

Strategy and HRD: An Expert View

Interview with Rishi Krishnan

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journals.sagepub.com/home/nhr**By Gopal Mahapatra**

Gopal Mahapatra (GM): Thanks Professor Rishi for your time in sharing your perspective on strategic HR. To start with, according to you, what is the criticality/significance of strategy in the emerging global business environment, in general, and Indian business environment, in particular?

Rishi Krishnan (RK): The present digital paradigm has made the life of organisations much more challenging. Some months ago, I attended the strategy meet of a leading Indian bank. The invitees to the meet included representatives of leading consulting firms and corporates. The discussion at the meet was very different from what we used to witness even five years ago. It centred on disruption, data and digital. Competitors identified were not other banks but fintech start-ups and digital giants. The bank could see that it was sitting on valuable data regarding the spending behaviour of customers, but it was not clear what was the best way to leverage this data to enhance the performance of the bank. Continuous technological change is a given. In such a scenario of great ferment, strategy has become even more important than ever before.

GM: How do you see the linkage of the HR strategy with the organisational strategy?

RK: I was recently invited to give a keynote address at the NASCOM HR Summit. In preparation for this, I tried to catch up on recent thinking on the organisation of the future and what will be the challenges in people management. There is a surprising consensus on some issues: Automation is taken for granted. Given that changes in organisations since the Industrial Revolution have been driven by the quest for increased efficiency, and that there is now availability of tools such as AI and robotic process automation that have the potential to improve efficiency by an order of magnitude, it is taken for granted that a high degree of automation will happen. The question is therefore what next.

The consensus across reports from leading consulting firms and academics is that the next frontier is moving from automation to augmentation. Companies have to find ways of harnessing human intelligence to add what is missing in automated processes. Computers will take care of the routine processes but human insights and intuition will play a critical role in differentiation. Company roles will get-redefined around more specific skills. People who have the ‘fusion’ skills to work at the human–machine interface will become very valuable. Collaborative intelligence is being seen as the key to success.

Writing in *HBR*, John Hagel III suggested that work has to be redefined around human capabilities such as curiosity, imagination, creativity, social and emotional intelligence assuming that all routine processes will get automated. In this perspective, people will move from being costs to important value-creating assets. Learning will become more important than ever before.

In another *HBR* article, Wilson and Daugherty present data to show that organisations achieve the best performance when humans and machines work together. While the two obvious ways of making this happen are to see how human beings can add to what machines do, and making machines help humans

do their job better, the other dimension is to re-design the basic processes themselves in such a way that they help the human-machine partnership. This last option will necessitate redefining roles around the outcomes of these re-designed processes. Further, companies will need to be organised around specific skills rather than the job titles of the past. Some companies like AT&T have already done this.

All of these points in the direction of HR strategy being very different from what it was in the past.

GM: How effectively or proactively do you think the HR leaders are playing the role in recent times, last 5–10 years and more so, in a competitive global environment?

RK: I am sorry to be critical, but it appears to me that HR leaders have been trying to play catch-up with the fast pace of changes happening all around. Their response has been largely tactical and reactive. There has been a focus on understanding the broad characteristics of the so-called Millennials and Generation Z but not enough attention to technology and how it is changing the nature of business and organisations.

I do not see much evidence of HR having played the role of strategic partner to the CEO and other CXOs. HR managers have been playing safe and are not willing to do the experiments that are needed to compete in a fast-changing digital world. Take the simple example of recruitment. Some of the top digital companies are today not even requiring college degrees from job applicants. But the HR in most companies is still stuck with recruiting from the same ‘top’ programmes from a small list of shortlisted campuses, thereby missing out on some of the talents that could help them come up with the new ideas that could combat disruption.

GM: As a strategy and innovation thought leader, what are your few tips for the HR professionals to play in the strategic HR in the coming times?

RK: There are big changes in how companies need to manage strategy and innovation. Experimentation has become essential as it is easier and less expensive to do in a digital framework but also essential to identify the right path forward in a rapidly changing environment. Some of the biggest companies are collaborating with other large companies to create new platforms that allow a range of strategic experiments. Many observers say that the role of the CEO has changed from being that of chief decision-maker to chief experimenter. Experimentation is a part of roles across the organisation—I recently met a manager in an online travel services company who has been doing 50 experiments a quarter as part of his KRAs.

The HR function itself is changing. All this automation today allows for more real-time tracking of performance and more transparency in what contributions people are making to companies. Digital tools allow for automation of performance measurement with associated dashboards. Digital workforce platforms can help match individuals, teams and projects, make talent management more scientific and enhance engagement. These are not far-fetched ideas—already, Symantec is using a crowd-sourced performance assessment process and Wells Fargo is using data analysis to identify the traits of the most engaged frontline employees.

Many contemporary management gurus underline the importance of creating a ‘test and learn’ culture within organisations. In keeping with this shift, HR has to take the lead by adopting experimentation itself!

In summary, HR has to be willing to overcome its risk-averse past and embrace experimentation on a regular basis.

GM: Thank you Professor Rishi for your valuable inputs, we really appreciate!

Bio-sketch

Rishi Krishnan is presently a professor in Strategy Area at the Indian Institute of Management Bangalore (IIMB) since 1996. He has been the director and professor of strategic management Indian Institute of Management Indore from 2014 to 2018. He is an alumnus of IIT Kanpur, Stanford and IIMA.

Professor Krishnan's main areas of interest are strategy and innovation. He was a visiting scholar at the Center for the Advanced Study of India, University of Pennsylvania (Fall 2008), and at the Indian School of Business (ISB), Hyderabad (2011–2012). He held the Jamuna Raghavan Chair in Entrepreneurship at IIMB from 2007 to 2010.

Professor Krishnan writes extensively and has more than 140 publications spanning outlets that include refereed journals, the popular press, case studies, book chapters and books. These include two books on innovation: *From Jugaad to Systematic Innovation: The Challenge for India*, published in February 2010, and *8 Steps to Innovation: Going from Jugaad to Excellence* (co-authored with Vinay Dabholkar and published by Harper Collins in March 2013). The latter won the Best Book Award 2013–2014 from the Indian Society for Training and Development.