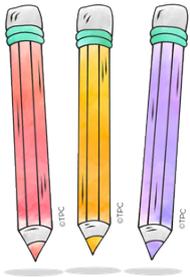


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15 Minute read



Imagination, Watson. Not HR Strategy.

Agility & Design Thinking are the new frontiers of HR Effectiveness.

With a perspective

‘Why HR is ripe for disruption’ by Garrett Reisman

Former NASA Astronaut & Director of Space Operations SpaceX.



Hari Abburi



Why?

We live in an ideas economy, driven by the fourth industrial revolution.

Hyper Loop, 3D printed heart, Li-Fi, Mining Asteroids, Bitcoin, Block Chain, Driverless Cars, Robot delivery of pizzas, Wearable's, Universal Basic Income, James Cordon's Carpool Karaoke, Drones. All of these are here but this is just the starting point of our future.

Is HR agile to these innovations? Can it 'design think' itself for the future? To reimagine HR, it would need to mirror business innovation and customer approaches. The best definition of design thinking is from Buckminster Fuller, "You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete".

Human Resources needs the ability to imagine a future that has many unknowns and being able to move away from the known of HR. To achieve this,

Agile HR has three elements:

1. Intersections: Where will HR play?
2. Interfaces: That embed HR into daily decisions
3. Insights: HR Data that is worth to the decision makers

This is not a technology discussion. It is an imagination discussion.

Agile HR blurs the line between customers and employees. It makes a business holistic and seamless. 

Over the period of last ten years, this author has had an insight into twenty global and regional premier brand companies through his consulting and industry experience. In this period, almost 50% of human resources approaches have become redundant.

In all of these companies across sectors, they were approaching Human Resources from a functional processes point of view with out blurring the lines with customer strategies. In fact, while they believed that they were very agile to their strategy and specific to their industry, they were fairly generic in their approaches, processes and competencies. These covered FMCG, Financial Services, Banking, Engineering, Pharmaceutical, HealthCare, Media, Oil & Gas, Retail, Shipping, and Professional Services.

At a closer look, these companies did not lack resources or investment into HR. It is that they could not imagine using them differently.

Take the time and effort to review all the HR Competencies articulated in the past five years, including concurrent research intended to drive strategic HR in an ever-changing world. Do you see design thinking or imagination or ideation in them?

For Human Resources to anchor an agile culture, it needs to start with itself first.



Perspective



Why HR is ripe for disruption

By Garrett Reisman



It is a matter of when (not if) we land and eventually colonize Mars.

But when we do accomplish this, how would earthlings organize themselves in the new environment? We have had 200,000 years to learn, evolve and develop our world. Would it make sense to continue on seamlessly or would it be better to make a clean break from our past and start anew on this new planet? So this brings about key questions including: would we organize ourselves on another planet similar to how we do on earth today? Would we have the same forms of governments, utilities, taxes, wages, jobs etc.? Or would we do things differently learning from all the experience we have had on earth.

When I viewed our planet Earth from space I could not help but think of our progress, achievements and shortcomings. With this unforgettable perspective in mind, I find it reasonable to think that almost half of what we do now, the way we do things on Earth, may be antiquated in the new environs of Mars.

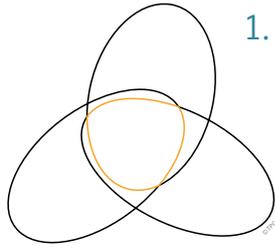
But then look around, we are experiencing similar changes with AI, Robotics, Machine Learning etc. The way we work is changing and changing fast.

If Human Resources as a function has been central to humans working in organizations, how can it then play a role in this future of work and future of our multi-planetary society? Will what we know today as the human resources function still be relevant?

What would be our future of culture? What kind of leaders do we need for the next century? How will performance management be defined in a Human-AI combined job? How will we value the worth of talent in the future?

