Episode 71 Show Notes: HR - How to Become Pioneers in Fresh Thinking and Innovation

In this episode, former HR Director, author, and HR consultant Lucy Adams explores how HR can become more innovative and what has held the function back from adopting pioneering approaches. Packed with ideas and practical examples, Lucy shares her perspectives on HR transformations and why they fail. She offers advice on HR can become more agile and in which areas to experiment using these methodologies.

Lucy Adams is the CEO of DISRUPTIVE HR, a UK-based consultancy agency that is in its fourth year of operation. The firm works with organizations in transforming their HR teams and helping them make change genuinely stick in an organization. They focus on bringing innovation and fresh thinking to the HR function, which can turn an overall organization into an innovative and fresh thinking enterprise. Lucy had previously been the Director of HR at the BBC for five years. She combines strategic and operational HR expertise with a fresh but practical approach. Lucy's new book (Jan 2019 publication) is entitled, *HR Change Toolkit – Your complete guide to making it happen*.

Key Learnings From This Episode

- **Why HR finds it difficult to adopt and adapt.** The HR role can be tough, with a 12-hour day full of back-to-back meetings and being pulled in many different directions. HR is always working hard, and it can be tiring. HR believes its role is to look after people, to do things for people, and to be the compliance police. HR has adopted a parental approach within their organizations, which has led HR to want to help people and to ensure everyone is following processes. 'Parenting' does not leave a lot of space for thinking creatively or for creating the conditions where people can thrive. Organizations see change as linear, rational, and process driven. However, change is messy, and people's reaction to change can be irrational. There are very few business leaders with an HR background. They want HR to deliver operationally, but there is a lack of interest in HR. Typically, HR has not been a pioneering function. HR has tried to align itself with Finance and demonstrate 'return on investment'. HR has not been a 'pioneering' function. Perhaps, if HR aligned itself with Marketing and being more creative and innovative and trying new things, they would be viewed as something

more than just a safe pair of hands.

- **80% of HR Transformations Fail to deliver.** Should you start with an HR transformation and let that radiate out to the organization or work with HR in the midst of a transformation that they are trying to drive for the rest of the organization? There is value in the HR team leading by example. However, you may not want to label anything as an HR transformation. HR transformation programs that are two or three years long with multiple actions involving every function just do not work. 80% of HR transformations fail to deliver.

- **How do you position this?** Don't start with HR – start with the business. If you are going to transform the way in which you work, there is a misconception that you need an HR transformation program. HR tends to centralize things and look at big system integration or implementation programs, trying to set things up that take several years. HR needs to be more agile in their approach – developing products, not services. They need to learn from agile product design and perform short sprints, piloting and experimenting and going where the energy is, rather than a top-down transformation program. An on-line Retailer in the UK looked at the experiences they wanted their employees to have and worked back from there. They had cross-functional teams look at products they wanted to launch with a 3-month planning horizon. They avoided a large, top-down transformation program. They had nimble, agile cross-functional teams work together on a small number of products. This reflected the way their business was already operating.

- **How does HR position this approach with their senior leaders to get buy-in?** In the previous example, the client was a digital organization, so 'agile' was very familiar to them. They used certain methods and techniques that were familiar to the business. This approach also worked in a traditional pharmaceutical company that was not familiar with 'agile' methods. HR became the pioneers for this way of working. In some cases, the leaders will be familiar with this approach, and HR will be aligning themselves with the

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business. In others, HR will lead the way.

- **What if HR has not been exposed to the 'agile' methodology?** Follow the basic concepts and principles – start small, go where the energy is, and don't wait until it is perfect before launching. Just do something – don't worry if it is not perfect. The product mindset can be helpful to HR. If you feel you need to deliver a service, then you feel that you need to deliver slick, streamlined processes. For products, you are thinking about end-users, shelf-life, and marketing of the product. If the product is not being used, there may be something wrong with the product, and you revisit. You don't have to be an agile product methodology expert.

- **What HR Can & Cannot Disrupt.** There are certain things you cannot disrupt, and many that you can. Payroll processes and systems cannot be messed with. But benefits, like reward and recognition, is an area where HR can be experimental. With minimum viable product (a product with just enough features to satisfy early customers, and to provide feedback for future product development) you can test the waters. You can survey employees and ask, 'Is this something you would be interested in? If so, contact us.' You are building a feedback loop. Learning, talent and performance management, and diversity and inclusion are areas where HR can be more experimental.

- **Example: How HR can lead the way.** A publishing and media organization wanted to increase their leaders' curiosity about their own strengths and weaknesses, leadership learning and development, and the ways different organizations led and managed their people. Instead of setting up a specific program, HR started 'putting stuff out there' – the latest YouTube clips, highlighting interesting books, and creating groups using Workplace by Facebook. They wanted the initiative to develop organically, allowing it the space to become something people wanted it to be instead of it being 'owned' by HR.

- **Would HR manage such a product?** HR does not have to 'own' the product. They can play a role in design and launch and ensuring everything is working properly. The risk of HR owning every product is it keeps HR in the parenting role. Products have a shelf life. If HR's role is about R&D and finding the next exciting thing, then it is also about letting some things go and finding something different – and not just leaving something in place for 10 years. It's about keeping things fresh and keeping people's interest.

- **Rolling Product Launches.** HR should think of a product launch as a 'rolling launch'. 'What's the next release? What's the next improvement? How do we extend this?' HR should continue to ask, 'Is this

still valid? How do we continue to improve it?'

- **Example: Rolling Product Launch.** There is a push to rid organizations of the annual appraisal and performance rating process and the big systems that support it. The initiative has not worked – it does not improve productivity or performance. What is the alternative? Clients are asking, 'What is the new process?' Ultimately, organizations should want to move away from a 'process' and improve the skills and capability of individuals who own their own performance. Look at team-based reviews, improve career conversations, and have frequent check-ins. One client rid its organization of the performance process and implemented its first product, the frequent check-in. Line managers focused on having a 5-10 minute conversation, asking each of their team members, 'What are you working on this week, and how can I help?' Then, the career conversation was added. There was no documentation – no forms, no sheets or templates to fill out. The focus was to practice having the career conversation. Then skills were introduced to line managers around team reviews. The focus then turned to new hires and onboarding, seeking out conversations and ensuring new hires understood their responsibility. This was a rolling product launch. It was kept small and tangible, ensuring managers were comfortable with before moving on to the next product.

- **A caution that this does not get rid of bad leaders.** Unfortunately, bad leaders typically are never going to get good. Just don't let them dilute, comprise, delay and/or stop what you are doing. Don't focus on the negative ones. Focus on the majority, the leaders who are just ok, who can get better, who have a bit of curiosity and energy. If you deliberately exclude the bad leaders, they tend to become more interested in joining in. It's human nature – no one likes to be left out.

Recommended Reading and References From this Episode

- **Disruptive HR website**
- **The HR Change Toolkit: Your complete guide to making it happen** by Lucy Adams, (2019)
- **The HR Change Toolkit - The Workbook** Download this workbook which is designed to be used with Lucy's book "The HR Change Toolkit".
- **HR Disrupted: It's time for something different** by Lucy Adams, (2017)

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