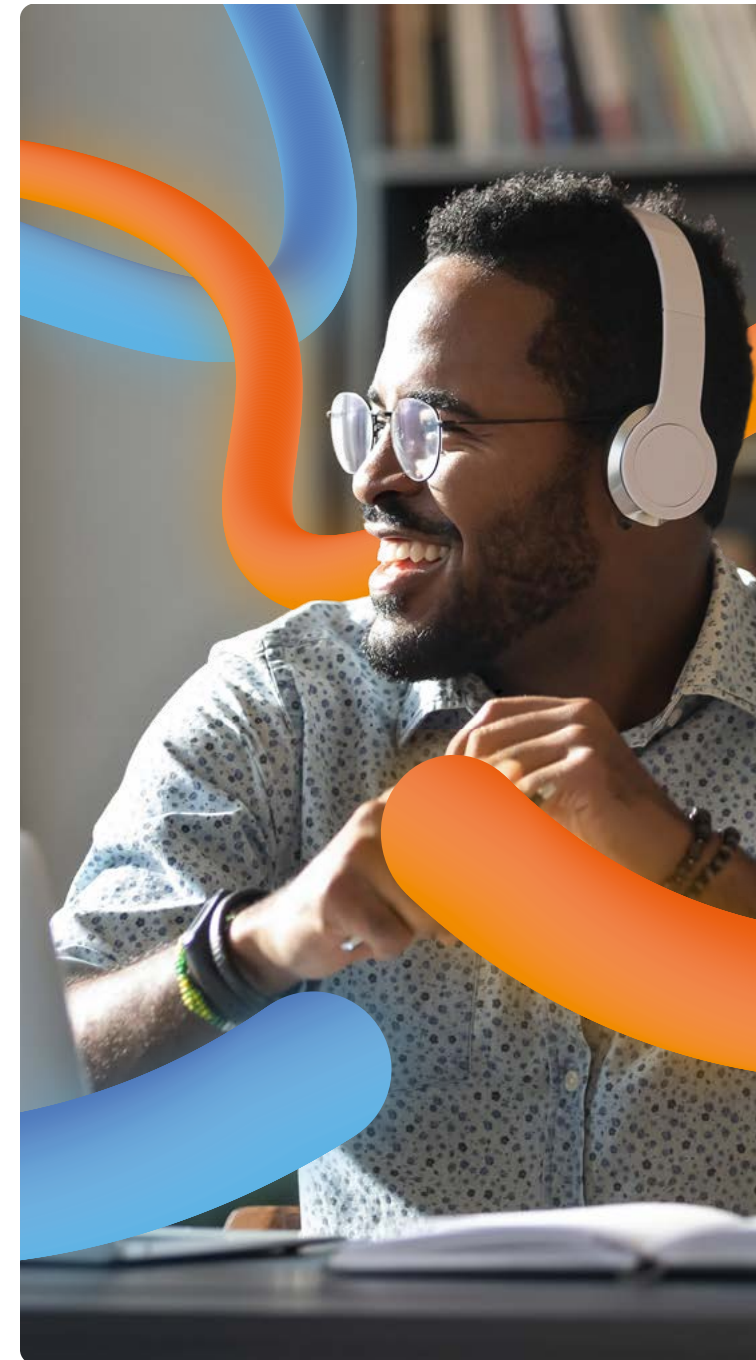
Tackling challenges head on

HR and payroll should not just focus on how to build positive connections, but also on how to limit the negative ones.

People need to be paid on time. And so employees should be able to trust that their employers will do just that. This is why payroll is so fundamental to employee connection and organisational potential: late pay equals workplace disconnection. Plus, getting paid on time links to workers being recognised for their performance, which is a crucial element of the cycle of reciprocity.

Employees may forgive bumps along the way, but if organisations don't deliver the goods, then they are undermining the sense of reciprocity that fuels connection.

Businesses need to find technological solutions in order to build that trust. For example, outsourcing payroll to a reliable technology provider can reassure workers and build confidence, reducing the chance of fractures later down the line.



Managing a business across multiple locations – regional or global – also has the potential to hamper connection. Every establishment has different ways of doing things, which can form silos of covetable information. HR should look to foster an environment where employees can share knowledge and ask questions without repercussions. Encouraging open discussion highlights pockets of opportunity, helping businesses to grow and succeed.

