

ARTWORK Do Ho Suh, *Net-Work*, 2010
Gold- and chrome-plated plastic figures on fishing net
Installation view at Setouchi International Art Festival

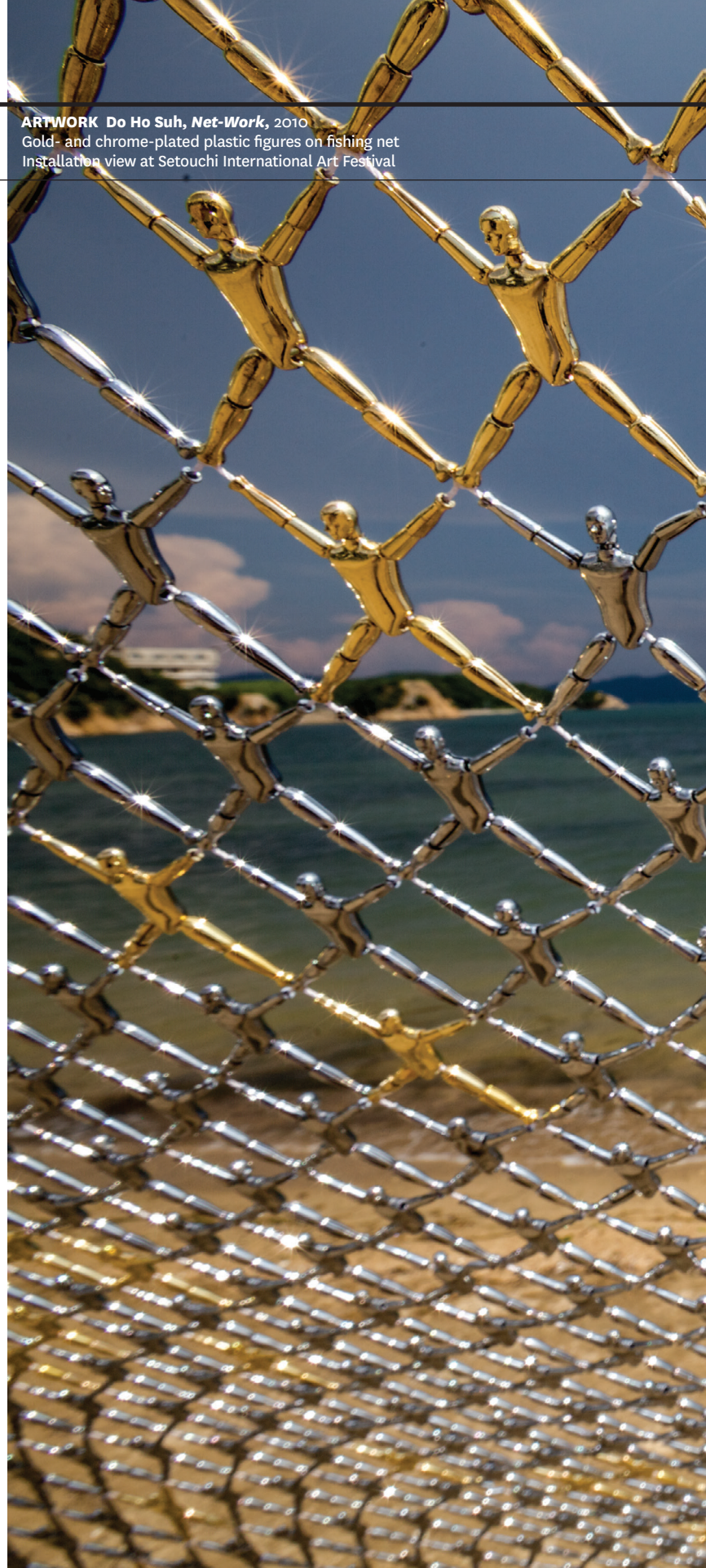
Bright, Shiny Objects and the Future of HR

***How Juniper Networks tests
and integrates the most
valuable new approaches***

*by John Boudreau
and Steven Rice*

MANY OF US have had the experience of listening to a talk and suddenly making a connection between the speaker's big idea and a challenge we face at work. To listen to David Rock, of the NeuroLeadership Institute, for example, is to have one's eyes opened to recent neuroscience research. One discovery Rock shares is that when people realize they are being compared with others, a "threat response" in their brains sends cortisol levels skyrocketing and makes it hard for them to take in other information. If you oversee your company's annual performance review process and it centers on the delivery of a single number derived from a stack-ranking exercise, this insight could be a lightbulb going on.

