# zenefits

The Rise
of People Ops

**Sneak
Preview**

A major shift is upon us. The most successful businesses are leaving the HR stigma, perception and halo behind. But, it's more than just a renaming. They're doing something new entirely. They're taking a completely new approach to human resources called people operations. They're embracing technology and data, and redefining the new world of work.

At this point, we've made it clear why we need a new approach. Now let's take a look at what it looks like. People operations is an idea whose time has come. A transformation. A movement.

Goodbye HR, hello people ops.

People Ops Defined
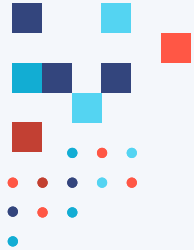
People Operations (People Ops, or POPS) is a people-centric business approach that emphasizes workforce empowerment to drive growth. With a focus on automating traditional HR processes, POPS shifts attention from tactical administrative work to people and productivity.

Focused on designing a great employee experience and culture, People Ops drives the pivotal moments that make work exciting, rewarding and engaging for your team. Positioning companies to achieve their goals while valuing people and helping them be their best, POPS focuses on streamlined operations, using data to drive decisions and support tangible business results. When you empower your people to do their best every day, you build a culture that becomes a sustainable competitive advantage. People Ops is the future of work.

Let's break this down. People Ops is a simply a combination of two key elements:

People - /ˈpēpəl / (n.) are beings that have certain capacities or attributes such as reason, morality, consciousness or self-consciousness, and being a part of a culturally established form of social relations such as kinship, ownership of property, or legal responsibility.

Operations - /ˌäpəˈrāSH(ə)ns / (n.) - is everything that happens collectively within a company to keep it running and earning money. It incorporates the systems, methodologies, people, processes and technologies needed to make the organization function.

These are the two most critical components of any business. People are the most valuable asset, opportunity and expense. Operations are how the company delivers on its very purpose and reason for being. Combined, "People Operations" is one of the most important and impactful business disciplines.

For the duration of the book, we'll use the term people operations for three distinct but related concepts:

- A philosophy: a point of view on a way doing things, including the study of knowledge, best practices and academic disciplines; this is really the focus of this book

- A discipline: a craft dedicated to strategies and execution of the philosophy; we'll highlight examples of the discipline in action throughout the book - we call them 'POPS STARS'

- A function: a department or role within an organization with defined set of responsibilities focused on implementing the philosophy, manifesting the discipline, and ultimately responsible for the 'people experience' inside an organization; at an early stage of a company's lifecycle, there might not be a dedicated people ops function - it's often owned by the CEO or other business leader (this is actually one of the benefits of the people ops approach - less resources are needed… we see examples all the time of companies going from zero to over a hundred employees by leaning on technology instead of a dedicated HR or people function); in larger organizations the people ops function/organization can take a variety of labels including 'people operations,' 'people experience,' 'people and culture,' 'people and talent,' and just simply 'people' - e.g. 'pops team'

We'll use the term to refer to all three of these concepts interchangeably as they're all the focus of this book. And, we'll use the synonymous terms:

- People operations - formal
- People ops - abbreviated
- POPS - casual and fun (and because, the world needs another acronym)

Oh, and, at least, "POPS" is... well, kinda catchy and marketable.

We'll continue to use the term human resources (HR) in the book as well, typically denoting the old way, and concepts that many of best companies are moving away or graduating from.

WORK THAT REALLY MATTERS

One of the ideas behind People Ops is focusing time and energy on things that matter most to the business, and automating what doesn't. The Pareto Principle, more commonly known as the 80/20 rule, states that 80 percent of an outcome can be driven by 20 percent of the effort. And cautiously, the other 80 percent only gets you 20 percent of the outcome.

The Pareto Principle is about being extremely deliberate as to where and how you focus your efforts. This is particularly challenging for small businesses with so much opportunity and such finite resources. The same goes for HR teams tasked with all types of random tasks. Many of the to-do's—think recordkeeping, compliance and reporting—are lower-value, but high risk. An oversight can be costly, but there's really little business upside. Doing something unimportant well does not make it important.

