

# DISCERNING DISRUPTIVE CHANGE: DISCOURSE OF BEING LEAN, SEEN AND GREEN

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## Abstract

*This paper discusses the responses of people professionals with regard to disruptive change. It zooms into the field of Human Resource Management (HRM) and discusses three global trends with respect to future workplaces. Three clear trends are covered in relation to the contemporary corporate environment. It suggests the awareness and appreciation managers should have with regard to these trends, and the emerging roles of people professionals. It sheds light on our understanding on prospects, promises and pitfalls with a view to taking right decisions leading to timely actions.*

## Introduction

It was Joseph Schumpeter, the Austrian- American economist who first spoke of a “gale of creative destruction” in order to sustain economic growth. We can see a parallel to that in the now popular use of the term “disruption”. Prof. Clayton Christensen of Harvard Business School, who is widely regarded as the concept initiator of disruption, says that a disruption displaces an existing market, industry, or technology and produces something new and more efficient and worth while. Whilst being disruptive on one hand, it is creative on the other hand.

“We are witnessing profound shifts across all industries, marked by the emergence of new business models, the disruption of incumbents and the reshaping of production, consumption, transportation and delivery systems” observes Klaus Schwab, in his most recent book, “Fourth Industrial Revolution”. As he further explains:

We have yet to grasp fully the speed and breadth of this new revolution. Consider the unlimited possibilities of having billions of people connected by mobile devices, giving rise to unprecedented processing power, storage capabilities and knowledge access. Or think about the staggering confluence of emerging technology breakthroughs, covering wide-ranging fields such as artificial intelligence (AI), robotics, the internet of things (IoT), autonomous vehicles, 3D printing, nanotechnology, biotechnology, materials science, energy storage and quantum computing, to name a few.” (Schwab, 2014: 1)

As the Forbes magazine reports, the HR technology landscape, which is now more than a US Dollars 15 billion market in software, is exploding with growth and innovation. “We are tracking more than 100 new startups in social and referral recruiting, talent analytics, assessment science, online learning, and mid-market core HR systems”. These new tools to help manage employee communications, engagement, recognition, and workplace wellness are also in very high demand.

## Disruptive HRM into the fore

It is in this context, the term “disruptive HRM” becomes appropriate. What is disruptive HRM all about? It is essentially challenging the conventional way of doing things. It also involves new initiatives with the use of technology in moving beyond traditional boundaries. “On the spot” feedback, which is real time and online as opposed to annual performance appraisal is one such example.

The term disruption is associated with radical change. Same should apply to disruptive HRM. The definition of HRM coined for Sri Lanka through a series of deliberations at the Chartered Institute of Personnel Management (IPM) can be stated as follows:

A strategic and integrated approach in acquisition, development and engagement of talent, using relevant tools, with proper policies, practices and processes in creating a conducive climate towards achieving organizational excellence and societal well-being (Dharmasiri et al, 2014).

As the above definition revolves around talent, the disruptive HRM should focus on unorthodox ways of “winning the war for talent”. Use of social media such as linked-in for hiring talent is one such way. Use of online learning tools as opposed to traditional training is another. Facing triple challenges of being lean, seen and green can be confidently done through disruptive HRM. It poses plenty of challenges for people professionals.

A people professional, also called a Human Resource (HR) professional, can be viewed as a senior person engaged in Human Resources activities as an occupation. In other words, a manager with experience and qualifications, handling the responsibilities associated with the HR function of an organization. We often hear the rhetoric that every manager is an HR manager. There is a truth in it in the sense that every manager has a people management role to play. Yet, the reality is that a manager coming from a specific functional background might not have the required capability to handle all the specific people management aspects.

Disruptive technologies drive digital initiatives in diverse fields. The people-centric function of Human Resource Management (HRM) cannot escape from this wave of disruption. How do such disruptions challenge the HR policies and practices, globally and locally? It is again be lean in unconventional action.

## Be Lean

There is a wave of becoming faster, cheaper, better in an increasingly competitive global scene. HR cannot avoid its influence. Stemming from the Japanese concept of creating value by eliminating waste, lean management has spread its wings to cover both manufacturing and service sectors.