© DO HO SUH





Or maybe you're listening to Rob Cross, of the University of Virginia, revealing that your company runs according to a hidden structure that looks nothing like its official org chart. Informal networks matter much more than hierarchies. Whatever the source, you find yourself doing what so many HR leaders have done before. You grab that bright, shiny object and take it home, in the form of pages of excitedly scrawled notes and an intense resolve to get your team working on it.

Is this a bad thing? We're inclined to say that the opposite reaction—sitting with arms crossed, impervious to any provocative ideas—would be far worse. But such enthusiasm does present challenges. Applying any big new idea will change how some aspect of HR is managed, and that aspect is connected to all the others in a larger system.

In this article we will describe how Juniper Networks, a Silicon Valley-based innovator of high-performance networking technology, tackles those challenges. Over the past six years the company's HR team has adopted an approach whereby it can tap into the latest research and thinking and apply it in unexpected contexts. It's a loose, four-part process, which we'll outline below. But first we want

to share a valuable lesson we've learned about cultivating such constant evolution and innovation. Before Juniper could figure out which solutions were right—much less how to apply them—it had to adopt a certain mindset.

Fall in Love with the Problem, Not the Solution

As leaders, we have ready access to potentially powerful, game-changing ideas. It's easy—and tempting—to chase after a new practice, a new expert, or new research that seems to provide some relief or a solution to a problem. What's harder, but far more valuable, is to fall in love with the problem. Then you aren't quite so eager to embrace the first possible solution and move on. You spend some time letting the challenge soak in, studying it from various angles, and understanding it more deeply. Rather than hastening to narrow the scope of your decision and the options under consideration, you remain receptive to additional, possibly better ones. For example, Juniper's David Rock moment didn't end with a workshop or a separate initiative. Brain science fueled the company's understanding of an important problem—one tied to values and talent.

In 2009 Juniper's top managers had called for a renewed focus on values and culture as a differentiator. They sought advice from Ann Rhoades, who had done much work along these lines at Southwest Airlines and then at JetBlue. (She later wrote about her work with Juniper in *Built on Values: Creating an Enviably Culture That Outperforms the Competition*.) One outgrowth of that effort was a program of "trio tours"—a total of 75 sessions with three senior executives at various company locations to connect with local talent in thoughtful discussions of Juniper's culture.

During one session in Bangalore, a young engineer decided to speak his mind. The topic he put on the table was the company's use of forced performance rankings. He felt that it was demoralizing and effectively pitted colleagues against one another in a zero-sum game. How did that jibe with Juniper's espoused values of authenticity and trust? How did it support a culture of innovation? Unquestionably, his bluntness was challenging. But he raised a problem worth digging into: How *should* a company do performance management if it really believes in its talent and wants to raise everyone's game? And why would a company that seeks to differentiate itself

To reinvent its business strategy and grow, Juniper would have to innovate. So HR needed to figure out how its initiatives and activities could yield a talent pool that was better prepared and empowered to do so.

Idea in Brief

THE CHALLENGE

HR leaders tend to reach for the shiny objects of their trade—cool new research and insights about talent management and leadership. How can they choose the best of these and then integrate them into coherent systems?

THE EXEMPLAR

Juniper Networks' resolve to be "different by design" has four basic elements. Its HR team works to understand the big picture of the business, seize on the most valuable ideas, apply them in context, and manage their impact.

THE LESSON

Any business that competes on innovation knows the value of talent—and should have an HR function that can keep its edge.

through talent use the same performance evaluation tool everyone else does?

This was the problem Juniper was considering when neuroscience started to edge its way into the business world. Rock's research clarified why forced rankings were undermining the desired culture of trust, collaboration, and risk taking. It provided another angle for exploring the complexities of culture, values, and talent systems.

