

FAST HR

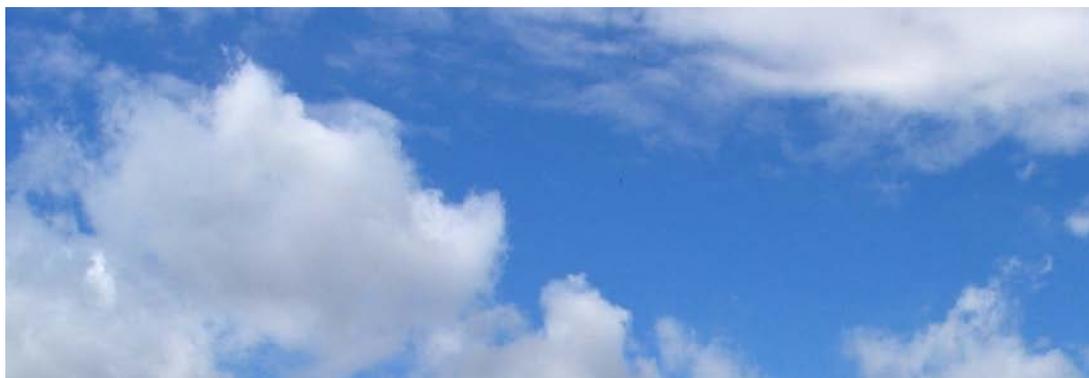


CEO
Center for Effective Organizations

Fast HR

Fast HR enables high growth, rapid transformation and continuous change in today's fast organizations.

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ABSTRACT

Fast HR is a growing body of work that spells out ways HR can change to meet the needs of today's fast-growth and high change organizations. No longer is change management enough. Traditional change management implies it will be finished at some point in time. Today's firms need to learn to thrive on change and build the ability to change into their DNA. A key part of this transformation is the HR function. And in order to keep up, HR has to speed up. This means that the HR function itself has to change how it is organized, the processes it uses, and the tools it employs; all must speed up.

No, this is not an article about fast heart rates. That's what you will find if you do an Internet search and look up the terms "Fast HR." This piece is about fast human resource management. The reason that only fast heart rate shows up is because, let's face it, fast and HR are two words that just don't go together in the minds of most people.

Does that mean that HR is slow? Well, if stakeholders of the HR department are asked that question, many would answer affirmatively. Now you may think that of course HR is slower, but that is due to the department's need to be careful and accurate in the many highly complex, important pieces of work that HR executives deliver.

That argument may sound good, but it does not work well today. The world is speeding up. Organizational leaders and employees have to deliver faster than they did in the past; the speed of information movement is accelerated; competition is moving at an incredibly high pace. It's time for HR also to become fast.

This article is about Fast HR; it's an initiative to help organize the HR function differently, to create new practices that can improve the health of your organization, and to define a unique path forward for the field. The learning for this piece of work comes primarily from a tried and true example from the world of software development.

Borrowing ideas and lessons learned from extreme and agile programming, we can lay out a path for the way HR can configure itself, its people and its work to drive the changes needed to support today's organizations.



EXTREME PROGRAMMING

The concept of extreme programming grew out of frustration with what is called the waterfall approach to software development. This involved long development cycles, with final product delivered late and not meeting customer needs.

In the early 1990s, the concept of extreme programming arose as an alternative solution. The methodology requires smaller and frequent releases of small pieces of software, reviewed with customers, in order to make rapid changes and deployments. The result was significant improvement to quality and output in addition to much improved client relationships. Software developed using extreme (or agile) programming resulted in the development of product that was more responsive to clients and in synch with their organization's current business challenges.

