

Building People Centric HR

As a service consumer, I've encountered frustration when trying to perform simple tasks such as changing passwords or resolving urgent issues. The experience has improved over the years with the help of effective customer service practices, which blend online, bot, phone, and in-person interactions seamlessly.

This has resulted in positive experiences without a noticeable increase in service costs. The key to achieving this level of service is through Service Design thinking and Customer Experience (CX) Management.

As employees, we have experienced similar frustrations with HR services and systems. Because employees and candidates are customers of HR services. The bar for HR service quality has been raised by the rapidly accelerating CX improvements outside of HR. Therefore, it is essential for HR to implement Service Design and CX-HR management to meet the ever-increasing expectations of employees.

Service Design and CX-HR management: Why bother and what's at stake for HR?

Great service experience translates to significant business value in terms of increased retention rates, customer spend, market share, and revenue growth for customers. Similarly, great "service" experience for employees will drive engagement and workforce productivity, especially during critical moments such as onboarding, relocation, and recruitment. In these situations, employees expect a "white gloves" experience level in exchange for engagement with the company.

In a talent-constrained environment where employee experience is shared on platforms such as Glassdoor, companies with the best employee experience naturally attract the best talent. HR has control over most levers of employee experience, and service design thinking provides a game-changing opportunity for the HR function to improve engagement and workforce productivity while reducing the cost to serve.

We've seen companies adopt two approaches to this challenge / opportunity

First Approach: Do nothing for now and stay on the fence – 'I never worry about action, but only inaction' (W. Churchill). In current course and speed, HR/People Leadership Teams are consumed by two families of priorities:

- 1. Implementation of a cloud-based HR system.** Although HR technology can provide benefits such as centralised data management and improved user interfaces, these tools often prioritise enhancing the HR staff experience over improving the employee experience. Despite potential secondary benefits for employees, initiatives for HR Information Systems (HRIS) are often hindered by low end-user adoption rates and unfulfilled promises of employee self-service.
- 2. Focus on HR productivity.** There are various HR initiatives focused on improving productivity and efficiency, such as HR process reengineering, automation through bots and apps, and

investing in technology solutions. However, the critical perspective of the employee is often missing, resulting in low adoption rates and unfulfilled promises of employee self-service.

With the bar for HR service experience continuously rising and competition for top talent increasing, it's crucial to prioritise the employee experience. One approach is to adopt Service Design Thinking for HR and put employees at the centre of the service redesign process. Many HR leaders are starting to embrace this approach, but it is still a work in progress. To learn more, let's draw upon the principles of customer service design.

What is Service Design Thinking?

After exploring various HR methodologies, I have come to prefer the agile approach. This methodology focuses on designing HR services based on what employees actually want, rather than relying solely on historical data or risky bets based on intuition. As Mat Hunter of the Design Council puts it, service design is about creating experiences that truly work for people by removing frustrating obstacles and adding compelling elements. However, it's important to also ensure that the products within a service are effectively linked together. This has been a longstanding concern of mine.

The key steps of this method to innovate services are:

1. Group users into segments represented by personas based on their characteristics and needs.
2. Draw a customer journey map from the persona's perspective, based on both data and empathetic observation, to understand their experience with the service.
3. Clearly define the problem the service is intended to solve for the user.
4. Cross-functional teams collaborate to innovate a minimum viable service that solves the holistic problem, not just a segment, and update the journey map accordingly.
5. Measure user experience (CX) and iterate to continuously improve the service.

What lessons learned from Customer-facing teams who have implemented the method?

This approach prioritises fast experimentation and redesign, rather than aiming for perfection on the first attempt. As teams continue to work with this mindset, they develop a culture of continuous improvement and ongoing innovation for the services they manage.

"Service Design Thinking" is truly about "Service Design Doing". Teams learn and improve by taking action and practicing. While training and theoretical knowledge are useful, they do not necessarily lead to a change in mindset or skill set.

Here are three key lessons learned from applying Service Design thinking:

1. Improving customer satisfaction requires optimizing touchpoints as well as the entire customer journey. The overall experience is not simply the sum of its parts.
2. Starting with one "High Reward" service can validate the concept and provide momentum for driving change and engaging teams.
3. It is crucial to track customer experience (CX) metrics from the start and integrate them into management and recognition systems to reinforce customer-centric behaviours over time.

One positive aspect for HR is that customer-facing teams often face challenges with silos owned by multiple functions (Sales, Marketing, Service, etc.), which can impede progress and accountability. In contrast, HR

directly owns their service silos, making it easier to drive change and take ownership of the service design process.

What are the challenges to using Service design thinking in HR?

- 1. In what way does Service Design complement other elements of our HR strategy, such as HRIS and digital systems?** Service Design thinking is an indispensable tool for a fully digital HR function, as it places employees at the centre of the service design process and measures customer experience (CX) to guide automation efforts. Poorly designed services that generate negative experiences should not be automated, as this would only make things worse in the short term. While bots, apps, and other automation systems offer huge potential for improving HR services, HR teams should prioritise employee-centric service design and experimentation before technology implementation.
- 2. How do we decide which HR services to redesign first?** HR teams often have limited capacity and must prioritise services that have the greatest impact on employee engagement. By focusing on the "moments that matter" in the employee journey, such as onboarding, HR practitioners can identify services that have the highest potential for improving employee experience. They should aim for services that are both "effortless" and "white-glove," meaning they should be easy to use and memorable in a positive way. A further opportunity is to ask employees what they believe is the most important process to start with.
- 3. How can we sustain the momentum from hackathons and Design Thinking training?** Hackathons and Design Thinking training can energise teams and foster new ways of thinking and collaborating. However, to sustain the drive for service innovation and user-centric design over time, HR teams should quickly incorporate Service Design thinking into their everyday work. This requires creating a comprehensive and prioritised service redesign roadmap, with some teams starting small to validate concepts before rolling out more broadly.
- 4. How can we apply a scalable design method globally while capturing local needs?** In large, global organisations, capturing employee journeys at critical moments can be challenging, and using different methodologies or tools for redesigning these journeys can lead to inconsistencies and lack of scale. To address this, some organizations use purpose-built tools to maintain a consistent approach to service redesign and create global services with local variations. This ensures that recruitment journeys, for example, are designed consistently across different regions, while also accounting for local needs.
- 5. How can we measure and benchmark the effectiveness of HR services?** Measuring CX through CES and NPS metrics at both the touchpoint and journey levels is crucial for managing the effectiveness of HR services and for continuous improvement. These metrics help HR teams focus on creating positive experiences for employees and offer the opportunity to benchmark experience data against other companies to ensure the HR function is always improving.

Final thoughts...

Although Service Design Thinking (or doing!) is a relatively recent addition to the HR industry, it has a successful track record and demonstrated business benefits in the customer-facing realm. Compared to other HR innovation or process redesign approaches, it has the greatest potential to directly impact Employee Experience and influence HR's contribution to it. The method is user-friendly and captivating for HR teams, does not necessitate significant investment, reduces the cost of service, and aligns with one of the key reasons why many HR professionals entered this field - to assist people.

Partner with us to build that truly authentic people focused People Team. Learn more about our approach to organisational design and culture change.