

You want an agile company. But is your HR agile?

How a design thinking approach to HR can make things simple and transform organisational culture

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[By Brussels Airport

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Have you heard of these?

The Hyperloop transportation system, 3-D printing a heart, the cloud, Gatorade's smart cap bottle, the talking paper format for explaining key points simply, BMW motion sensor, Google Glass, Coca-Cola's 'That's not my name' TV commercial, Light Fidelity or Li-Fi for high-speed data transfer using LED bulbs, Channel F video game console by Fairchild, Disney MagicBand

—a wristband visitors to the theme park can use to access entertainment options, making humans inter-planetary, coffee Ripple Maker, mining asteroids, James Corden's Carpool Karaoke, Mad Men.

Google them and you'll see how exciting these ideas are. They all represent disruptive change and exemplify design thinking—an approach to continuous innovation that is based on understanding people's needs, the context of their lives, and imagining an entirely new way of doing things.

Most of these ideas have led to new businesses or organisation models that are shrinking the gap between a customer and the company, blurring the lines between employees and customers. They do this in two ways: One, employees are customers too. Two, the digital onset has made several layers in a company redundant, so employees are almost in real-time contact with customers.

Retail is a good example of these blurring lines. At a retail startup in India that my company was consulting for, we discovered that the best feedback on low prices came from our own women employees, who also represented the customer demographic.

This is true of all businesses—including in a business-to-business (B2B) context.

“Shouldn’t HR be a multiplier of ideas rather than just be a process-driven department?”

Let me pause here to bring you to HR, the focus of this column. If disruptive change is your firm's goal, shouldn't HR be a multiplier of ideas rather than just be a process-driven department that manages hiring, salaries and leave? Can it anticipate and prepare for the firm's strategic needs? Is it ahead of the business curve or lagging behind? How would you rate your HR function on its innovation?

Disruptive change needs agile HR functions. And to be agile you need design thinking.

A caveat here: I have reservations about treating design thinking as a step-by-step approach. Nor is it necessarily a problem solving approach. Design thinking to me is an idea in its purest form as imagined in one's head, unconstrained by whether it might be feasible or not. It involves having a high degree of visual vividness in one's head. When the idea comes on to paper, it has elements of the thinking applied. From there, bringing the idea to life is like prototyping or product development.

These three views combined best articulate my own understanding of design thinking:

1. “You never change things by fighting existing reality. To change something, build a new model that makes the existing model obsolete.” – Buckminster Fuller
(https://en.wikipedia.org/wiki/Buckminster_Fuller)

2. “If you can connect dreams and details, you can achieve a lot.” – Bill McDermott
(<https://www.cnbc.com/2017/07/18/bill-mcdermott-sap-ceo-the-underdog-with-a-vision.html>) of SAP fame

3. “Design is how things make you feel.” – by *Forbes India* writer Anamika Sirohi
(<http://www.forbesindia.com/article/special/design-is-how-things-make-you-feel/44141/1>)

(If you may be interested in reading more on this, here’s a fascinating read on the journey of design thinking (<https://medium.com/@szczpanks/design-thinking-where-it-came-from-and-the-type-of-people-who-made-it-all-happen-dc3ao5411e53>) and how it has evolved through the years.)

My approach to design thinking for HR is to base it on business ideas or thinking. It is about ideas that one never thought possible, both for customers and employees.

Here are some ways the leadership and HR can apply design thinking principles to make things simpler for employees, build an innovation-friendly culture where individual behaviour is aligned to the kind of outcomes your firm seeks, and for better employee engagement.

Observe, understand root cause, change behaviour

A small change in behaviour practiced together drives high impact.

Coca-Cola discovered this for itself back in 1998. It had just acquired a bottler down south in India. In the newly acquired plant, workmen in the production lines would often take a bottle off the line to drink it fresh. This was a significant product quality and code of conduct violation. All types of action to stop this behaviour failed. The new plant manager understood the underlying motivation. To a workman, one free Coke a day valued at Rs 6 those days, amounted to Rs 156 a month—a perk. The manager had a fridge installed in the rest area and made Coke available. These were from the under filled or over filled bottles. The behaviour of pulling a bottle off a production line stopped.