In 2011 Juniper became one of the first global companies to abolish forced rankings. Rather than spreading people across a bell curve, it now seeks simply to have what it calls Best Talent. It has replaced annual reviews with frequent "conversation days" for the purpose of discussing areas for improvement, goals, and career aspirations. Today more than 97% of its employees are considered Best Talent, and Juniper's talent management efforts focus on putting the right capabilities in the right places to achieve its business goals. The Bangalore engineer was absolutely right, but his insight required more than a rush to a solution. The problem had to be viewed differently.

Juniper's leaders avoid knee-jerk reactions and instead hold out for bigger ideas and underlying principles. They home in on what's *pivotal*—where change will have the greatest impact. They hired Chris Ernst, David Gonzalez, and Courtney Harrison, of the Center for Creative Leadership, and built an HR team committed to radically rethinking HR. The team's members collectively immerse themselves in challenges—even those that don't appear to be HR problems or that seem too big to solve.

Falling in love with the problem rather than the solution makes it possible to avoid shiny-object syndrome, unconnected programs, and random HR innovation. Within that overall mindset, we believe, the right approach consists of a four-part process.



How do HR leaders decide which few, pivotal solutions to adopt and then successfully integrate them into the organization? First, they need a reliable way to discern the big picture—the conditions and business imperatives that create the context for their choices.

Six years ago that big picture was coming into focus at Juniper after something of an identity crisis. As a start-up, the company had revolutionized the computer network industry with the M40 router, which played an essential role in scaling the internet to where it is today. Juniper grew rapidly, expanded its offerings, and was flush with success. Even so, it struggled with being "stuck in the middle"—tiny in comparison with its closest competitor, but bigger and more diversified than the single-solution niche players. It couldn't compete with a rival that was able to throw 10 times as much money, time, and personnel at any problem. And unlike the smaller companies, Juniper had already banked on offering end-to-end solutions. To reinvent its business strategy and grow, it would have to innovate. So HR needed to figure out how its initiatives and activities could yield a talent pool that was better prepared and empowered to do so. That meant innovation within the function as well.

A great example is the initiative Juniper undertook a few years later to refresh its understanding of the big picture. It sounded like madness to some at the time, but the HR team resolved to have one-on-one conversations with every senior leader of the company (a total of 150 executives), including the chairman, and with

100 other managers around the world. The conversations would include questions such as What are the key external environmental challenges currently facing Juniper? How are they affecting you and your team specifically? What excites you most about Juniper's business strategy and its execution? What concerns you most? Of course, the risk was that HR would hear about a lot of people issues for which it had no ready solutions.

Uncomfortable truths did surface. Juniper had too many silos and too many priorities. It was top-heavy and conflict avoidant. It made the work overly complex where it should have been operating more interdependently to provide solutions for customers.

That initiative paid off in ways that go well beyond leadership development and performance management. The findings inspired Juniper to rip out business units, break down P&Ls, and integrate in ways it had never done before. Now it has the simplest operating model in its history. Across the company, six people can get together and make any decision. Product lines have been streamlined too. Previously, for instance, numerous resources were tied to multiple routers, switches, and security products. Now a common resource strategy spans the product road map, saving the company millions of dollars and untold headaches.



Deep understanding of the business allows HR leaders to pursue the second part of the process: Seek out—and take in—the latest and greatest management ideas and connect them to what is pivotal in the organization. Tying together values, performance assessment, and neuroscience is one example in Juniper's experience. Another is improving customer service by analyzing an organizational network—and this effort put HR directly into the operations of the business.

A series of communication problems with a key customer had resulted in missteps and quality concerns. The obvious, traditional solution might have been to focus on the salespeople who met the customer. Instead the HR team reflected on an intriguing line of research: the idea that organizations are networks, not just hierarchies and business units. That exposed the problem as a lack of sufficient

collaboration across units and functions. It wouldn't be effective to encourage everyone in the organization to be slightly more collaborative; collaboration had to be seriously enhanced in the few spots where it would make a crucial difference.

