



HR 'Special Forces'

How a new HR initiative is creating step-change productivity increases

Imagine yourself in these real situations:

- Leading a Tier 1, Shingo Prize winning manufacturing operation, and growing frustrated with HR because out of your 15 cell group managers – each with gross profit responsibility for 9 to 13 semi-automated moulding production cells – most will quit after six to eight months, and few ever last more than 14 months.
- Leading a relatively young outside technical sales force of 400 in Europe and, despite sales being surprisingly slow for Q1 at 72% of prior year sales and 56% of target, for the next two weeks, your entire organisation will be virtually consumed with a widely reviled corporate performance appraisal process.
- Leading a global customer service operation of 11 contact

centres, each with 250 to 1250 employees, and struggling to meet even marginal targets for service level and customer satisfaction, mostly because of a new marketing and sales approach including unannounced price increases, continually changing service bundles, misleading advertising and sales practices that psychologically 'nudge' consumers to make decisions many later regret.

In each scenario, you are the manager of a people-dependent operation with a problem that for most organisations, is not easily resolved. The performance of your operation's individual employees is suffering, seemingly not because of their personal incompetence, disengagement, poor loyalty, disregard for the customer or poor work ethic, but because of some other company function's efforts to meet its own performance targets. Happens all the time, you say. At what cost?

Calculator handy? Try estimating what each situation would



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Programme Results

Year	Planned Initiatives (Projects completed)	Direct Cost (All external expenses plus internal wages)	First Year Improvement (Revenue increase and/or cost decrease)
2015	4	US\$ 3.2m or £ 2.2m	US\$ 19m or £ 13.4m
2016	9	US\$ 5.7m or £ 4.0m	US\$ 89m or £ 63.2m
2017	13	US\$ 9.1m or £ 6.4m	US\$ 441m or £ 313m

cost per month while the constraining situation continues? Remember to include the low productivity, added expenses, offended customers, tarnished market reputation, the business opportunities missed. Furthermore, situations like these can continue for months, or even year after year, without resolution.

Clearly, these are problems worth solving. Getting to a fast and generative solution, however, would not be easy for most organisations. Too often, and at incalculable cost, situations like this constrain managers and their organisations for years.

CEO learns about new technology

This article is about how one organisation quickly and sustainably resolved these specific situations, as part of a larger programme to experiment with the emerging applied-science of humaneering. Simultaneously, it is about how creative and determined leadership by corporate human resources (HR) in a major multinational company seized this opportunity to demonstrate how HR could substantially increase the productivity of knowledge work across all kinds of business operations.

X-Corp (a pseudonym) is a multinational company facing today's widely shared strategic challenge of attracting and retaining scarce talent. Among the various initiatives launched in response, one of the lesser investments surprised everyone, when it quickly yielded sustainable step-change increases in the productivity of thousands of engineers, technical specialists, sales

people, customer service reps, and more.

According to the corporate CFO who championed this programme: "What began as a small bet to assess humaneering's potential to improve the typical workforce issues – recruiting, hiring, engagement, performance, productivity and turnover – resulted in substantial improvements to all of these metrics. We set out to resolve these issues primarily to better utilise our existing human capital. Our efforts then naturally evolved into much more than any of us could imagine.

"In 2018, we are planning for our HR Special Forces teams to continue providing urgent response services, and to lead planned initiatives to improve the financial performance of 20 additional people-dependent operations, whose managers have asked for their help. This will be our fourth year and, it's not an overstatement to say, this programme has changed the way we recruit, deploy, support and ultimately manage, our people.

"Furthermore, it's shown us how to maximise the value contribution of knowledge workers and, probably most surprising for many of us, it has revealed a perfect strategic role for HR in the more challenging VUCA years ahead." (VUCA stands for volatility, uncertainty, complexity, and ambiguity.)

The 2015 start-up of this initiative is discussed at length in *Management Services Journal*, Winter 2016, pp. 42-47, 'New Frontier for Increasing Workforce Productivity'.

Work Design Innovation Lab

Briefly, X-Corp won a bidding competition to host extended field trials of a beta release of humaneering in a broad range of applications. Quite by accident, the CEO first learned about the Humaneering Technology Initiative (HTI) while at a Harvard Business School programme. He imagined the potential and was determined to get his sprawling company the opportunity to experiment firsthand with this new technology for human work. Once secured, he asked his CFO to personally champion a programme of field trials across the company's diverse people-dependent operations.