Gone are the days that HR was “humanly rich” as a department with all sorts of people, mostly dumped by the seniors. Efficiency with regard to optimizing cadre, in clearly identifying the needs and the specific roles associated is of utmost importance.

## Lean Leverage

Lean management is in fact a philosophy derived mostly from the Toyota Production System (TPS). Ohno (1988) coined the term Toyotism to describe this pioneering approach. TPS is renowned for its focus on reduction of the original Toyota seven wastes to improve overall customer value, but there are varying perspectives on how this is best achieved. The steady growth of Toyota was from a small company to the world’s largest auto maker. As Toyoda Sakichi (1876 -1930) firmly advocated, “quality must be built in during the manufacturing process”.

## Relevance to HR

There is a five-step thought process for guiding the implementation of lean techniques that is easy to remember, but not always easy to achieve. It can be appropriately adapted by HR for serving the organization better.

- 1. *Identify the target product, product family, or service.***  
For HR it applies for what the organization requires from it. It could be viewed as the availability of right person to handle the right job, in the right way with the right resources in producing right results.
- 2. *Draw what is called a “value stream map”, which shows the current steps, delays, and information flows required to deliver the target product or service.***  
This may be a production flow (raw materials to consumer) or a design flow (concept to launch). HR needs to identify their value stream maps regarding the areas such as recruitment, selection, training and performance management. The simple argument here is the use of lean concept for making HR processes more efficient.

**3. Assess the current state value stream map in terms of creating flow by eliminating waste.**

This can be a good brainstorming exercise for HR professionals. Identify the bottlenecks in the existing recruitment process can be one such example.

**4. Draw a future state value stream map.**

It refers to the improved way of doing things. Referring to our example of recruitment, proposing an improved process with the addition of technology, such as getting application through internet can be the case.

**5. Work toward the future state condition.**

Here lies the challenge. The clear concept has to be put into concrete action. HR has to deliver results by being lean.

One important thing to remember is that HR has to work hand in hand with other functional departments in being lean. There is no room for silo mentality.

## Be Seen

We are increasingly moving towards a virtual world of work. There are a variety of flexible-technologically connected but geographically separated. A global virtual team might have members based in New York, New Delhi and New South Wales. Telecommuting is an arrangement where a person can work from home by connecting through technology without physically coming to work. What could be the possible HR challenges? Let's discuss.

## Trust without touch

Based on my research with two US-based colleagues, it was evident that one major challenge in a virtual team arrangement is to trust each other. If you have worked with someone physically in the same office at least for some time, they found it easier to work as a virtual team. The challenge was to interact with relatively unfamiliar members of the team in a distant location.

It is an interesting HR scenario in this context. Each member of the virtual team based in different locations have to be governed by their local labour laws and other local HR practices. At the same time, there is a global HR strategy. Hence, it is a case of think globally and act locally with regard to HR practices pertaining to virtual team arrangements. It is a vital element in the broad sphere of strategic talent management (Collings and Mellahi, 2009).

## Guiding the Net-centric Nomads

Why is the “seen” factor so important to HR? The answer lies in the nature of virtual teams and telecommuting workforce. They are the new net-centric nomads. Nomads, in the sense that their work desk can be a seat in an air plane with laptop or palmtop connected to the internet. For them, what matters is the connectivity more than the location. Their daily HR functions are carried by a supervisor, also in a remote location. Some of the virtual team members have not seen the central HR colleagues, after their initial hiring discussion. On one hand, it is good to delegate and to make every manager a people manager. However, on the other hand, the vibrant presence of the HR as a guiding and facilitating function is also essential.

There are several merits and demerits associated with a VT arrangement. As Bergiel et al (2008) highlight, such merits can be discussed as follows:

### **1. *Drastically reduce travel time and cost***

The significant expenses associated with accommodation, travel and various daily allowances may be reduced and even eliminated as virtual teams communicate via technology. The reduction in face-to-face meeting time also reduces the level of disruption to every day office life. For example, the director of on-demand workplace solutions for IBM estimates a \$50 million saving in travel and downtime costs through the use of virtual teams.

This aspect offers promising insights to Sri Lanka, for organizations to consider a VT as a cost-effective arrangement.