“When it comes to managing a business across multiple economies and geographies, mindset is fundamental, and can be a wonderful resource.”

Professor Stephen J. Perkins DPhil (Oxon)
Chartered FCIPD CMgr FCMI FHEA



SECTION SIX

Where systems win

What is technology's role in a connected workplace? It doesn't only bolster connectivity; it also needs to support daily HR tasks, driving efficiencies to free up more time to focus on people. But efficiency alone is not enough, and should be carefully balanced with effectiveness in order for it to work.

What's more, any viable solution needs to deliver value for money. Alongside fewer cost implications, HR teams should question: will this help us achieve our business goals, support growth trajectory, and minimise pain points along the way? HR, payroll, and to some extent IT, are tasked with keeping their eyes on the prize – which is namely better profit margins.

While that all checks out for larger enterprises, the smaller entities often rely more heavily on technology. With the one-man-band HR person doing everything under the sun, what they lack in time and resources, they can make up for with the right tech. From automating admin to outsourcing

payroll, software solutions can equip smaller companies with the means to achieve more.

“HR brings experience and know-how on policy alternatives, and payroll brings experience in alternative technological solutions alongside the implications in resourcing terms of which approach is selected.”

Professor Stephen J. Perkins DPhil (Oxon)
Chartered FCIPD CMgr FCMI FHEA



SECTION SEVEN

Money talks

Enhancing economic value is at the crux of connection – and this is where data comes in.

For a business to build its investment profile, it needs to give investors confidence based on available data. Data can provide evidence-based predictions and forecasts of how the future looks. Interpreted data can tell investors: this is what we know about our business potential.

An HR software solution that collects data and imparts insights on its people offers a considerable advantage. The ability to demonstrate employee capabilities, knowledge, and expertise can show investors where the strengths are, and where the pain points can be tackled. It can also help production and marketing teams to make more powerful presentations and sales pitches to attract new and bigger clients.

Getting personal

Data can also be used internally for personalisation. Understanding what makes people tick allows HR to make better suggestions to improve the employee experience, in turn strengthening workplace connection.

Using technology to gather employee data is another string to smaller businesses' bow, as this is where autonomy comes into play. If the solution allows individual users control and access to their personal information, it shows them that they are trusted co-creators of value, feeding into the reciprocal cycle. Although keeping costs low may be an added barrier that larger organisations are less likely to battle, all this means is that the solution needs to integrate and align more closely to the rest of the business.



“The capacity to use technology as the means to gather and retain data on all involved – and to apply big data and machine learning to supercharge analysis – to inform planning and to enable a sense of a customised value proposition on all sides remains just as relevant, whatever the business size.”

Professor Stephen J. Perkins DPhil (Oxon)
Chartered FCIPD CMgr FCMI FHEA

CONCLUSION

The formula for success

Connection matters. Businesses thrive on a shared sense of positive purpose; but if this is absent, silos form, employees lose motivation, and performance tanks.

Getting connected is about bringing together the most important asset in your business: people. And no one is better placed to do that than HR. Far from 'tea and sympathy', it is now considered a crucial driver of an organisation's success. By working to engage and build rapport with new employees from day one, HR professionals can create a reciprocal cycle in which everyone works together for the greater good.

The opportunity to build and maintain these connections by using technological solutions has never been stronger. This can help workers to stay connected regardless of location and role; whether in the office, hybrid, or completely remote. The right tech can also build employee

confidence – for example with payroll – and drive efficiencies, freeing up HR to focus their time on doing the best for their people.

The economy of connection is not only about operational and financial growth, but is now an essential marker of holistic business success. Aligning culture and performance delivers better results and creates a working environment that brings out the best in everyone.

Learn more about how software solutions can help connect your business.



IRIS Software Group is the largest privately-owned software supplier in the UK and one of the most trusted business-critical software and services providers in the UK today. Its solutions serve over 21,000 Accountancy Practices and more than 80,000 small and mid-sized businesses, corporates, and payroll bureau customers across a wide range of UK industry sectors.

IRIS offers the greatest range of specialist accountancy, financial management, human resource management, payroll and education solutions, delivered as a choice of integrated on premise and cloud-based applications.

**For more details, call 0344 815 550,
or visit iris.co.uk**