The field trials were designed to resolve problems and challenges facing operations managers, experiment with innovations in the design and management of people-dependent operations, and answer these major questions:

1. Could humaneering readily increase the productivity of the company's tens of thousands of engineers and other technical professionals, thereby providing some immediate relief to the company's strategic shortage of talent?
2. Could humaneering speed-up the transition in management systems of the company's hundreds of operations, from bureaucratic to agile management?
3. Could humaneering provide the company with a common framework across all jobs with which to consider opportunities to enhance human work with the emerging cognitive technologies?
4. Would humaneering's principles and methods be favourably received by organisation members, thus making humaneering a means of attaining change that's welcomed, rather than resisted?
5. What function is best suited to deploy humaneering most effectively across the company?

Following a field-proven approach facilitated by HTI, the company set up what they named the Work Design Innovation Lab, in adjoining repurposed rooms within the corporate headquarters office building. The Lab was staffed as needed by professionals from HTI and a cross-functional team of engineering, IT, finance, HR, maintenance, and other professionals from the company, whose responsibility it was to develop a programme to reach out and engage the company's operations managers.

This physical facility was outfitted using the walls to visually present humaneering's principles and methods, plus a wide range of new field-proven work design and management alternatives, and case histories to approximate their operational and financial impact. In addition, a small classroom, a conference room, seating areas and a coffee bar were created within the space, to enable a range of opportunities to confer with operations managers or any curious or interested employees.

A comparable virtual facility was created online, and for most operations managers it served as their first exposure to the Lab and the opportunity it represented. Introductory and educational programmes were offered online and at the Lab.

The objective for the Lab was to attract and support operations managers with fresh thinking about improved performance possibilities. For those managers who showed interest, the staff would design with them, one or more performance maximising alternatives and execute one or more nondestructive trials to

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That was the plan. And it worked out mostly as planned. What the company did not expect, were calls from operations managers (and the executives they report to) asking for 'urgent' services. These included situations like the three scenarios outlined above, which deserved an immediate response (ie in one to three hours) and immediate relief (ie in one to three days) to an organisational situation creating substantial waste, followed by a longer-term systemic solution (ie in one to three months) with the intention to prevent the same issue from arising again.

Results achieved

During the past three years, this programme has tackled problems and challenges of increasing scope (ie breadth of changes), scale (ie workforce size, number of facilities) and speed (ie time to immediate relief, time to implementation of redesigned system). The company schedules for a budgeted number of planned initiatives, which include the systemic solutions that follow urgent services. It also keeps a cross-functional team on call 24-7 to respond to people-dependent operations issues.

No, not every manager who enquired was interested, and not every initiative was executed as smoothly as planned. However, as executives and operations managers witnessed dramatic results in other operations across the company, their confidence increased, as did their willingness to follow the advice provided.

The CFO for X-Corp makes clear that achieving this success was a collective effort of many functions throughout the company. Initially, volunteers were solicited from operations, HR, IT, finance, quality/continuous improvement, engineering, organisation/ leadership development, training, maintenance and a few other functions. They spent a week learning the basics on how to use humaneering and to develop an outreach programme for attracting and supporting internal clients, the managers of people-dependent operations anywhere within the company's global footprint.

Once underway, and at HTI's suggestion, the CFO turned responsibility for the Lab over to its enthusiastic staff members, with people from HTI on hand to provide continuing guidance and support. Made up of highly capable individuals, the cross-functional group was readily able to provide its own management, with the CFO stopping by for a Monday morning



stand-up, joining in discussions about larger operations and involving key managers and executives, making a few calls now and then to convince select managers and executives to stop by, and simply dropping in with pastries or flowers to cheer on the staff.

HR's new role

The role of most organisation's human resources function (HR) has remained the same for as long as most people can remember. A few notable exceptions include having new government regulations to enforce, updating administrative technology, and supporting management's adoption of new organisational tactics (eg empowerment, downsizing, mergers). X-Corp's HR was no different from most, except perhaps for the vision and determination of its top HR leader and her staff.

During the initial planning for this programme, I met with the leaders of the major corporate functions that might be involved directly or otherwise be impacted. The response I received was mixed, ranging from "I haven't got time for this foolishness" to "how soon can we start?" Not in these words necessarily, but this was how it felt.

To her credit, the HR executive wanted to know everything about the programme. She even cleared her afternoon schedule to extend our conversation. It's fair to say she was at first conflicted, because the CFO had not contacted her directly since the planned programme clearly "had HR written all over it." We discussed humaneering at length, plus the cross-functional and agile aspects of humaneering's methods. All the while she was pensive, and I could imagine the wheels in her mind churning.