I too experienced how a small tweak based on observing behaviour can bring desirable change.

“ Design thinking is applicable to every employee every day. It does not apply only to big ideas that disrupt the world ”

I had the opportunity to consult with the Malaysian operations of a Japanese retailer. Its new and first ever woman CEO wanted to get her leadership team ready for growth. We made a habit of the entire leadership team walking each of the stores to pick up issues and fixing them together. Poor in-stock was one of the issues, arising from poor store-level ordering discipline. We found that there were several in-stock officers in each store, so the rest of the staff did not consider it their responsibility. The retailer removed these roles from stores, and changed sales incentives to include in-stock. This rapidly fixed the issue.

Design thinking is applicable to every employee every day. It does not apply only to big ideas that disrupt the world.

As in these two examples at Coca-Cola and the Japanese retailer, one small change leads to a significant impact on culture and business outcomes.

Create intuitive interfaces for employees, be present in their lives

Take a moment and think of all the interfaces that employees have with their company. They are designed to maintain control or to standardise look and feel. Have you ever thought of designing them with the aim of changing existing behaviours in your company? When you design great interfaces, you design a great culture.

Think of Amazon dash buttons. They are present at the moment of need in consumers' homes —they can order anything they need literally at the press of a button (https://youtu.be/8cRPwDYXG_k). While the customer enjoys the simplicity and convenience and buys more from Amazon, the company benefits through more sales, obviously, and with data that helps it understand consumer needs better.



So, what are the ‘dash buttons’ for HR that your employees would love to have?

I asked that question in all my discussions or workshops with HR teams over the past year. I am usually met with smiles, interest and silence. Then design thinking begins to find out.

“ How you embed into the daily lives of people can influence the outcomes ”

Why is this important? Because it helps you trigger desirable behaviour. In the same way that your bank does by giving you many kinds of buttons to spend with one click (and none to save), because it wants you to spend. So you can pay through apps, by scanning your fingerprint, through credit cards and more.

It is how you embed into the daily lives of people that you can influence the outcomes.

As part of my change agenda at a company, we designed a very functional HR portal. Employees could find any information they wanted in three clicks. We had a feature on it called ‘I want to’. This was a five-step guide to everything an employee might want to do. For example, I want to hire, set goals, give feedback, coach, manage change or create and action plan for engagement. We converted processes into simple ‘how to’. This feature was the most used and usage increased every year. We made HR invisible, yet present everywhere. This experience is further validated by the 70% growth year-on-year in ‘how to’ videos on YouTube.

So, if your HR function was measured on the same criteria as the companies on Siegel+Gale Global Brand Simplicity Index 2017 (<http://www.siegelgale.com/siegelgale-unveils-seventh-annual-global-brand-simplicity-index-brands-that-embrace-simplicity-enjoy-increased-revenue-valuation-brand-advocacy-and-employee-engagement/>) how would it fare? This study shows that 64% of customers are willing to pay more for simpler experiences. How much would your employees be willing to pay HR for their simpler experiences?

Make it easy for employees to learn what customers need and deliver it

We read a lot today about “learning at the speed of business”. Implicit in that is that existing methods or practices to assess, design and deliver learning are slower than what the business requires.

I have found that managers and teams, when given the freedom and resources to skill themselves, do a much better job and at “the speed of the customer”, because they feel the real need.

I saw this in action in my recent global organisation development and talent management role with an engineering company, where we removed all “trainer” roles in HR. The positive perception scores on training went up in the engagement survey year-on-year.

Often we come in our own way to drive the right capability by designing systems that make it more complex. The realisation that the time, effort and money are better utilised by managers for their teams is a simple one. There was no need to have a structure around this from HR.