This uncertainty and change indicates to me that HR is ripe for disruption. If HR can keep pace with the innovations shaping our workplaces and our planets, change will be better delivered to people.

Imagination and speed go hand-in-hand.



1. The best undiscovered solutions lie in the intersections

Imagine HR to be an iOS, an intelligent platform at the center of music, payments, retail, home systems, health etc. The value of the platform is its ability to be in the intersection.

The future belongs to companies that are masters of three intersections:

- Intersection **between industries**: With the merger of Solar City and Tesla, the entity now serves energy storage solutions to cars, homes and public utilities. GE Predix best exemplifies the point on intersections driving a future business model. In a survey 56% of CEOs predict a player from another industry will enter theirs.
- Intersection **between knowledge domains**: Applications, additive manufacturing, digital, wearable's, AI, Robotics, Machine Learning, Analytics, Marketing etc. E.g., Amazon Go or Coffee Farmers-Bitcoin.
- Intersection **between elements of future of work**: How to blend AI, Robotics, Gig workers and augmented talent, as in the case of Epicenter or Fukoku Mutual Life Insurance.

Imagine HR to be seamless and intelligent as Amazon Go to every employee, manager, CEO and customers. This means HR is at the heart of business innovation and not just have outside-in approach to be strategic.

Today, HR has evolved itself to over rely on the traditional HR Business Partners (HRBP), who are functional one-industry or one domain familiar generalists mostly managing operations and planning. If talent strategies were only one industry or domain based, it would derail the innovation in these companies. Further when one role or one part of the HR function becomes more business centric than the other it limits holistic solutions.

Therefore the need for HR Decision Partners, anchored on expertise in these three intersections. 'They are "expert-generalists" (a term coined by Orit Gadiesh, chairman of Bain & Company). Expert-generalists study widely in many different fields, understand deeper principles that connect those fields, and then apply the principles to their core specialty.' The HR jobs of the future must be centered in these three intersections.

Consider the future; Strategic Workforce Planning will mix elements of industries, employees, AI, Robotics and Gig Workers. Welcome to Augmented Talent and Augmented HR (AI & HR) as it no longer represents strategy only for humans. Ask Elon Musk. Similarly, how can you place and design performance management to be at these three intersections? And it is as much about building social-economic frameworks for the new world including ideas like Universal Basic Income.

In his feedback to this paper, Dave Ulrich replied, "I accept your three areas (3i's) for HR to become more agile, and thus more effective. But the term 'HR Decision Partners' does not really work for me since I cannot see how 'business' and 'decision' are different. It could be about making HRBP roles respond to increased demand for agility." The idea here was to move HRBP roles from typical P&L or Geographic points to the intersections to create value.

Agile HR is at the intersection of customers and augmented talent. But not at the intersection of talent availability, market wages and HR Models etc. 



2. Interfaces are the new Agile Business to HR Opportunity

One cannot imagine an Agile Business without an Agile HR. But the difference exists. In Agile HR, interfaces embed HR into natural decision behaviours of managers and employees.

For years Human Resources as a function has been caught up with two big problems: how to integrate seamlessly in a business without losing consistency and how to integrate among itself between HRBPs, Experts and Shares Services. The other elements of complexity are maturity of leaders, technology and scale.

Agile HR is about imagining interfaces that fundamentally alter behaviours in the new world of work and mirror those of the customers. Similar to what the Ring Soap does. If you have a design thinking culture, you won't need 'a Czar of bad systems'.

When you see data and ask questions you are already biased but when you ask questions to get the right data, it is intuitive and solution focused. 'Robert' (Pg.7) made it intuitive to drive solutions by integrating all of HR. This is not just a HR interface but can be for all functions seamlessly deliver to the employees or managers.

At PawFull Inc's (Pg.7) Alexa like 'Robert' would be the best trainer or coach too: "I am unable to do a price override on the system due to two different batch numbers, what do I do?" Questions like this in the past went to IT / System experts who would resolve it through a lengthy 'issue ticket' process.