This is a classic trap of traditional HR. This is where technology is critical. It's necessary to automate the 80 percent of lower-value, high-risk busywork so you can focus on the 20 percent of efforts that will result in the 80 percent of the results. Technology will do the repetitive menial work better, faster with less human errors. And humans will do a better job at things like designing a great employee experience and productive workplace culture.
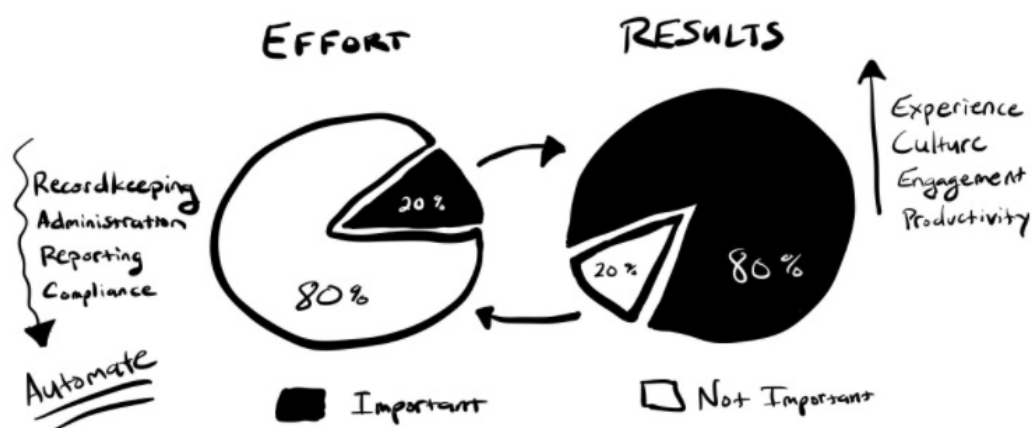

Figure 3.1 The pareto principle

Figure 3.1 Smart companies are looking to automate the tasks that take 80 percent of their time, but aren't important, and instead re-focus that time on work that matters, like experience, culture, engagement, and productivity. Source: Zenefits, 2020

WHAT PEOPLE OPS IS NOT

Now that we've defined what People Ops is, let's be equally clear on what it is not.

- It isn't a fancy new name for traditional human resources. As mentioned above, People Ops is more than a new title, it's a new philosophy, a new discipline, and new function that displaces the need for traditional HR.

- It isn't a Silicon Valley fad. Like a lot of innovations, high-growth technology companies have been some of the earlier adopters of People Ops principles. And it makes sense, people and culture are critical and fiercely competitive. But it's not about kale smoothies and ping pong. Companies in every industry are embracing People Operations methods.

- It isn't just a fancy new technology. Automating mundane and repetitive tasks is key to unlocking time and focus for more important work. It's also key to capture data which is imperative to measuring your progress and delivering meaningful business insights. But People Ops is much bigger than technology. It's a new approach.

People Ops Manifesto

No paper. No forms. No filings.

People Ops lives in a digital-must world.

No spreadsheets. No manual tasks.

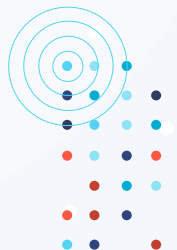People Ops embraces automation.

No authoritarianism. No politics. No hassle.

People Ops empowers people to do their best work.

No guesswork. No anecdotes.
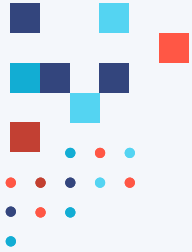
People Ops surfaces data and insight.

No fluff. No waste. No BS.

People Ops is driven by outcomes.

No busywork. No inefficiency.

People Ops drives productivity.

Less paperwork, more peoplework.

This is People Ops.

