



Integrating Human Resource Management into Lean: Its Implementation and Benefits

Dr. Karun Mehta

Assistant Professor, C.R.D.A.V. Girls College, Ellenabad

Abstract: Lean management or lean thinking is a process improvement technique that along with Six Sigma is used in an increasing range of workplaces. This special issue focuses on the use of Lean in developed countries. This increased usage reflects a growing propensity for managers to launch initiatives to upgrade the efficiency and productivity of the enterprises that they manage, usually in an attempt to enhance the cost-effectiveness of operations. HR departments are under increasing pressure to ensure business success through effective HR practices. Lean HR can help organizations improve processes, leading to increased productivity and better performance. A major challenge for all organizations is to improve efficiency and to ensure continuous improvement. For the HR department this is a double challenge as the HR department itself should meet the requirements of the organizations it serves in an efficient way, and the HR department should be an active partner in promoting and training improvement actions in relation to the main tasks of the organization. Lean implies a bottom-up approach; it requires empowerment and involvement of all employees and a new type of leadership. This paper will discuss some experiences gained so far and present some potentials of this approach. One concrete result has for instance been the redesign of management of course planning in order to ensure better response to new needs, more efficient use of training resources and more robust management of courses

Introduction: For all organizations it is always important to perform its tasks and services in the most efficient way and to adapt continuously to new and increasing needs and requirements. Thus this is also an obligation for all units and all staff of the organization. Public organizations, such as National Statistical Institutes, will have the same requirement, especially in a situation where budgets might be limited or even decreasing. The challenge is to be able to produce statistics with the best quality meeting user needs – even with limited resources.

The HR unit in an organization will have to play an active role in this improvement process, both in order to be as efficient as possible regarding its own services and in order to support the process in the organization as a whole.

Some of the issues that were identified as drivers of using Lean within the HR unit were:

- The need to improve efficiency of different operations
- The need to improve responsiveness in relation to the needs to the organization
- The need to improve internal and external communication
- The need to develop a more robust management of different tasks - less risk when people are absent
- The objective of this paper is to summarise some of the experiences from the process of implementing lean in the HR unit and to describe the role of the HR unit in the overall implementation of Lean within Statistics Norway. As an introduction we will give some information on what Lean is.

Lean methodology: Lean methodology is an agile management approach to creating more valuable outcomes by refining workflows. It eliminates wasteful or redundant actions by gauging quality at each



step, so every function of the organization operates efficiently. Stakeholders are well connected in the decision-making process to generate a culture of continuous improvement that streamlines processes and leverages talent.

The lean theory started with “lean production.” Toyota developed this to innovate its auto manufacturing process. The objective is to keep inventory levels at only what is needed for a short time and then reorder as necessary. Lean production also values employees as the central resource for how to improve workflows. Management openly communicates business information with workers, and encourages them to voice suggestions for enhancing effectiveness.

Another type of lean theory is the “lean startup” method. This was developed for entrepreneurs to promote new products, services, and ideas. It is based on creating a “Minimum Viable Product” (MVP) to test an idea. A series of quick, carefully crafted experiments demonstrate what works and doesn’t work before building the final product.

Lean’s success in the first industries that embraced it has steered many other sectors to adopt it, including U.S. government entities. Lean methodology is one tool that Washington State used to change its operations and meet or exceed certain targets. Streamlined processes and other improvements led to faster service delivery, cost savings, and reduced paperwork.

Elements of the lean methodology

The premise of lean methodology is targeting unprofitable activities for elimination. Waste is recognized as any procedure that doesn’t contribute to the value of the end product or service. Lean management requires reviewing each stage of business processes to distinguish between value and waste by applying the following three components:

Steps that are necessary and add value.

Steps that don’t add value but are mandatory because of regulations, laws, or other unavoidable factors.

Steps that offer no value and are unnecessary.

Undoubtedly, removing any steps that offer no value is the simplest way to redesign processes and improve the workflow and outcome.