Extreme Programming Applied to the Field of Human Resource Management

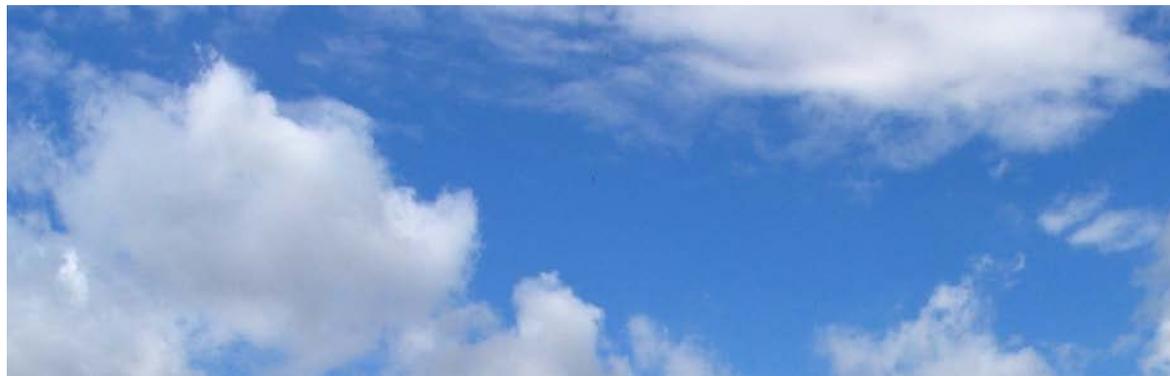
The extreme programming methodology offers a viable alternative for organizing an HR function and for doing HR work. The focus of extreme programming is on being close to the customer, gathering requirements on a frequent basis, customizing products for the current customer needs, and then building in an ongoing, highly interactive process so that the product and delivery are fast and on target. According to Lindstrom and Jeffries (2004: 43):

"Extreme programming is a discipline of software development based on values of simplicity, communication, feedback and courage."

Programmers have simplified the planning and work cycle to deliver faster, better and in a way that supports today's business cycles. Programming teams work together to deliver smaller but integrated releases that meet the needs of their customers. Customer requirements are well understood because programmers talk to customers every few weeks (in some cases daily); they have left the old cycles of collecting information, dissecting, then proposing and building based on old knowledge behind. The interactive nature of the conversation is an important part of what makes extreme programming models work. Programmers interact with customers in a way that moves the product forward continually.

It takes courage to talk to your customer on a regular basis because programmers know they will learn things they don't want to hear. Also, needing to talk to the customer regularly forces programmers to 'keep it simple.' Customers do not want to get into detailed discussions of what is not possible; they want problems solved. Extreme programming has taken the core of what we know is good management practice and applied it to the work process, to customers, and to employees. The results have been success in deploying software with less errors and that more accurately meets the needs of clients.

FAST HR





1. Start rethinking your HR department's organization structure now. Changing your structure will take time, so that means the changes need to begin today. The key to speed is being close to the customer. It is unlikely that the traditional centers of excellence and generalist structures will support Fast HR.

2. Do an internal audit of your HR practices and determine not only what's

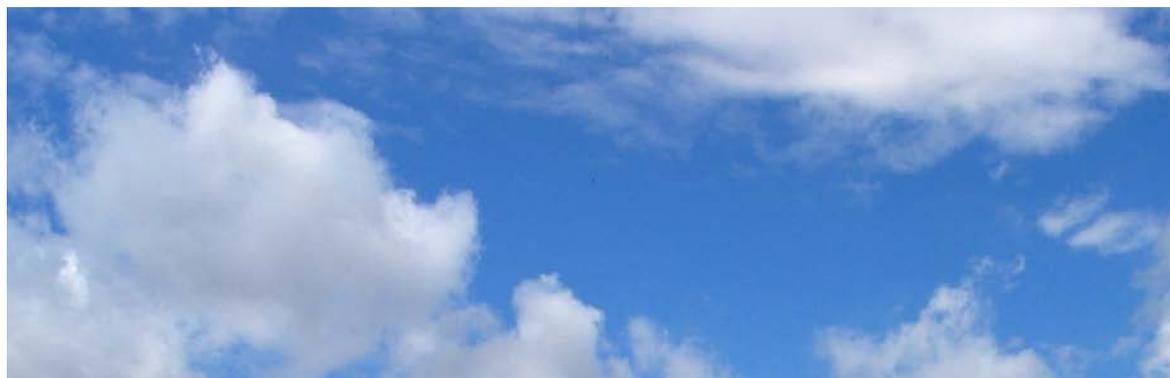
working and what's not working but also the rate at which each process is being delivered. Create a speed metric for each significant piece of HR work that you deliver. For example, you can use number of days from request to delivery as a way to start. I do this with survey work for example, tracking the number of days from the time a survey closes to when a manager receives his/her report.