Rob Cross was recruited to conduct an organizational network analysis. He and the HR team began by looking for employees who were involved in any way with the customer account. They spoke with a few dozen key people and identified 344 such employees. "Impossible," said the EVP sponsoring the project. "There cannot be 344 people working on a single account."

So the team did a formal network analysis, after which it told the executive he was partly right: The account didn't have 344 people working on it—it had 920. In other words, almost 10% of Juniper's employees had some involvement in getting the job done well for that big customer. It's no wonder that lines were getting crossed. The network analysis brought hard (albeit uncomfortable) evidence to support an observation often made by Juniper's founder, Pradeep Sindhu: "Silos rob networks of their inherent value."

Since then Juniper has learned to think about natural organizational networks as crucial components of how it works. But it's what the company does with a network analysis that makes a difference. Later, for example, with a different account team, it went beyond simply describing the informal network to learning how to optimize it. HR served as an embedded adviser to the account team, conducting weekly sessions to systematically apply the network analysis findings and concepts in team planning, development, and information sharing. The team began to operate across the internal network, bringing in expertise faster, clarifying decision rights, and eliminating power or information bottlenecks. The account relationship went from being closely held by a few to involving open communication among functions and levels in both organizations. The customer is now Juniper's largest in the Europe, Middle East, and Africa region, delivering 135% of expected revenue in 2014 and with stellar customer service results.

This sounds like a story in which a new idea was spotted and introduced to an organization. Its more subtle lesson is that although a new concept may be broadly useful, it will get the most traction if you think beyond its obvious appeal. Understand

the research. Look at the evidence. Then dig more. You'll better see how to translate the idea to your context.



Next comes sensitively integrating the insight with other initiatives already under way. Most important here is that major HR innovations must be *purpose built*. Juniper has explicitly moved away from a “best practice” approach. Instead it strips a promising practice down to its kernel of insight and then expands that insight into work experiences that are right for the company’s unique climate, brand, and business objectives. This allows and requires the application to have impact *in connection* with other components, leading to a greater payoff.

Prototyping the application of an idea in some fertile area of the organization is a valuable way of working out the necessary synergies. It also offers proof of concept through experience. You can’t just tell people about a great idea and expect them to pick it up and run with it; they need to see and experience its value. HR plays a big part in creating such experiences. One example of how Juniper put its own stamp on a research idea lies in the area of boundary-spanning leadership.

Rooted in research from the Center for Creative Leadership, the concept of boundary spanning—which reframes common barriers (horizontal, vertical, stakeholder, demographic, geographic) as places for opportunity and innovation—was introduced at Juniper by Chris Ernst. However, the ability to lead and collaborate across boundaries doesn’t come naturally in today’s siloed and internally competitive organizations.

To more deeply explore the implications of boundary spanning, Juniper decided to bring together 85 people from engineering, sales, and operations who had differing roles, levels, locations, and backgrounds. The focal point for the gathering was a Juniper Innovation Challenge: The participants would spend three days collaborating in San Francisco with the explicit goal of hatching new product ideas. But the company had another agenda, which it made no attempt to hide: These people would be immersed in an experience that might reveal how boundary-spanning leadership connects to

the problem Juniper loves most—the need for breakthrough innovation.

That purpose-built network and energizing experience changed the thinking of a small cross-section of Juniper employees about their ability to innovate. Out of it came a product that was prototyped within six months and is today being tested in production environments in more than half a dozen large companies. Of course not every HR initiative or project will lead to a clear and tangible business win *and* a proof-of-concept experience. But that Innovation Challenge showed how valuable it is to put early applications of a new idea in service to already recognized priorities and try them out on a manageable scale that will generate learning quickly.

Ultimately, the broader dissemination of any concept will call for integration. The amalgam of ideas to which you commit must have integrity as a system, with no elements working at cross-purposes and everything guided by the same sensibility and vision. If the ideas you’ve introduced are well integrated, you’ll know—because they will begin to connect and amplify one another in unforeseen ways.