### **2. *Recruit talented employees***

VTs allow all organizations to recruit the most talented employees in the field. As Joinson (2002) observed, current workforce, particularly in the west are increasingly unwilling to move because it is a stressful and costly undertaking. Therefore, if a company wants the talents of a “top marketing guru who is comfortable settled in a posh area in California”, a virtual team may be the solution.

VTs create a pool of talent that would be unavailable to a company if the management insisted on conducting business through face-to-face meetings only. In addition, as a virtual employee can easily serve on multiple teams, geographic location is no longer a criterion for team membership. Flexibility of this type allows a company to maximize its human resources by allowing team members with particular skills to serve on several teams concurrently.

Getting people in the North and East connected to projects in Colombo, is possible through an effective VT arrangement.

### **3. *Enhance creativity and originality among team members***

VTs are diverse and consist of members who are different (heterogeneous). These teams are much more powerful and effective structures compared to traditional team structures influenced by time and place. Diversity helps engender creativity and originality among VT members. This has already been the case with Sri Lankan software programmers who work in a VT arrangement with their counterparts in Asia, America and Europe.

### **4. *Create equal opportunities in the workplace***

In a virtual work environment, physically disadvantaged employees gain easier access to the virtual workplace than to a physical office. This ease of access helps organizations reasonably accommodate the particular needs of a range of disadvantaged employees.

This has been the case already with some of the leading Sri Lankan organizations. It can be logically extended to form more VTs so that, a disabled (rather, differently-abled) military officer can work on a project by getting connected through technology.

### **5. *Discourage age and race discrimination***

VTs contribute to this quest because the performance management of employees is primarily based on their productivity as opposed to other attributes. Conducting business online creates an environment that promotes equality and equity among employees.

In contrast to the above merits, there are several demerits too. Bergiel et al (2008) have identified them as follows:

#### ***i. Lack of expertise in technological applications related to VTs***

VTs may actually experience a kind of generation gap. As observed by Lipnack and Stamps (2000), the under 30s are “more likely to be more computer-facile than their more senior leaders, who may not even have the simple skill of rapidly pointing and clicking (and perhaps even typing)”. In contrast, the younger generation of employees uses computers and allied technologies as a way of life.

This can be a key challenge for Sri Lankan organizations. I have personally seen how post-graduate students who are more capable of “thinking and typing” rather than “thinking and writing” struggle at conventional exams where they have to “write” essay-type answers.

On the other hand, we see how several public sector banks had taken their ageing employees through comprehensive computer training in making them ICT-savvy. It shows that getting used to changing technology is possible and doable.

## ***ii. A general lack of knowledge about VT expectations***

As a relatively new structure, many employees engaged in virtual teams will certainly require some level of training in the area. Snyder (2003) suggests that many “organizations create VTs with almost no understanding of the unique implications of that decision”. Even computer-savvy employees may not possess sufficient prerequisite knowledge to meet the performance demands within a VT.

## ***iii. The virtual structure may not fit the operational environment***

VTs may not be an appropriate tool for every company or organization. Joinson (2002) suggests that industries such as manufacturing may not be conducive to the use of virtual teams. He indicates that “any type of work that’s very sequential or integrated can pose problems for VTs”. The obvious reality of the above is very clear with regard to a factory setting. You need people to work physically.

On the other hand, service sector can carve out projects that can be handled by people located in different places with a reliable technological connection. It is not a remote possibility in Sri Lanka as well.

## ***iv. Psychological unsuitability to work entirely in a virtual space***

VTs are not always seen as ideal for many employees. According to Joinson (2002), some people “who are stimulated by interaction with other people or who need external structure to stay on track may be unsuccessful in a virtual environment”. These employees thus require extensive training and support if they are to be engaged, even partially, as a member of a virtual team.

This aspect has a particular relevance to Sri Lanka where employees tend to be more emotionally bonded to a physical workplace, with colleagues around. The necessity of having a VT should be clearly emphasized with cost and talent reasons.

Such a scenario leads to a visibility issue. How can HR show its availability for coaching, training, performance advice and other matters? Is it practically possible to meet all employees scattered all over? What should be the best cost-effective arrangement? These are some of the questions that HR professionals have to find answers.