Solutions for complex integration and interpretation of data exist, eg; ThoughtSpot or Sales Force Einstein. In a start-up rich HR tech environment, it still misses integrator interfaces like Robert. "Creating and driving new business contexts requires imagination that even the most intelligent machine doesn't possess."

Imagine, what could be the 'Amazon Dash Buttons' of HR?

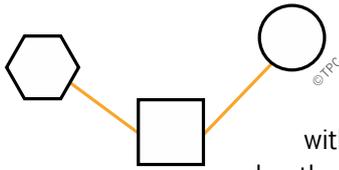
The key learning about interfaces is that if HR can apply the same thinking or solutions as with the customers, it would be seamless and better understood. The design of interfaces is not processes maps between HR and Functions. It is a way to embed HR in the daily lives of all people – an employee or a manager or another function looking for HR partnership.

In fact, understanding the three intersections and bringing them to life through creative interfaces is the foundation for an agile organization design.

Great interfaces will make HR invisible yet present in all thinking processes or decisions. And not make HR a separate function to be included in business processes. 



3. Insights. What is your HR data worth?



At PawFull Inc (Pg.7) HR Analytics was delivered in a simple, easy to use everyday 'Robert'. This removed the complexity of interactions with and with-in HR. 'Robert' was in all meetings. Eventually 'Robert' could be the voice on your smart phone.

In HR analytics research by the author of 7 companies in Retail, Banking, Healthcare, Industrial, FMCG and Agriculture, only 28% of all HR data was usable in decisions. Solution to HR analytics is not more shared services, with McKinsey showing 80% of data jobs redundant.

“How augmented can we get on talent in our home delivery business?” Yes, questions drive value of data and analytics. Right questions drive the right solutions. The right mix of Big-Small Data drives a well-adopted analytics culture, eg, LEGO.

“Design is how things make you feel”. It is true for analytics as well.

In a retail company, business leaders paid attention to how many employees from each store were reaching out (call penetration) to the voice-based HR Service Center. As insights showed that stores with high call penetration had higher engagement leading to anywhere between 3.5 to 4 times higher sales than low call penetration stores.

In a global engineering company, co-relations over two years showed that it was easy to hire sales teams across 25+ countries but with high attrition. On the other hand the engineering teams took the longest time to hire of all job families, had higher cost per hire but had very low attrition. This created a need to shift talent from engineering to sales with the imperative of shifting product knowledge to customers more than driving retention.

In a recent consulting assignment with a 12\$ billion agricultural products multi-national, the HR analytics model was shaped on the definitions of their four pillars of their strategy. It enabled HR metrics to be derived from their impact on business strategy. When the HR Analytics language mirrors the business strategy language, you put organizational purpose front and center.

In these examples, data could be valued, there was a worth you could put on it. When your HR analytics 'go-to-market' model is built into your business model, it is focused and well embedded into business decisions. There is value in HR Analytics only if it can integrate and co-relate with customer or business data. Else it becomes a stand-alone activity information.

Dave Ulrich's response on HR Analytics shared from his recent work is spot on, “Perhaps HR professionals have focused on the analytical tools and methodologies (e.g. predictive modeling, statistical insights) more than how analytics provides information to make business decisions.” The value of data is not a discussion on what complexity level you have conquered in your analytics journey including the holy grail of predictive HR analytics.

Can you imagine HR Analytics at each of the three intersections?

If you were selling your HR Data to a marketing company, how much revenue potential would it be valued at? If you can't value HR data in growth, innovation, profitability or revenue potential, then you have a fundamental focus problem. 



Pawfull Inc. Case

Agile HR: A Day in the life of Ryann, Robert and Alex.

It was a cold morning in Denver. Ryann, the Sales Leader for PawFull Inc, a global leader in pet foods, was having a tough year, as new entrants were able to compete faster.