After a couple of hours and a short break, she invited three of her staff in for our remaining discussion. She asked me to tell them what I had told her, which I did, and then she asked them: "What are your thoughts about what we could do with this opportunity?" Apparently, they had previously discussed or were discussing ways for HR to take a leadership role in guiding the organisation through the coming transformation to new and more productive designs for human work.

As the programme unfolded, HR raised its hand at every

opportunity to take on additional responsibility. While a few other functions tried to limit their involvement, HR was there the most to take up the slack and make the programme easier for everyone to implement. HR also surprised the other functions involved with its flexibility on policies that were creating hardship, willingness to put customer value first, and unflinching support for operations managers and their efforts to create customer value in the most productive way possible.

HR's outsized contribution did not pass unnoticed or unrewarded. HR's creative and determined leadership effectively seized this opportunity to demonstrate how HR could substantially increase the productivity of knowledge work across all kinds of business operations. There was no surprise in 2017, when the CFO passed responsibility for this initiative to the HR executive.

It came out later that the CFO had polled the other functions, and all agreed the programme belonged in HR or, if HR didn't want it or could no longer support it effectively, it should remain as a separate, fully empowered, highly capable, cross-functional



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unit, that could respond quickly and effectively to people-related problems and opportunities affecting the company's operations. Several mentioned the military's 'Special Forces' capability as a metaphor.

The connection with Special Forces made sense to everyone involved. Someone pointed out that several airlines had studied car racing 'pit crews' for techniques on how to speed up their turnaround of arriving airplanes. Within a week, everyone had watched their favourite 'special forces' movie and brought in suggestions for how HR's new Special Forces unit could further improve its response.

Scenario resolutions

If you are interested in how the three scenarios were resolved by HR's Special Forces, here is some additional information:

In the first scenario, there was no problem with the people being recruited. The problem was what they experienced once on the job, which rendered otherwise capable production managers hopeless. The underlying problem was the design of performance-

based compensation, which motivated the engineering function to withhold services from production to remain within its budget, as required for payout. Without the needed level of engineering support, cell managers were forced to run worn out moulds on unmaintained machinery. This created substantial waste and slowed moulding cycles, frustrating operators and preventing them from hitting their own bonus.

It required less than an hour for the HR Special Forces unit to decouple the performance compensation and expand the engineering budget to cover any overage. This enabled the plant manager to assign full time engineering support to this department until it was once again running at more than 100% efficiency. A special one-time cash bonus (10% of annual wages) was arranged for all cell managers, operators and support crew affected, and the department received a formal written apology for the frustration caused by the oversight, signed by the plant manager, CFO and COO, and posted in the break room. The plant was back to over 100% efficiency in only two months, during which profitability of the department climbed dramatically.

In the second scenario, the performance appraisal process was immediately cancelled (not just postponed), and six of the company's top field sales managers with prior experience in this division, were brought in for two weeks to provide whatever assistance they could to the new sales manager and her young sales force. In addition, virtually the entire team of product managers were sent into the field for evening product training sessions throughout the entire sale territory. The struggling territory was ahead of its annual sales targets by the end of Q2.

In the third scenario, performance of the contact centre representative was immediately decoupled from service levels and customer satisfaction, and overtime (at time and a half) was allowed for anyone willing to work up to a maximum of two full shifts per day, seven days a week, until the call volume settled back to traditional levels. In addition, top people from marketing and sales were brought in to educate the representatives on the company's actual strategy, which was not what was being implied by the customer's comments. Yes, there were some changes being made to pricing strategy, and marketing and sales failed to even inform the contact centre of this, which was due to the responsible person being on leave and no one filling in, service levels and customer satisfaction were above traditional levels within three weeks.

About the Author

Dr James (Jim) Pepitone specialises in improving the productivity of knowledge workers and has served clients across most industries and regions of the world. He was instrumental in founding the Humaneering Technology Initiative in 2002, served in numerous volunteer and operational roles since, and recently became the CEO to prepare the organisation for open release of DesignedWork, a protocol for the design and management of human work developed from the new applied science of humaneering. His career includes industry positions as VP of Sales for a division of Automation Industries (now Honeywell) and General Manager for Cybertek, both public companies, and continued as a management consultant. Jim's education includes a BBA in Industrial Management and MBA from the Univ. of Texas at Austin, and an MS in Organisation Development and Ed. D in Organisation Design from Pepperdine Univ. in California. He can be contacted at james.pepitone@humaneeringtech.com.