## **Be Green**

We are living in world where nature has begun to strike back. Chaotic weather patterns across the globe are a grim reminder that eco-friendly practices of work need a lot more attention. What matters is not only profits and people, but planet as well. Obviously, it impacts HR.

## Triple bottom line

The phrase “the triple bottom line” came into use in early nineties. In 1994, John Elkington, a Briton interested in sustainability, argued that companies should be preparing three different (and quite separate) bottom lines. One is the traditional measure of corporate profit—the “bottom line” of the profit and loss account. The second is the bottom line of a company’s “people account”—a measure in some shape or form of how socially responsible an organization has been throughout its operations. The third is the bottom line of the company’s “planet” account—a measure of how environmentally responsible it has been. The triple bottom line (TBL) thus consists of three Ps: profit, people and planet. It aims to measure the financial, social and environmental performance of the corporation over a period of time. Only a company that produces a TBL is taking account of the full cost involved in doing business.

## Green HRM

Some common green human resource initiatives in the west include, using Web or teleconferencing to reduce travel, promoting the reduction of paper use and implementing wellness programs to foster employees’ proper nutrition, fitness, and healthy living.

The important point here is the need to integrate green initiatives with lean and seen initiatives. In other words, they are not three isolated sets of actions but one holistic path. Take paper reduction for an example. Instead of having piles of personnel files in a store room, a well-designed HR information system (HRIS) will do the needful in a much more effective manner. It is a case of being lean and green at the same time.

By being green, HR has to foster SHE, meaning safety, health and environment. A healthy workforce who performs their duties with safety in mind, without polluting the environment is the growing need of our workplaces.

## Green policies and practices

Policy is like an umbrella guiding the practices within. Future HR policies need to be green. So should be their practices. Take recruitment for an example. Minimizing the use of paper, by resorting to more IT based techniques is becoming popular. Training employees on energy conservation and making them more environmentally conscious are also vital actions HR can do. Here again, eliminating waste as a way of saving energy appear prominently, highlighting the link between be green and be lean.



## Sustainable HRM in focus

Opatha (2019) cites many previous attempts to describe Sustainable HRM and summarises what has been captured so far. “Sustainable HRM is the utilization of HRM tools to help embed a sustainability strategy in the organization and the creation of an HRM system that contributes to the sustainable performance of the firm. Sustainable HRM creates the skills, motivation, values and the trust to achieve a triple bottom line and at the same time ensures the long-term health and sustainability of both the organizations internal and external stakeholders with policies that reflect equity, development and well-being and help support environmentally friendly practices.”

In essence, it is how HRM proactively responds to the creation of triple bottom line, profit, people and planet. As Opatha (2019) presents his own definition of Sustainable HRM, “it is that part of Human Resource Management which is concerned with planet-related matters, society-related matters and profit-related matters. Its aim is to maximize environmental, social, and economic performance of the organization. It refers to the policies, procedures, rules, practices and systems of managing employees which contribute to achieve sustainability.”

It is interesting to observe how Opatha (2019) divides three sub-branches of Sustainable HRM. They are termed as Green HRM (Planet related matters), Social HRM (Society related matters) and Economic HRM (Profit-related matters). As he identifies, Green HRM includes green roles of employees, green HRM functions, green attitude and behaviour, green job performance etc. Social HRM includes organizational ethics, work-family balance, quality of work life, health and safety and employee counselling, happiness etc. Economic HRM includes high performance organization, employee retention, absenteeism and presenteeism, customer satisfaction, competitive business strategy and HR strategy etc. Obviously, such an approach captures a vast array of affairs in the broad gamut of HRM.

## Conclusion

Change is the only unchanged phenomena in the world. Disruptive change will lead us to dire consequences if we do not act promptly and proactively. The invitation is to all managers and administrators to think and act towards championing change. This is more pertinent to people professionals in driving their functions to be lean, seen and green. They have to act as “thinking performers” with competence and confidence. As Peter Drucker observed, “the greatest danger in times of turbulence is not the turbulence but to act with yesterday’s logic”.

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