3. Go out to your internal customers (e.g. leaders, managers, employees) and ask them to provide you with their ideas about the HR practices that they would like to see delivered faster. Then ask them what advantages they would see to a faster delivery cycle for the practices they recommend be changed. Merge your internal audit data with your external customer requests and your own speed metrics.

4. Choose one process to fix; it may not be the slowest process but one that is slower than you'd like and that can have high impact when you speed it up. The survey example above is one that nets a very high return on investment with speed. When managers get data quickly, they are less likely to go into "denial syndrome" (denying results of the data because it's old). When managers accept data, they take action, and it is action that gets results. Thus, speeding up this process can result in a high return on investment.

5. With your target work in mind (new product you will create or process you will change), put together a SWAT team to start the experiment. Assemble people into this team who can develop innovative ideas, who are not afraid of change, and who are excellent communicators (listeners).

6. Together, start to develop a solution. Spend ONLY 3 days on the development. Take the ideas back to your internal customer; get feedback on the ideas or work you have done to date. Then repeat the cycle; make changes, and then review with your internal customer again.



7. Keep repeating the cycle of product creation and review with internal customers until you have a working model of the new process.
8. Deliver a pilot of the new process. Talk to the customer daily during the first few weeks of delivery.
9. Make changes to the product using the first round of feedback with your customer.
10. Talk to the customer again. Learn how the work is being received; obtain more speed metrics; add to those data new quality metrics. Continue to make changes ongoing.

Three things will happen as a result of speeding up one of your HR processes via this method. First, you will see an improvement in the delivery of an important HR product. Second, the speeding up technique itself improves the relationship you have with the affected internal customers. That's one of the big wins with extreme programming. Communicating closely with the client and creating a highly interactive involvement process as you co-create product that the client wants improves relationships. Third, this process gives the internal customer more ownership over the new HR product, giving you a strong sponsor and advocate for the work.

These ten steps give you a sample of what Fast HR could look like. However, for it to work in speeding up your HR delivery and your organization, you need to institutionalize the process. You also will find that skill development will be needed.

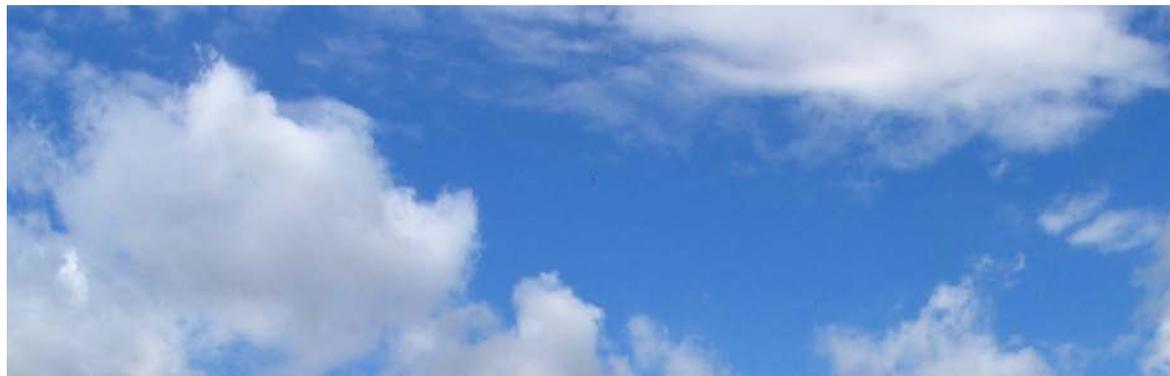
Skills Needed to Deliver Fast HR



- Be willing to rethink HR crutches – one example is that for HR to be fast, its members need to rely less on the law as an excuse to change. In today's litigious world, you can be sued for anything. Being right does not matter; therefore, fear of law suits should not drive better practice. Also, if you implement a new process and are close to the customer, you will know if the new practice is causing problems.

