



How Lean can transform Human Resources

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Historically, HR has been the function that has taken the brunt of punishment due to the perceived inability to effectively engage employees in change programmes, culminating with some organisation's HR departments being considered a hindrance. There are many examples of this and how it may manifest, but one such example is when Hiring Managers rely heavily on HR representatives to conduct all aspects of the hiring process. This gives rise to individual departments employing new recruits on an ad-hoc basis, which increases the reliance on the HR department. As such, HR departments will undoubtedly have a reluctance to delegate tasks to Hiring Managers and prefer instead to keep all aspects of the recruitment process 'in-house' and in their control. This reluctance can provide organisations with non-standard processes with increased cycle times and client delays. To tackle such issues, some organisations have looked at the inclusion of "Lean Thinking" as a method to improve the service. "Lean Thinking" has allowed organisations to question their rationale and permit HR departments to function as an integrated part of their change programme.

In recent years, many organisations have been employing Lean to achieve service and operational improvement. Lean is a methodology that seeks to streamline processes, in order to improve the quality of service to customers and reduce inefficiencies. It focuses on giving the process owners the ability to improve locally and universally across the business functions. It has proved extremely effective, time after time, and process cycle times can be slashed by up to 80% with markedly improved services. The introduction of "Lean Thinking" techniques will inevitably improve on overall process times, raise quality and generate excess capacity to do more with existing resources.

The benefits can be enormous. Process Improvement methodologies such as Lean can offer a structured framework for problem-solving and managing projects. They enable the organisation to adopt a common language and approach to all operational improvements. Most importantly, they enable management to make better informed decisions, based on verified data driven facts, rather than gut feel and assumption.

Research from the Pawley Institute¹ on actual practices in HR demonstrates that clear leadership helps create better organisational conditions and acts as an enabler. The research indicates that there are five key variables which predict successful Lean transformation:

- Development of teams as a supporting structure of Lean
- Calculation and communication of metrics
- Communication among organisation members, particularly across organisational barriers
- Communication to employees regarding their specific role
- Acknowledgement and celebration of success

Let us consider a real application of Lean in the HR department of a major UK retail bank. The Human Resources Recruitment Department is responsible for the recruitment of all employees from Graduate to Senior Management. It is centrally located and broken down into functional recruitment areas. The focus for the Venturehaus 3 Day Lean Event was Permanent Management Recruitment, where the average time to hire was 73 days - the process was not client-focussed, had inconsistent measurement reporting and was also non-compliant.

¹ Dr Monica W Tracey and Jamie Flinchbaugh; *How Human Resource Departments Can Help Lean Transformation*





During the facilitated 3 Day Lean Event, the Current State recruitment process was documented (Value Stream Map). Training was deployed to the client's staff to ensure that they could contribute effectively, allowing them to identify process waste, develop their Future State and identify an action plan to ensure realisation of the delivery of the Future State. The emphasis shifted from a bespoke offering for each hiring department to a clear and more efficient standard process that set expectations in advance and provided a more professional service to the business. The Lean Event was brought to a close with the department presenting their work to the Senior Management team.

The results from the event were decisive; the overall time to hire was reduced to an average of 42 days. Additional benefits achieved include:

- Estimated savings of £353k in the next 18 months
- Combined process steps to improve client experience
- More screening added to reduce frustration and time for the hiring departments
- Clear standard documentation created
- Service Level Agreements created with the business
- Reduced and simplified recruitment trackers
- Staff process ownership and accountability

Movement into the Public Sector

For many in the Public Sector, Lean has become the chosen way. The OGC has been looking at Lean in the Government Sector on a broad scale. The Department for Work and Pensions has a Head of Lean and a Lean strand in its Business Policy review for 2008; HM Revenue and Customs, and the Identity and Passport Service also have programmes. However success and appetite is particularly evident in Local Government. The efficiency agenda is to deliver better public services and, as part of the VFM agenda, it sits alongside transformational government. These efficiencies and service improvements will not be achieved just through the techniques of "Lean Thinking", but the use of Lean and its subsequent techniques do allow for a very effective approach.

Where success and appetite is particularly evident, there is a desire for a Process Improvement methodologies to provide improvements in line with government targets. These targets can be achieved by utilising the tools and techniques of "Lean Thinking".

To demonstrate the level of success that can be achieved through "Lean Thinking" and the subsequent transformation, it is worthwhile reviewing a Lean project conducted at a major Central Government department, the Lean review of the Senior Civil Service (SCS) recruitment process. The SCS recruitment process was a multi-phased approach that was initiated following a manpower review of the operations and service requirements. The original process was to take the resource requirements and output a request with the aim of fulfilling current and pending vacancies. The approach that followed was a lengthy set of activities known as the 'delivery' phases which, end-to-end, spanned an average of 163 days with a combined processing time of 48 hrs. The overall process was characterised by high costs, low quality and long delivery times. Insufficient work practices and a long arduous up front process with agencies, prior to the candidate going through the internal recruitment process, was leading to extra workload and expense due to the lack of standardisation and the focus on non-value-adding activities. The impact was compounded with the effect of not having the resource available in specific departments, which in turn impacted the service provision.





Using an external provider, the department allocated two days in which to transform the process following a structured approach associated with Lean. The external provider facilitated a Lean Event, which involved the appropriate members of staff who were familiar with the process steps and comfortable with expressing their views. This select team opted to concentrate on those phases which had the highest ratio of non-value-added activity.

Knowing that management support is essential for any process improvement initiative, the team began solving the problems by initially engaging key stakeholders via an awareness session of the deliverables of a Lean Event Workshop. The Lean Event encompassed a Current State Value Stream Map, identifying process waste, the development of a Future State and finally the creation of a realistic action plan that could be carried out by all involved. The facilitation team set a 6 to 8 week lead-time to complete the changes and formulated plans to deal with changes that required longer implementation times.

To solve the recruitment issue, the team standardised the process with the engagement of all the process stakeholders. This future process would improve the accuracy and detail in the initial assessment of resource requirements, thereby greatly reducing the need for subsequent reviews and follow-up work.

As a result of the concentrated efforts of a facilitated event and by the SCS subject matter experts, a considerable amount of the waste was eliminated from the chosen processes:

- The Recruitment Exercise Initiation phase processing time was reduced by 58%
- SCS Setup phase processing time was reduced by 85%
- SCS Selection & Appointment phase process time was reduced by 18%
- Overall processing time reduced from 163 days to 58

The Lean Event challenged the team to abandon the 'But we have always done it that way' approach and instead instilled a 'why?' mentality for looking at their Recruitment processes.

In summary, it is clear that Lean can not only improve HR processes, it can actually transform HR into a re-energised professional department that gives extensive value back to the business.





About the author:

Kevin Corrigan is a Lean expert at Venturehaus and a noted business improvement specialist, with proven experience of delivering strategic change across very demanding organisations. Kevin has led numerous initiatives and programmes in the field of process innovation, including over 100 Lean Interventions to reduce operational costs, improve competitiveness and reduce waste in transactional business operations.

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