#POPS

The Shift
to People Ops

Traditional HR was focused on tracking employees, enforcing rules, and ensuring compliance. People Ops is focused on maximizing business results and optimizing workforce productivity by making work exciting, rewarding and engaging.

| THEN : HR	NOW : POPS
HR Administration	People Operations
Process	People
Administration	Operations
Activities	Outcomes
Tracking	Experience
Instinct	Data
HRIS (Human Resource Information System)	POPS Platform

Table 3.1 The differences between Human Resources and People Operations. Source: Zenefits, 2021

Like the best business functions, People Ops is operationally forward. It's focused on helping achieve business priorities through people, data and insights. People Ops favors outcomes over activities, "points, not yards."

Here are the key factors in this shift from HR to POPS...

- **Shifting from manual to automation** - using technology instead of humans for repetitive tasks such as data entry, processing and reporting.

- **Shifting from guesswork to data** - capturing, analyzing and sharing data-driven insights about the workforce instead of relying on gut instinct and anecdotes.

- **Shifting from cost center to profit center** - optimizing for workforce productivity and results (e.g. revenue and profits) instead of expense and efficiency (e.g. time and costs).

- **Shifting from management to experience** - treating the employee experience like the customer experience, optimizing it to create an advantage.

The People Ops Methodology
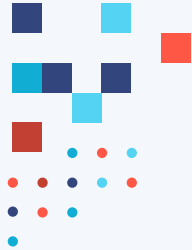
The People Ops methodology is the recipe to automate HR, design a great employee experience, and unleash the full potential of the workforce. When your people are at their best, your business is too. It's the ultimate force multiplier.

The POPS methodology includes four steps, we call "the ABC's of POPS":

- **Step A:** Automate administration and compliance. Make the stuff you have to do easy. Easy for you, your managers, and your employees. Use technology to "declutter" and eliminate as much busywork as possible. This means going completely digital. Ditch the spreadsheets, filings and forms. Everything should be in the cloud for speed and mobility. Things like data entry, manual data processing, reporting and compliance should all be automated.

- **Step B:** Build a great employee experience. Put your people first. The employee lifecycle should be treated like your customer lifecycle, with people's experience front and center. After all, who delivers your customer experience? So, start from within with pivotal people moments that matter. Employee listening, open communication, and transparency are foundational. Consider flexibility, learning, recognition and wellbeing in order to build a strong organizational culture.

- **Step C:** Create workforce productivity. Make every moment count. Build a high-performance, high-energy culture that motivates the entire workforce to achieve new heights. Help your people do their best work by eliminating friction and inspiring performance. Embed clearly defined goals, feedback loops and motivators into daily workflows. Improve workplace collaboration, engagement and mobility.

- **Step D:** Drive growth & profitability. Impact business performance. People Ops leaders work closely with the CEO and other business leaders to define key strategies and goals for the company and workforce. The goals of the people team should align directly to the goals and key priorities of the business. Further, POPS teams surface workplace data and insights across the employee lifecycle to diagnose problems, identify opportunities and prescribe actions. Being data-driven is foundational to the People Ops movement and how to demonstrate value to the rest of the business.

The Benefits
of People Ops
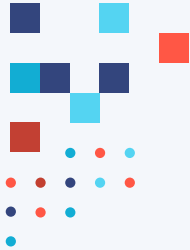
What type of companies is People Ops for?

- **Industries:** Companies in every industry are turning to People Ops. While highly professional and technical workforces were early adopters, businesses in every category are realizing that people are their ultimate differentiating factor. In addition to business-to-business (B2B) industries such as high-tech, business services and manufacturing, an increasing number of business-to-consumer (B2C) industries such as healthcare, retail and education are using it to create a competitive advantage.

- **Company Sizes:** While a lot of the specific examples in the book are focused on small and mid-sized businesses, the concepts apply to large companies too. With a larger employee population, enterprise organizations are often forced to evolve their people strategies early to deal with the large worker-to-HR person ratio. For small and mid-sized businesses, there's an equally, if not greater, opportunity to embrace People Ops. Why? Small businesses can't afford to focus precious resources, time and money, on anything that isn't mission critical. Automating administrative work unlocks time and energy to focus on building a great culture, boosting productivity and growing the business. It's easier to do this at an earlier stage than trying to turn the titanic. But again, the concepts apply to companies of ALL sizes.

