

# Design Thinking – A Game Changer In Human Resource Management

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**Abstract:** This paper aims to highlight the importance of Design Thinking (DT) and its role as a game changer in the human resource management (HRM) domain. This paper elucidates the DT concept, process and spells out the advantages of DT in the HRM by using the example of Airbnb and Infosys, which have extensively used DT to improve employee experience and organization performance. The paper discusses the role of DT in HRM. With the help of the DT conceptual framework, this paper illustrates how DT in HR eventually leads organizations to overall competitive advantage and performance excellence. DT can be applied to various HR and overall management aspects of an organization for scenarios such as best quality hiring, developing forward-looking learning plans, creating innovative performance management methodology and smoothen cultural transformation through employee involvement in each of these initiatives. Barriers such as initial resistance, difficulty in implementing ideas demonstrating DT value require leadership involvement to adopt DT practices. This article has uniquely presented various areas of HR that are fit for DT adoption. This paper contributes to the existing literature and body of knowledge in the HR domain by developing a DT conceptual framework for HR practitioners to adopt DT. This paper discusses how DT in HR eventually leads organizations to overall competitive advantage and performance excellence.

**Index Terms:** Design Thinking, Employee experience, Human-centric, Innovation, Organization performance.

## 1 INTRODUCTION

Today, organizations are facing fierce competition in a globally connected world that is characterized by fast information flow, highly mobile workforce and rapid technological changes. This has reduced the product life-cycle drastically and resulted in high uncertainty and lower customer loyalty for products and services. Continuous innovation in business offerings through a highly motivated workforce in an agile environment is one of the ways to tackle the challenges of such an uncertain business environment. But, innovation itself is characterized by customer acceptance risk, complex change management and lengthy lead times (Carlgrén et al., 2016). Innovation cycle can be made shorter with lower risk and incremental changes using the principles of design. Design as a subject encompasses methods that handle complexity and uncertainty and is thus argued to be useful in management practices. This is where Design Thinking (DT) comes into the spotlight. DT is one such management practice that blends design methodology and business processes to bring human-centric innovations to the organization's products and services. Organizations now want to learn how to think like designers and apply design principles to the workplace itself. DT is about creative problem-solving. It is interdisciplinary and collaborative in nature. It is human-centered, context-dependent and culturally aware. DT is experiential and changes with each problem or challenge. As the world moves into the Digital era, the challenges will evolve and organizations have to make sure they keep up with the changing landscape of design. DT is at the core of effective strategy development and organizational change.

While DT approach is few decades old, Harvard Business Review announced that the age of design thinking has arrived and that spurred new found interest across organizations trying to solve the innovation conundrum (Kolko, 2015).

The Fortune's 2018 Business by Design list has 25 companies from across industry domains which have used DT very effectively to repeatedly disrupt the market (Chandler et al., 2018). These include Apple, Amazon, Google, Microsoft, Tesla, Instagram, Nike, Samsung, Ford, Audi, Hyundai, Starbucks, Ikea, Huawei, Philips and many more.

## 2. DT IN MANAGEMENT

Application of DT in different areas of management is being explored by industry practitioners. For example, DT in finance function can be applied to the procure-to-pay process or financial reporting simplification. Similarly, DT in marketing can lead to improving company online presence or making brand communication more customer-centric. HR is another important area for organizations to continuously improve upon. A recent survey by Forrester indicates 43% of leadership in India considers employee experience starting from hiring to exit needs to be improved to attract and retain best quality talent (SHRM, 2017). HR departments have to typically face many challenges in carrying out their duties such as hiring quality talent, providing the best employee experience and selecting the right tools for HR functions. Each of these challenges requires innovative approaches as per individual organization setting (Rubio, 2018).

## 3. DT PROCESS

In simple terms, DT puts humans or users of the system at the center for solving problems or designing new processes and is typically a five-step process as shown in Figure 1 which was proposed by Hasso-Plattner design school at Stanford University (Stanford, 2018). Empathize: This step seeks to understand user behavior with respect to product or service being consumed by means of discussion, shadowing and observation. Define: In this step, personas are created, needs are understood, objectives are set, pain points are understood and finally, an action-oriented and meaningful problem is stated. Ideate: This step involves brainstorming and coming up with as many ideas as possible. Wild ideas are encouraged as part of this step. Prototype: After ideation, mockups and storyboards are created. These rough drafts are kept simple and easy to understand. Fail fast approach is used and the prototype is improved iteratively. Test: Once the prototype is ready, feedback is sought from end users about their experience with new product or service.

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Design Thinking Phases →		Empathize	Define	Ideate	Prototype	Test
Questions to be answered during each phase of DT process		What matters to real users?	What is the real problem?	What all ways the problem can be solved?	How to build prototype quickly?	What works well?
HR Processes	Talent Acquisition	Discuss with current employees, potential candidates and rejected candidates about recruitment process.	Understand key issues related to application posting, hiring process and selection criteria.	Collect ideas about enhanced recruitment portal, new interview process and better hiring criteria.	Build new prototypes of enhanced hiring process, illustrate with mockups.	Receive feedback from set of employees, recruitment managers on new process.
	Learning and Development	Interview employees especially millennials who are aware of latest technology trends.	List down gaps between current offerings and new learning topics and training methodologies.	Identify new ways to impart trainings and high priority new learning topics.	Deliver few mock sessions in new setup and iterate with different topics.	Record employee feedback and improve course delivery accordingly.