When Rami Rahim was named CEO, late in 2014, he set the expectation in his first 30 days that the Juniper Way (the company’s values and related behaviors) would return to the front seat. The concepts of informal networks and boundary spanning had already taken hold, so rather than relaunching the Juniper Way top-down, the company turned to a subset of “connectors”—informal influencers—who’d been discovered through organizational network analysis. Rahim asked them to work together to redefine the values in simple language and in terms of observable behaviors and then develop that understanding across the company. HR’s collection of applied ideas revealed itself in that moment as a well-integrated system.



The similarity of HR metrics between organizations with very different strategies is amazing—especially when you consider how

powerfully the choice of what to measure can drive behaviors. In our view, if you intentionally rethink your HR function, you will also need to rethink how you measure progress and impact.

In all its measurement efforts, HR must ensure that it keeps people's focus on what is most pivotal for the business. Assessing pivotal impact is a critical step toward further progress. Measurement becomes a forward-looking learning and improvement process rather than a backward-looking declaration of triumph or failure. Metrics and signals along the way tell you what's working and what isn't, where to recalibrate or ask more questions. You need the mindset—and the stomach—for experimentation, revision, and occasional missteps.

If your new initiatives are well applied, they may suggest and enable important new metrics. For example, after Juniper's network and boundary-spanning efforts had identified the nearly 5% of employees who operate as connectors, the company had the basis for an important new metric: Those people are flagged on the dashboard, so any attrition in the group will spark an investigation of the cause.

Understanding progress may also mean looking at available data through a different lens. Pay attention to business measures such as time-to-revenue of new products, cycle times, product introductions, and quality metrics. Factor them into your talent processes, compensation systems, or learning objectives—and interpret them through your big themes or pivot points. At Juniper, the level of participation in the 401(k) plan can be seen as a proxy for how people feel about the company—an indicator of culture and values. For HR, the fact that 87% of employees now participate in the plan—one of the highest participation rates among high-tech companies—is a signal that people are committed to future growth and believe that they and their colleagues can make it happen.

The precise ROI of an important new idea in HR is impossible to measure. That doesn't mean that HR can't make its case, or that you can't observe the idea's impact. You can map the logical connections between an effective HR initiative and desired business outcomes. Focus on what can be measured along that path, and extrapolate where you can't measure precisely. That's exactly what every other management discipline does.

Juniper has undergone significant changes and challenges—including three CEOs in three years. In 2014 it sent out an employee survey designed around three key questions: Do you know our strategy? Do you understand your role in executing that

strategy? Do you feel inspired and accountable to help the company achieve it? None of those questions got even 50% affirmative responses, so the company created a road show for executives to share the granular details of its strategy with teams around the world. Then the connectors were empowered to engage their peers in small-group strategy conversations across the company. Four months after the initial survey, the results of a second survey put all three indicators above 80%.


Different by Design

Developing a reputation as an innovative HR organization requires walking a fine line. You are not an R&D facility or a university; you do not employ a large cadre of social science researchers and data scientists. Your ideas for innovation will often arise from popular talks and articles. Embrace too many of those, however, or apply them too superficially, and you'll develop a reputation for fad surfing. Dig beneath the surface to the fundamental scientific research and insights, and you can set the stage for true impact.

Failing to innovate is not an option, so it's important to have a specific approach for responsibly bringing new ideas to the organization. Juniper's method—getting the big picture, seizing on insights, applying them wisely, and ensuring their impact—may be useful to you. It has enabled this company to move from one-off programs and unconnected experiments to a system that is always evolving in exciting and consistently business-aligned ways.

There's nothing wrong with being attracted to the bright, shiny objects of a thriving thought leadership industry. They offer new solutions and, at the least, inspire you to revisit your assumptions. The key is to maintain your long-term love affair with the problems you need to solve and the business you are here to serve. You'll know you've struck the right balance when your HR programs start to look less and less like your competitors' and contribute more and more to your competitive distinction—when every year makes you more different by design. ♥

HBR Reprint R1507E

 **John Boudreau** is a professor of management and organization at USC Marshall School of Business and the research director of its Center for Effective Organizations. **Steven Rice** had been the EVP of human resources at Juniper Networks for nine years when he coauthored this article. He is now the chief human resources officer at the Bill & Melinda Gates Foundation.