Who is responsible for People Ops?

Small Business Owners, Operators & CEOs: People Ops is a smarter way to run and scale your business. Instead of investing in traditional HR data entry, tracking and enforcement—or outsourcing it—focus on automating HR administration using technology. This frees up valuable time and resources for things of higher value, investing in your company's products, growth and customers. By applying the People Ops principles, business leaders are improving operational excellence. They're creating a better "people experience" that helps with recruiting and retaining talent. This provides a more scalable foundation for sustainable growth.

Human Resources and People Leaders: People Ops is an invigorating new way of thinking. Today's most progressive leaders are moving from HR to People Ops. It incorporates some traditional HR concepts but with a newfound focus on business strategy and operations, the people experience, and data-driven insights. By using a more modern, tech-forward approach to the fundamentals, people leaders can focus more time and effort on driving workforce effectiveness. This is achieved by programs centered on the employee experience, culture and productivity. People Ops is run like any other key business operation, driving meaningful and measurable outcomes.

Your World with People Ops

If you want to build a great company, start with your own people.
The People Ops approach is a win-win-win. It's a win for your business.
It's a win for your employees. And, it's a win for your people team.

- Good for business: People Ops helps accelerate growth, cut costs and reduce risk exposure.

- Good for employees: People Ops provides a better people experience. It helps make work more exciting and rewarding. It offers improved benefits, flexibility and wellbeing.

- Good for people leaders and teams: People Ops helps elevate people leaders and their teams to do more important and rewarding work. By becoming more data-driven, and focusing more on key business goals and the employee experience, people ops leaders build value for their own careers and teams.

Companies moving to People Ops report:

- Up to 90 percent time savings on administrative work

- Up to 80 percent time savings on reporting

- Up to 67 percent faster new hire onboarding

- Up to 75 percent less benefits erros

- Up to 90 percent less payroll errors

- Up to 75 percent less compliance time and costs

- Improved employee experience

(Nucleus Research, The ROI Shop, Zenefits, 2018)

WHY IS "PEOPLE OPERATIONS" SUCH A HOT TOPIC NOW?

The term 'people operations' started being used in books and manuscripts around the turn of this century, and its use has accelerated significantly over the past decade. Simultaneously, the popularity of the term "human resources" - based on appearances in books, manuscripts and online searches over the same respective time periods - is down substantially. This is despite the growing importance of HR concepts due to increasing workplace regulations, complexity and talent shortages. As well as substantial growth in trade associations, online communities, academic programs and technology solutions.
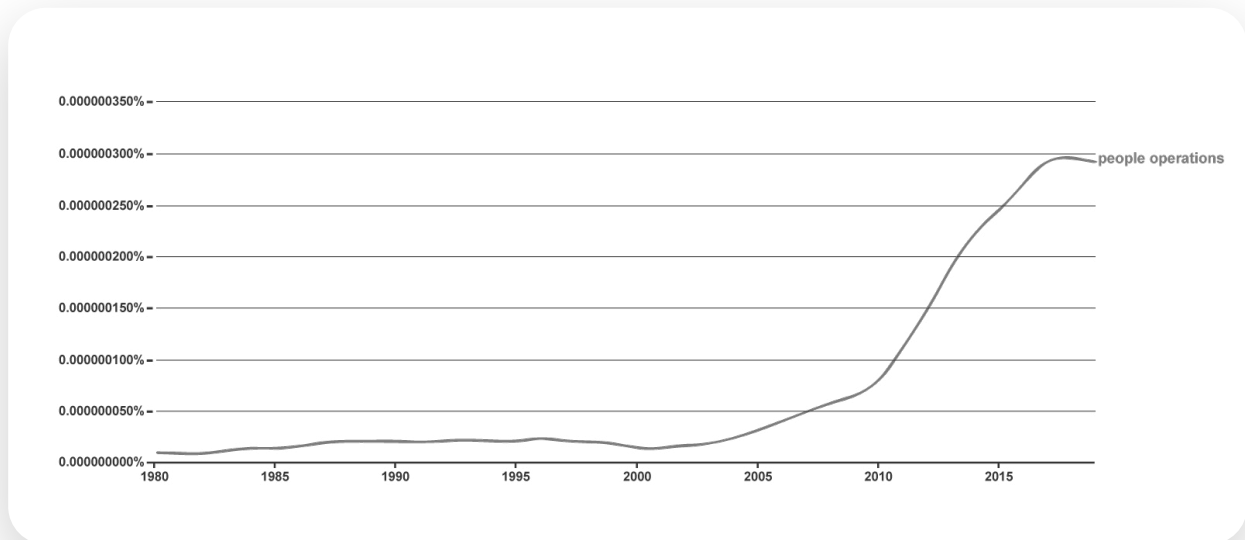