“What if we were to re-imagine each manager or employee having access to an “HR Alexa”? ”

With that thought, what if we were to re-imagine each manager or employee having access to an “HR Alexa”—and build a model to add skills at an exponential rate? Today, there are 10,000 commands that Alexa (<https://www.wired.com/2017/02/amazon-alexahits-10000-skills-plenty-room-grow/>) can respond to, making it a versatile and capable “assistant”. You could say that these are skills Alexa has.



For employees to add skills in the new world involves a combination of real time access to information, analytics and learnable common language. What that means is, if I was an employee, do I have a Google-like access to anything I wanted to know to help me do my job better?

Thoughtspot (<https://www.thoughtspot.com/>) is a good example of this information delivery in an integrated manner. According to the website, this artificial-intelligence-driven analytics platform “makes it easy for anyone to get answers from company data in seconds.”

Can you imagine a Google of HR that employees can use and learn every day to rapidly skill themselves? Can each employee in your company have 10,000 skills that can be easily installed or uninstalled each year?

Leadership at the intersections

In a recent PWC Study (<http://www.pwc.com/gx/en/industries/industrial-manufacturing/publications/the-future-of-industries.html>) 56% of CEOs across all sectors predicted a large existing player from another industry will move into their industry. If you are a one-industry leader, you can never be the heart of ideation or of future value to a company.

Take GE. It has in the recent past lagged the Dow average, but remains a formidable industrial player. Former CEO Jeff Immelt gave his successor a “digital industrial” (<http://www.businessinsider.com/r-ge-shifts-strategy-financial-targets-for-digital-business-after-missteps-2017-8?IR=T>) company. GE aspires to be in the top 5 with its push towards industrial automation with the Internet of Things or IoT-based Predix (<https://www.ge.com/digital/predix>) platform. It has been on the forefront of adopting additive manufacturing (https://en.wikipedia.org/wiki/3D_printing). It is one of the few companies that plays a multi-industry game very well in an integrated manner. It experiments, thus its breed of leaders have a transformational mindset. This is also seen in its appointment of a finance executive to figure out ‘future of work’ (<https://qz.com/982699/ge-has-no-idea-what-the-future-of-work-will-look-like-and-its-appointed-an-executive-to-figure-it-out/>).

Tesla is another example of a company that works at the intersection of several disciplines—IoT, AI, autonomous systems and work methods in manufacturing. It is an automaker and an energy company (with its rechargeable batteries for electric cars and homes and rooftop solar panels).

An example closer home is the explosion of mobile telecom in India in the past two decades. As this industry started up in India, it had to import talent from packaged consumer goods companies. This gave the players a competitive edge with a strong brand focus on services that could be replicated. But, as the industry matured, it built its own talent. And this single-industry mindset affected its innovation streak. But now Reliance Jio, (<http://telecom.economictimes.indiatimes.com/news/thanks-to-reliance-jio-india-becomes-top-mobile-data-user/57269548>) a mobile telecom offering from an oil and gas major, is again making existing models irrelevant. In a span of few months, Jio has made India the highest data per capita country in the world, forcing other telecom players to rethink pricing.

So, how would the HR function anchor leadership and talent strategy at these intersections? How can companies build their leaders to transcend industries and have the confidence to make decisions on technology unknowns? Or invent new methods of work? Is it still

worthwhile to articulate a leadership competency model that gets outdated due to rapid changes?

My recent assignment was with a global engineering company in major transformation. We moved away from competency models. The executive board crafted key behaviours that employees could choose from to match their job or development context. We experienced better outcomes on leadership capabilities and succession.

Bringing it home with a design thinking point of view, not digital

Design thinking is critical for innovation in talent and workforce strategies.

Strategic workforce planning still runs on conventional quantitative productivity-based models. It discusses capabilities, but is still looking at only structures and people. When we apply design thinking to this, we can mix full time human workers with gig workers, AI bots, robotics and automation. Therefore, your workforce is no longer just human. This makes the existing capability in HR outdated, as such a mix would need a focus on asset management, costing methods, investment planning, new work methods and the availability of human talent.