Integrating Lean with HR: An organization’s primary source of value is its employees. HR’s responsibility is to frame a system and environment that influences an optimal workforce to support business performance. The ultimate goal of lean HR is to continuously work toward eliminating redundancy and waste in HR processes and HR service delivery.

HR departments should partner with leadership to promote a lean mindset for the entire organization. In addition, it must operate its own services as efficiently as possible, striving for continuous process improvement.

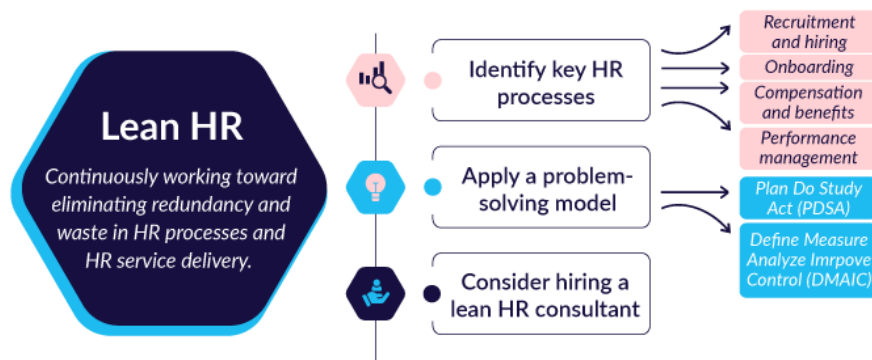
Although these services do not necessarily yield a tangible product, their delivery can be improved to better meet the needs of employees. So the question is, how can we apply the lean methodology to HR to ensure long-term success?

Lean HR management assesses the value of its service environment by asking questions, such as:

Is there a process in place for the tasks of each service?

Is the process being followed?

Are there ways to alter it or steps that could be eliminated to make it more efficient?



For example, lean concepts can be applied to the following functions:

Recruitment and hiring – Is the most direct route being followed to source candidates and secure new employees?

On boarding – Can paperwork and orientation activities be streamlined to get new hires ready for action sooner?

Compensation and benefits – Are employees well informed about their benefits and the avenue for achieving pay raises and bonuses? Can more effective communication help clarify the topic of rewards?

Performance management – Are managers and employees required to devote excessive time to setting goals, measuring progress, and assessing performance? Can we condense this process?

Here are eight illustrations of non-value-adding elements that HR professionals can identify and remove by applying the lean approach:

Inventory – (Storing redundant or obsolete data.) Look for ways to purge expired information and reduce the need for keeping hard copies of employee/candidate files, etc.

Waiting – (Work is stalled while waiting for specific information or others to complete their part of the process.) Review required signatures/approvals to standardize only those necessary. Cross-trained employees can cover for each other to maintain workflow.

Excess processing – (Handling tasks or data that don't add value for the customer.) Look for ways to avoid needless approval layers, reports, and data re-entry.

Motion – (Unnecessary movement of people or goods.) Ergonomic equipment placement, easily referenced file and supply systems, and keeping team members in close proximity can save people time between tasks.

Transportation – (Processes that involve traveling through too many connections.) Teams and organizations can avoid this type of waste by streamlining report routing, reducing email attachments, and omitting the distribution of hardcopies.

Talent – (Underuse of employees' abilities.) Empower employees to accomplish more. Provide them with adequate tools and training and authorize them to implement process improvements within the scope of their responsibilities.

Defects – (Errors in the process or negative outcomes that need revamping.) For instance, a lack of standardized work procedures that lead to data entry errors or a faulty hiring method that results in high turnover and needs reworking.

Overproduction – (Generating information that is not needed or ever used or supplying more of something than needed or before it's required.) Assessing the use and value of all information and reports and establishing workflow sequences, standards, and signals for each process will pinpoint this type of waste.

Benefits of lean HR:



Applying a lean HR model creates many advantages for organizations in any industry by improving processes for all stakeholders and encouraging continuous improvement. You're able to identify bottlenecks and then redesign procedures to remove them. This leads to considerable benefits, including:

Cost reduction – Cutting waste saves money, so a lean focus maximizes profits.