Figure 3.2 Accelerating use of the term 'people operations' in printed sources

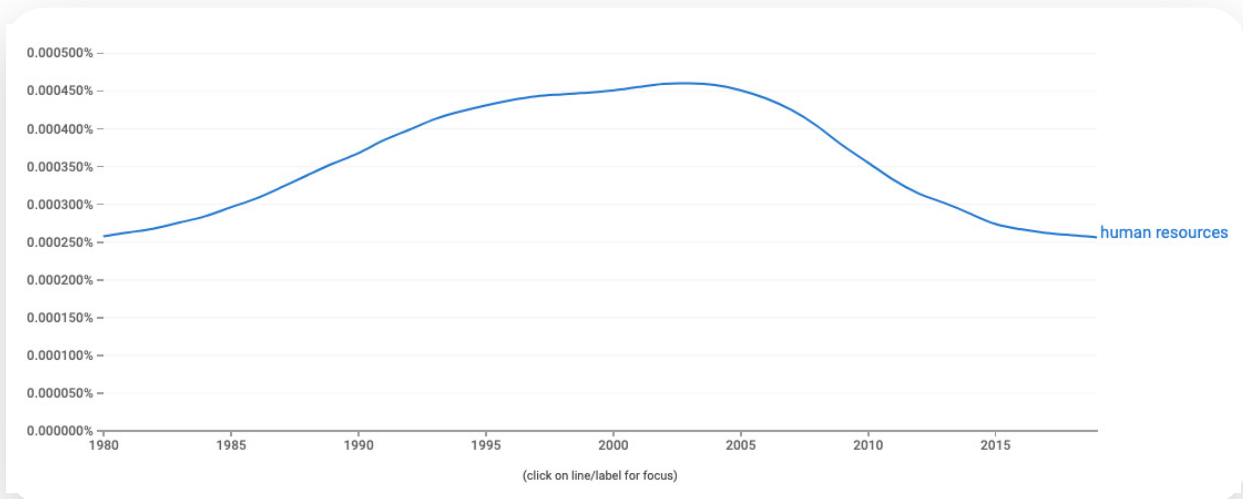Figure 3.2 Google search volume of "people operations" 2005-2020. Source: Google, 2020

Figure 3.4 About here

Figure 3.4 Google Trends data for "human resources" 1980-2020. Source: Google, 2020

What ignited this rapid shift? There are several key trends that make People Ops an idea whose time has come. One of the catalysts was Google. They put fuel on the People Ops movement when they rebooted their entire HR function and adopted the "People Operations" moniker.

In his New York Times bestseller, "Work Rules!", author and former Google SVP People Operations, Laszlo Bock said it well, "Let's face it, the HR profession is not held in the highest regard." Data shows he was spot on. Bock continued, "At Google, conventional business language wasn't well-regarded. 'HR' would be viewed as administrative and bureaucratic. In contrast, 'operations' was viewed by engineers as a credible title, connoting some actual ability to get things done." (Work Rules!, 2015, p. 349-350)

The book goes on to offer valuable lessons from inside Google on how they challenged the status quo of HR with their own people operations. While some of the ideas are more applicable for large enterprises with thousands of people, it's well worth the read for inspiration. In addition

to being both technology and data-driven, a lot of Google's programs focus on employee empowerment, motivation and learning. This has paid dividends with Google being recognized over 100 times as an exceptional employer, including #1 Best Company to Work For in the US (Fortune) and the #1 Top Diversity Employer (Forbes).