Harnessing AI, machine learning, etc. is all a terrific opportunity for HR. But design thinking is a greater opportunity to get it right. Very few in HR have been able to suggest solutions to mass re-skilling, unemployment, social disruption or new methods of working. Part of the reason is the overbearing discussion everywhere on Digital HR. Technology is key to HR. But it is not the driver of a strategic HR function. Even digital needs a strategy and HR needs imagination on how to use it.

There has never been a better time in HR to be the champion of ideas, if only we can create a culture of design thinking.

So in my view, here are three design-thinking starters for all HR folks:

1. Look at everything you do today in your HR function and ask, do we really need it? What happens if it didn't exist? Would it be missed? Would it affect business outcomes? In the last week of August, I was in Zagreb facilitating an Agile Leadership workshop for the senior leaders of a European bank. They were from several countries. I asked them, what are the leadership competencies of your bank? They smiled but could not answer. That's the point. If you can understand what the purpose and strategy of the bank is and apply it with great success across cultures, geographies and products, who cares what HR writes about leadership competencies? From my experience I would bet in any organisation, including yours, about 30% of what HR does is actually redundant.
2. Be ruthless about simplicity. Apply the rule of three in everything you do. Can you do a

process in three steps? Can an employee find anything needed in three clicks? Can you explain something to employees in three steps? Can any employee issue be resolved in three decision steps? This is serious. I have applied this to everything in HR and it works. The only reason it won't is your own mental block. I had the opportunity once to be a non-HR person in my consulting life. I never wanted to go to an HR person. Not because of the capability but because going to HR was a complex, painstaking effort. So, how can you build the HR function to be simple so that the real value is recognised? If your HR team is always 'too busy and sweating' then it is complex.

3. Stop pretending that your company, business or industry is so different and special that everything has to be re-engineered or over-engineered. Sometimes, just doing the basics is the greatest design you can have. But within that basic is doing what really matters. Focus on the one key outcome and value, ignore the incidentals.

If you can do these, your organisation structure, processes, employee interactions, ability to hire great talent, etc., will automatically differentiate themselves.

Don't think so? Ask your employees.

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Hari Abburi is a global human resources executive with a focus on agility and design thinking for organisations, leaders and HR.

His work, approaches and solutions are often described as creative, innovative, unconventional and are anchored in simplicity. He has keen interest in emerging technologies and their interfaces with people. His experience and expertise is to shape differentiated, creative people strategies and organisation models in high growth companies, M&As/integrations and startups at both regional and global levels.

His two papers, 'Imagination, Watson, Not HR Strategy' (<http://preparationcompany.com/thinking/imagination-watson-not-hr-strategy/>) and 'Gig it Up: How to Integrate Gig Talent into Strategic Workforce Planning' (<http://preparationcompany.com/thinking/gigitup/>), give you insights into the latest thinking on Agile HR.

Hari works with chief executives and chief human resources officers on specific long-term impact solutions. His paper on Agile HR focuses on why agility and design thinking are the future of HR effectiveness and highlights the exponential change required.

He is presently consulting (<http://preparationcompany.com/>) in people strategy, Agile HR, leadership and accelerated change. His leadership experience includes roles as Global Head of OD & Talent – Hoerbiger; Leadership Consulting Practice Lead, Southeast Asia – Aon Hewitt; Vice- President HR for Bharti Retail; and Director HR Southeast Asia for Baxter Healthcare. He was also associated with GE and Coca-Cola India.

Key insights from him also include his role in building ‘Leadership that shrinks the world’ (<http://preparationcompany.com/a-shift-from-entrepreneurial-local-growth-to-globally-integrated-growth/>) (a Harvard Business Client Case) and ‘Self-driven learning for leaders

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Hari is a faculty at several universities on subjects such as change management, leadership and succession, HR strategy, growth capabilities, culture and international human resource management. He is also a speaker at several industry forums and conferences in Asia and Europe.