Quality enhancement – An attention-to-detail mindset optimizes workflow and reduces errors.

A development culture – When people focus their thinking on seeking change for the better, it promotes an environment of being open to progress and taking pride in adding value with their work.

Employee experience improvement – As processes are refined, work can become easier and more enjoyable for employees. Lean principles that encourage open dialogue and give employees the ability to suggest changes can turn the frustration of a problem into the opportunity to craft a solution. This promotes a more motivating and satisfying work environment, which stimulates maximizing employee potential.

Implementing Lean HR

So, what does it actually take to put a lean HR model into action? Here are three steps to consider for getting it started in your department:

1. Identify key HR processes

You need to target the Human Resources processes where applying lean methodology is quantifiable and makes the most sense. Typically, these include the recruiting process, training and development, onboarding, and performance management.

2. Apply a problem-solving model

Follow a structured plan to execute lean principles. Here are two that are commonly used:

Plan Do Study Act (PDSA) cycle – This method examines the current process as it is, reflects on it further, makes revisions, and repeats the cycle.

Plan:

Detect the problem and evaluate what needs to change.

Outline goals and objectives and strategies for making change happen.

Define which results will mean success.

Assemble a team of key players.

Formulate an action plan.

Do:

Start the action plan and collect data.

Document, observations and problems.

Devise resources and the right tools needed for changes.

Study:

Reflect on the data collected, looking for trends.

Evaluate whether the plan is working.

Recognize any unintended side effects.

Identify bottlenecks and find ways to remove them.

Act:

Conclude whether the plan worked.

If the plan is successful, standardize the new process and consider expanding it to other capacities.

If the plan needs altering, return to the first stage and make adjustments or reformulate.

Revisit the process at a later time to make further improvements.



Define Measure Analyze Improve Control (DMAIC) is another strategy that is part of the Six Sigma initiative but is often used in the lean approach. Its five stages comprise:

Define:

Define the problem that needs to be solved, as well as the customers and what their expectations are.

Define the stop, start, and scope of the process.

Create a map of the process flow with all inputs and outputs.

Measure:

Seek the metrics for measuring progress.

Collect relevant data to show how the process is working and reveal defects.

Analyze:

Detect disparities between current performance and the goal.

Identify possible problems and opportunities for improvement.

Look for root causes of problems.

Improve:

Explore ways to reconfigure the process to solve the problem and find prevention methods.

Test and implement a plan for the solution.

Control:

Document the solution.

Establish a system to monitor the updated process and keep it on course.

Consider hiring a lean HR consultant

Implementing lean initiatives within your department can be complicated. That's why you may benefit from hiring a consultant who can oversee the effort or help you formulate the plan.

Such a consultant can help guide the lean transformation within the HR function of your organization, and aid your HR staff in developing the behaviors and competencies necessary to navigate the lean environment.

Impact on implementation of Lean:

Delivering value is more crucial than ever in today's competitive marketplace, and instigating a lean HR approach at your organization can help you do this. It is undoubtedly a challenging endeavor that requires commitment, time, and resources. However, making your key HR processes simpler and more effective is well worth the effort.

Even if senior management has not yet embraced lean principles, HR can lead the way as an example for the entire organization.

References:

Womack, James P. & Jones, Daniel T. (2010): Lean Thinking, Second edition. Simon & Schuster

Ahmad, O. and Schroeder, R. G. (2003), "The impact of human resource management practices on operational performance: recognising country and industry differences", Journal of Operation Management, Vol. 21, pp. 19-43.

ASCER (2007). "El sector en cifras. Informe anual". Spanish Ceramic Tile Manufacturers' Association (www.spaintiles.info).

Bayo-Moriones, A. and Huerta-Arribas, E. (2002), "Organisational incentive plans in Spanish manufacturing industry", Personnel Review, Vol. 31 No. 1/2, pp. 128- 142.

Becker, B. and Gerhart, B. (1996), "The impact of human resource management on organizational performance: progress and prospects", Academy of Management Journal, Vol. 39 No. 4, pp. 779-801.