- HR innovation – you need HR research and development specialists. One of the problems with trying to reorganize HR is that post organizational change; they fall back to what

they know. In order to move forward quickly, HR team members will need to change many of the processes and methods that they have come to rely on.



- Data coaching – HR team members need to learn how to be data coaches. They need not only be comfortable with reading data, using data and analyzing data, but more important, they need to be able to coach their team members and managers in the art and science of using data to drive dialogue, action and results.
- Executive coaching – the skills of a good executive coach also can help build fast HR because the skills involve learning to listen, probe and understand problems and opportunities.

HR Pods Replace the Traditional HR Structure



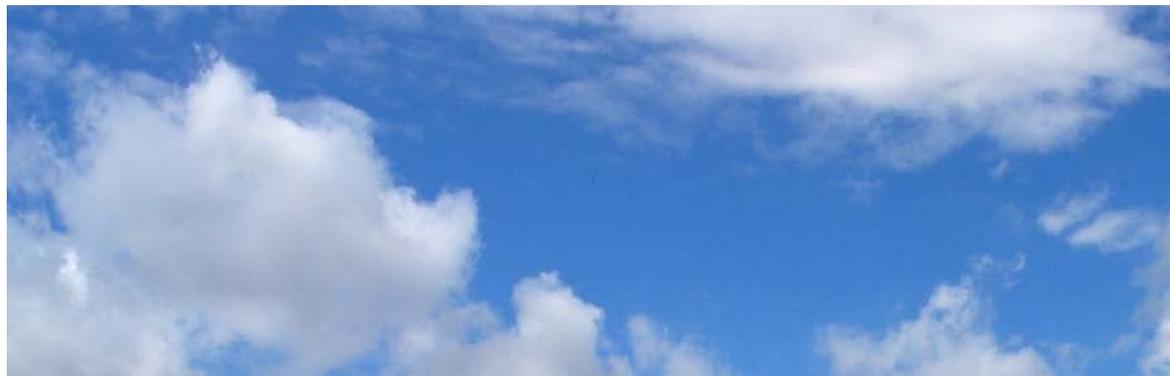
The word pod is interesting. It has been associated with the infamous iPod, and thus become a household name. But the word pod refers to a few other things:

- A pod is a social group of animals (whales). Members of a pod may protect one another. Pods hunt and migrate as a group.
- Pods are often associated with space ships; they are the smaller vehicles that go out on missions, explore, and do the real work.
- Pods can be part of buildings. Round structures that are built to create a sharing atmosphere, where no one is in front of the room or back of the room. There are examples of pod structures used in learning environments.
- Pods can be used to store important equipment. Pods are attached to cars; pods are brought out to provide storage.

Pods are flexible. Pods are fast. HR pods can be deployed to be close to the customer and then move as the customer changes. Pods are made up of HR executives, entry level talent, specialists and middle level managers who come together to do specific work (help with newly merged organization), or service a client group. The key to the pod is that it is flexible, it is fast, and the people in them can go back to the home base when needed.

The center of excellence in a pod structure is replaced by a support team and space for pod members to meet regularly. The people in the base camp or learning center (former center of excellence) serve the pod members. They organize, they are project managers; they provide services; they recruit new pod candidates, and they train.

Skills for pod members are going to always change as technology and new product innovation is deployed within the organization (as the HR R&D team members invent and deploy). The base camp team will be responsible for collecting data and sharing data with members of the pods



New HR Practices



Fast HR has resulted in a number of new practices. In all cases, the organizations using these practices have reaped significant return on investment for their work.