Ryann was keeping a close eye on all her sales team and channel performance for the past quarter, as she had to pull through to finish the year. She walked into her office with her Venti-Soy-Chai in her hand thinking she had to find reasonable logic to support year-end sales incentive payouts. She had Robert on her desk.

Morning, Robert, could you give me the channel mix of sales for this quarter so far?"

Robert "Good morning Ryann, we had 60% from Vets, 20% from Pet Care Stores, 20% from retail.

Ryann, "Could you give a break up target vs achievement sales for Vets by each of my sales executives?"

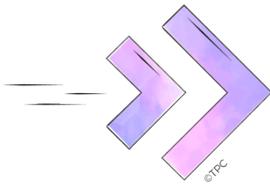
Robert, "Of course, Alicia is at 90%, Werner is at 75%, Sam is at 101%. Werner has the biggest coverage with 40 Vets".

Ryann, "Could you email me a chart with targets, achievements and accounts per each team member for this year quarter by quarter? And mark Alex a copy on it please?."

Alex was her human 'HR Decision Partner' located in London. She wanted to discuss sales incentive add-ons for the year.

'Robert' was her "Alexa" (Amazon), an AI-driven bot. Robert had been inducted into her team earlier this year, and had soon become the best HR Partner Ryann could imagine. "Robert integrates the entire HR function and delivers value to me seamlessly. So now I only reach out to specific HR people to solve or find solutions at a complex level".

At PawFull, there were only HR Decision Partners, no HR Business Partners locally. Alex was one such phased-out human HRBP for Europe. His focus now as a HR Decision Partner was on Sales Force covering sales effectiveness, organization design, performance, rewards globally. He had expertise in predictive analytics, CRM and customer service systems. There were many Roberts; about 5000 of them. Each allocated to a business manager to drive HR integrated business decisions in 20 Countries and speaking 14 languages.



Getting off the blocks: Simple is Agile

Re-imagining HR is a necessity. To achieve this, HR needs the ability to dismantle and construct itself with obsessive simplicity and design thinking. Incremental shifts take away valuable time, effort and add to the cost of change with marginal successes. Look around, how many of employees in organizations would rate their HR functions as being on the frontlines of business innovation?

Siegel+Gale Global Brand Simplicity Index 2017 shows that 64 percent of consumers are willing to pay more for simpler experiences and 62 percent of employees at simple companies are brand champions—versus only 20 percent of employees at complex companies.

If your HR Function was applied the same criteria, how would you fare on the simplicity index? Would your employees be willing to pay more for what you deliver as value?

So where do we start Agile HR? A CHRO who can imagine a future unseen and a great design brief for HR. If your CHRO can center HR at the three intersections, create interfaces and drive insights, then you would have a truly Agile HR capability. 

The best design brief, I have come across so far is from The Coca-Cola Company in 1915. Displayed in their famed museum in Atlanta is the iconic contour bottle design brief: “A bottle so distinct that it could be recognized by touch in the dark or when lying broken on the ground”. In fact it is also a great example of thinking in the ‘intersections’, the design was based on a cocoa-pod and had nothing to do with beverages industry.

- a. Once you have the design brief: Fix your leadership. The future of business depends on leaders who can design think and build such a culture at every level of the organization. PepsiCo is made a start. Culture is an outcome.
- b. Sounds basic but yes, start with the customer. No not employees. Reimagine every single aspect of HR. There are no holy cows in this obsessive chase of value, simplicity and design thinking. Getting the design brief right is where the challenge is.
- c. Get the power of augmented HR Partnership. Decision Partners combined with ‘Robert’ like partners are the new Centers of Expertise. They deliver exponential value based on insights/analytics with equal actionable data of augmented talent as a business does on customers.

A key outcome of simplicity is the speed of change: Simplicity drives a greater understanding of the value of HR and high quality consistency in execution.

If you can imagine it, you can execute it.



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Go Agile with your HR

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