Figure 1: Illustrative Applications of Design Thinking approach to HR processes

4. DT APPLICATIONS IN HRM

DT applications in HRM shift the focus from traditional organization policy compliance to more employee-centric experience starting from talent acquisition to talent exit. Journey maps are useful tools to visualize employee experiences for HR executives. DT can make HR operations more agile through employee involvement in ideation, prototyping and receiving feedback for doing course correction before final organization level rollout. Such an approach can lead to easier acceptance of HR policies and procedures by employees leading to better employee experience. Based on the discussions with subject matter experts and extensive review of extant literature, the authors propose a conceptual framework to help HR practitioners consider DT adoption in their respective organizations.

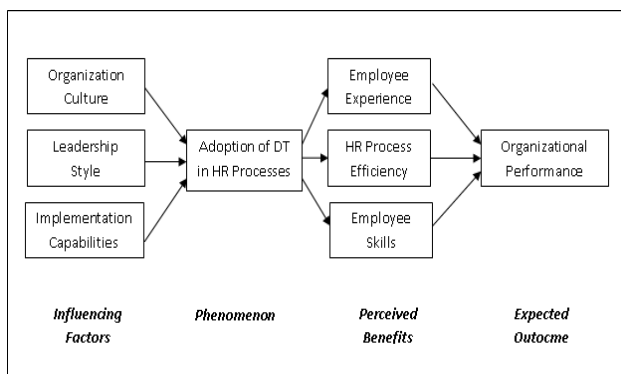


Figure 2: Conceptual Framework for DT adoption in HR processes

DT adoption will require a change in organization culture in terms of innovation practices followed for process improvements. Leadership style is another important factor which can sponsor DT initiatives and then propagate in the top-down approach for improved employee acceptance. DT involves fail-fast approach by creating quick prototypes. Hence, the implementation capabilities of innovative ideas are

as important as culture and leadership style. The experts also seem to agree that DT adoption would result in employee-centric organization. When processes are made employee-centric, improvement in employee experience would be a natural outcome. Innovations in systems and processes would result in higher efficiency of HR departments. Finally, implementing innovative DT ideas will keep organization employees think out-of-box and be ready with next-generation skills. DT in HR would eventually lead to overall competitive advantage and organizational excellence. HR departments are in the constant mode to implement employee-related programs, processes and procedures within organizations. DT approach can make these activities more employee-centric thereby help achieve higher effectiveness. The role of DT in HRM is as given below-

4.1 DT in Talent Acquisition

Globally, companies are competing with each other on knowledge and skills of their employees. Hence recruiting high-quality talent becomes the most important strategy for the organization's management. Leaders and HR departments are realizing the fact that making talent acquisition process completely candidate-centric would attract the best talent. DT in talent acquisition can be applied through talking to present employees, understand issues with respect to hiring, involving them to create new ways of interviewing candidates and prototyping new recruitment portals. The process can also be improved by taking feedback from candidates who are rejected during the recruitment process or candidates who do not accept the offer (Pathak, 2018).

4.2 DT in Learning and Development

As product lifecycle is shrinking and new service delivery approaches are disrupting traditional businesses, the organization needs an effective learning and development environment to enable employees to get ready with new skills. Learning and Development managers need to proactively identify the new age skills that would help the organization strategically and plan accordingly. DT approach can definitely make learning and development more effective by involving employees especially millennials who are abreast of latest developments, addressing any gaps and finding better ways of imparting training, prototyping learning plans and getting feedback from trainers and employees. Forward-looking learning and development has become an essential part of organization strategy and DT can help in achieving it in a more predictive manner (Raju, 2018).

4.3 DT in Performance Management

Performance management helps in identifying top talent in the organization and helps in identifying improvement areas at the same time. It is important to measure the impact of performance management policies and procedures on employee retention and organization growth. Most of the time, employees dislike the entire process of performance management due to high subjectivism involved in the end to end process and may sometimes result in top talent leaving the organization. Here as well DT can help improve the performance management process. Focus group discussions with all levels of employees in identifying pain areas in current performance management process, then prioritizing key issues which could range from system complexity to too much emphasis on human bias, then ideating for more transparent

goal evaluation, followed by creating several prototypes and finally testing them amongst a set of employees for any further improvement (Rubio, 2018).

#### 4.4 DT in Organization Culture

Organization culture separates leading companies from laggards. Organization culture is formed by values, vision and mission statements of the company. Over a period when business goals do not align to original values, organization culture change is needed which is one of the most difficult tasks for the leadership and HR departments. But, a culture change that does not involve employees often leads to failure of the initiative (Mittal, 2018) DT can be leveraged by HR executives for ensuring organization culture and values are percolated from top management till bottom-most level. A culture change will require collaboration with employees to create culture champions. Five step process of DT will help in finding key issues with respect to current organizational culture and improvement ideas can then be prototyped and tested for an iterative way of cultural transformation (Sreenivasan, 2018).

### 5. CASE STUDIES

Many well-known companies such as Electronic Arts, Nestle, Qualcomm, Airbnb have adopted design thinking as a strategic tool for improving business outcomes. Electronic Arts have implemented a state-of-art hiring management system that matches interested candidate profiles as soon as a position opens in any of the business units and alerts candidates and recruitment manager about same that provides hassle-free hiring experience. Airbnb calls its chief HR officer as chief employee experience officer to provide best workplace experience to its staff. Infosys has imparted DT training to more than 50,000 of its staff members for helping clients with more innovative business solutions as compared to traditional fixed scope based software delivery.

### 6. CONCLUSION

In summary, DT can be applied to various HR and overall management aspects of an organization for scenarios such as best quality hiring, developing forward-looking learning plans, creating innovative performance management methodology and smoothen cultural transformation through employee involvement in each of these initiatives. Challenges such as initial resistance, difficulty in implementing ideas demonstrating DT value require leadership involvement to adopt DT practices. This article has uniquely presented various areas of HR that are fit for DT adoption and proposed a conceptual framework. Researchers can empirically validate and test the proposed framework as part of future studies.

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