- Transform traditional surveys into data and dialogue tools: The traditional employee survey process (done once a year or every two years with many organizations) has been transformed into an interactive communication process that enables

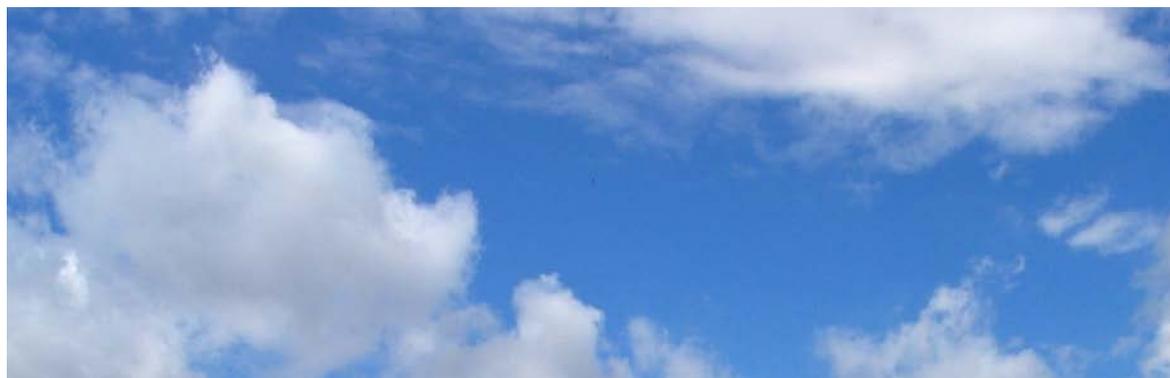
fast HR. By using frequent, short and focused surveys and then developing a fast process for engaging internal clients, the old score taking survey process has evolved into something that employees value as a benefit and that helps managers make better decisions.

- 3-minute 360™: Using a new model of performance management based on over 20 years of research, we are working with several organizations to create a supplement or new development tool that takes between 3 and 10 minutes to complete. The results so far suggest that in 3 minutes vs. an hour (or more), you can obtain enough high quality data to speed up the 360 process and then enable more developmental conversations, which then speed up learning and improve performance.
- Strategy making in general – by using frequent communications with both internal and external stakeholders, organizations are staying on top of their competition and delivering better products through improved insights and real-time strategy making. This process is being used to help HR continually refine its own internal HR strategy.

These are only three examples of HR work that is coming out of the Fast HR movement. We anticipate many more changes, radical HR restructuring and new work in the field that will drive new and better talent development not just within HR but also with the rest of the organization.

Fast HR is a new concept that should fit with the many firms globally that are in search of a new structure and way of doing business in HR to meet the needs of the rapidly changing business environment in which we all work. Extreme programming took courage to implement because it was new and different; we anticipate the same with Fast HR. And just as extreme programming evolved, we expect the same with Fast HR.

The methodology will benefit from its own lessons; Fast HR will change as people use it; the customers of Fast HR will reinvent it, and as those lessons are learned, the community of Fast HR practitioners will stay ahead of the curve and continue to learn, grow and prepare their organizations for what's next.





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Lindstrom, L. & Jeffries, R. (2004). Extreme programming and agile software development methodologies. *Information Systems Management*, 21(3), 41-52.

Two examples of research investigating outcomes of extreme programming: Holstrom, H., Fitzgerald, B., Agerfalk, P, and Conchuir, E. (2006). Agile practices reduce distance in global software development. *Information Systems Management*, Summer, 23:3.; Erdogmus, H. & Williams, L. (2003). The economics of software development by pair programmers. *The Engineering Economist*, 43(4).

To learn more about Fast HR, extreme strategizing for your leadership team or HR, fast pulse surveys, the 3-minute 360, data coaching, or more contact:

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See <http://ceo.usc.edu> to learn more about the data coaching seminar she is teaching in March 2010.