But companies in every industry and location, not just Silicon Valley startups, are quickly adopting similar thinking and transforming the way they work too. According to LinkedIn, People Operations related job titles have grown almost 6X faster than Human Resources related job titles over the past five years. The fastest growing title? Director of People Operations. Specifically, "Chief People Officer" grew 2.4X faster than that of "Chief Human Resources Officer." (LinkedIn, 2020)

LinkedIn Title Trends

5.7X

+94.4%
18.9% CAGR

2014   2019

Human Resources

+523%
104.6% CAGR

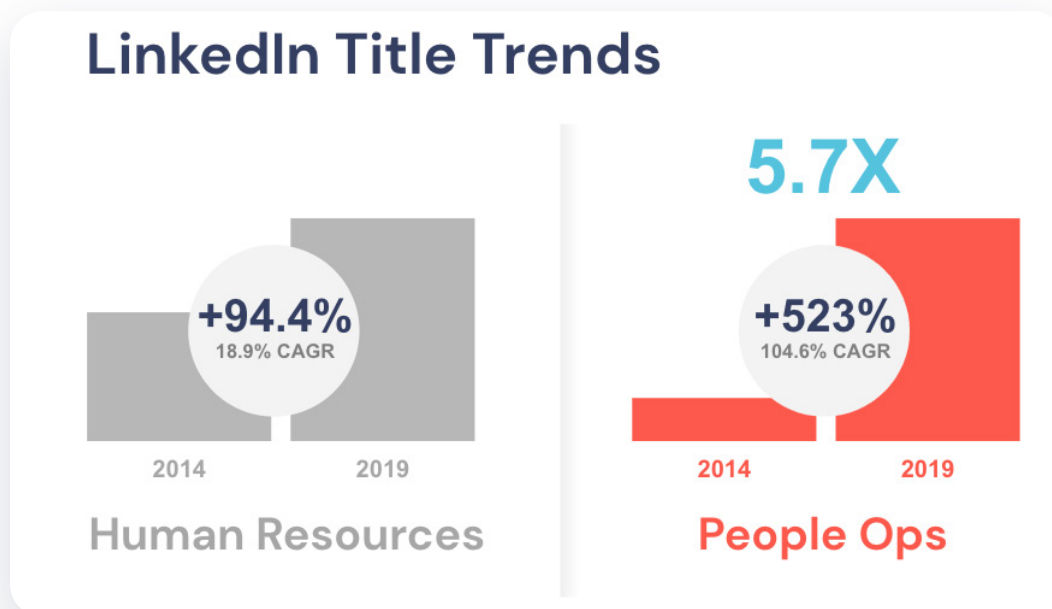2014   2019

People Ops

Figure 3.6 People ops titles growing 5.7x faster than hr

Figure 3.6 The number of job titles for People Ops increased 5.7X faster than job titles for Human Resources from 2014 to 2019. Source: LinkedIn, 2020

It's an exciting time for People Ops. Not only is it a great way to build a company. It's also a great way to build a career. Between 2014 and 2019, the Chief People Officer (CPO) was the #2 "fastest-hiring C-suite job" on LinkedIn out of all C-suite titles. It was even more popular than the Chief Revenue Officer (CRO) and Chief Customer Officer (CCO). In 2020, three of the top 12 "fastest growing c-suite titles" were the Chief People Officer, Chief Talent Officer and Chief Diversity Officer. CHRO—Chief Human Resources Officer—didn't make the list. There's clearly a movement taking place. More on this trend and related career opportunities in Chapter 18: The Rise of the CPO.

The takeaway? People Operations is the future. It's a paradigm shift. It's a new way of thinking. It's a new approach for companies of all sizes and industries. The benefits are significant and real. It's a better way for business leaders, employees and people teams to empower their greatest advantage - their people.

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