

# Hr role in lean management practices

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An Increasing number of organizations are resorting, thus to a more simplified organization design that embodies built in mechanisms to cater to the core activities and embrace a theology that abhors waste and with a fierce dedication to excellence. This has seen the emergence of " Lean" management practices as a cornerstone of organizational effectiveness. Lean organizations thrive to provide perfect value through a value creation process that has zero waste.

But in pursuit of cost saving In the guise of " Lean", most acclaimed lean practicing organizations attempt to over automate and thereby leading to qualitative industrialization of human resources. Successful leadership and Self-reinforcing human resources are thus seen as the backbone of a lean production system to help it generate customer value. With this as the backdrop, the paper seeks to propose different views on lean management and the role of human resources and leadership In building a lean culture.

The conceptual part of the paper would be based on review of available literature on various dimensions of lean management and empirical part would Include the data compiled from secondary sources. Key words: Lean management, Organizational effectiveness, Qualitative human resources, Leadership. Organizations ranging from hospitals to manufacturing struggle to find sustainable continuous improvement methods. The complexities and interrelationships of such organizations require that continuous improvement efforts be broad and self- reinforcing.

This need has generated dozens of Initiatives from business and academia Including the Implementation of balanced scorecards, re-engineering, 360-

degree performance reviews and Total Quality Management, to name a few. Most may provide partial solutions to the organizational need for continuous improvement. With trade barriers, information barriers and cost-of-business barriers dropping, competitiveness is increasing. Organizations need good products, good brands, good strategies, good partnerships, good people and good financial sources to succeed.

In addition, however, an organization cannot succeed perpetually without continuous improvement-? a fact across the board, from manufacturing plants to banks to hospitals to nonprofits. How should an organization embark on this all-important task? One solution is to transform an organization using " lean. " through continuous improvement, flowing the product at the pull of the customer in pursuit of perfection. " Lean Organization: It is defined as an organization that is customer centric, is committed to continuous improvement and has an efficient infrastructure, a culture that abhors waste and a fierce dedication to excellence.

A lean organization consistently meets or exceeds all of its core success measures. It invests its resources only where there is a clear financial advantage. The core idea is to maximize customer value while minimizing waste. Simply, lean means creating more value for customers with fewer resources. A lean organization understands customer value and focuses its key processes to continuously increase it. The ultimate goal is to provide perfect value to the customer through a perfect value creation process that has zero waste.

To accomplish this, lean thinking changes the focus of management from optimizing separate technologies, assets, and vertical departments to optimizing the flow of products and services through entire value streams that flow horizontally across technologies, assets, and departments to customers. HISTORY OF "LEAN" According to the Lean Enterprise Institute, lean concepts were exemplified by Toyota in the sass when Chicory Toyota introduced the Toyota Production System.

In the late sass, Jim Woman, MIT graduate and founder of the Lean Enterprise Institute, led a research team that coined the phrase "lean production" to describe Toast's incept. Lean management is a fact of philosophy derived mostly from the Toyota Production System (TAPS). Some management authors already coined the term Toadyism to describe this pioneering approach. TAPS is renowned for its focus on reduction of the original Toyota seven wastes to improve overall customer value, but there are varying perspectives on how this is best achieved.

The History of "Lean" can also be traced as 1910 - Mass Production; 1940 - 1970: Toyota Production System; sass - Just in Time; sass - Six Sigma; sass - Lean Manufacturing. LEAN HUMAN RESOURCES Lean is not about tools. Lean is a human system. It makes sense then for Human Resources to play a central role in creating a lean culture. Yet HRS professionals often find themselves on the sidelines to their organization's lean Journey. And when organizations fail that Journey, a lot of blame is put on the tools used. But the failure isn't from a lack of the right tools; organizations fail because they lack the right behaviors.

Lean HRS is not a program to run through your organization, but a whole new way to utilize the talents inside an organization. Every Lean organization needs a broad, continuous, intelligent and self-reinforcing human resource. They are the initiative of the processes, they are the initiative of the business, they see the prospects and the challenges of the future, they are the hands of continuous improvement, they are the eyes of true quality and they are the true face of lean. Lean HRS has been implemented for a long time in manufacturing operations -? for their deployment in human resources.

It focuses over the removal of waste from the entire value chain. An organization that is based on individual performance, such as piecework pay or a strong focus on individual accomplishments, will struggle to get Hollow (2007) Lean production" has its origins in the 1990 book The Machine That Changed the World in which Womn, Jones and Ross describe the Toyota Production System. Lean is a process-focused management approach that aims to increase customer value by reducing waste and continuously improving processes.

A central tenet of Lean is that improvements are based on the ideas and knowledge of employees (Found & Harvey, 2006; Van Dun et al. , 2008). Much has been written on the theory behind Lean, such as eight types of waste in organizations and the five principles of the Lean thinking approach (Womn & Jones, 1996). However, its success lies not in simply installing, or even cherry picking" the principles and tools; implementing lean requires a

long-term strategic choice and fundamental change from a traditional functional organization into a collaborative" organization.

In this respect, Lean thinking can be viewed as a philosophy (Bateman, 2005; Abashing & Burgher, 2004; Liker, 1996, 2004) and, according to Sodden (2005 p. 187), " It is the philosophy behind the tools that is the key'. To secure the philosophy requires promoting Lean leadership at all levels (Pulling, 2002), leaders with a clarity of vision Hines, Lemming, Jones, Cousins, & Rich, 2000) and developing leaders who live the system from top to bottom (Liker & Meier, 2006).

In 1987, a research team from MIT's International Motor Vehicle Program studying the Toyota Production System coined the term " lean" to describe the system as one that " needs less of everything to design and produce products economically at lower volume with fewer errors" (Womack 2002). Later, in their book *The Machine that Changed the World*, Womack and Jones(1991) defined lean as a way to do more with less-? less human effort, less equipment, less time and less space-? while coming closer to providing customers with exactly what they want.

Since that time, a wide range of books has become available, and many industries beyond manufacturing have joined the lean journey (Liker 2003, Dennis 2002, Flinchbaugh and Carline 2006). Today, although many definitions exist, all definitions agree that lean stresses the elimination of waste, known as any resources beyond the absolute minimum required to add value to a product or a service (Nonaka 1988, Suzuki and Womack 1991, Womack 1996,

Standard and Davis 1999). In many companies, HRS remains untouched and unchanged by their company's commitment to lean.

And for those who have engaged HRS, it often does not contribute as deeply as its potential (Tracey and Flinching 2006). HRS is strategically placed to lead in these areas. By going through the above literature it is evident that lean transformation for an organization warrants a closer understanding of the role of human resources and leadership, which forms the basis for further work of this paper. OBJECTIVES OF THE PAPER: \* To study what constitutes the "lean culture" and review the practices of lean organizations. \* To take a holistic look at the role and optimization of human sources in lean organizations. To explore the role and competencies of desired leaders/managers across different levels of a lean organization. The value of any systematic and scientific research lies in its methodology. The facts of the lean practices are based on both conceptual and empirical study. The conceptual part of the paper would be based on the review of available literature on various dimensions of lean practices and the empirical part would include the data compiled from secondary sources including Journals, business magazines, e-Journals, research papers and websites.

A FRAMEWORK FOR ANALYZING LEAN CULTURE Lean culture has gained significant exposure and commitment in the past 20 years. Jukes (1999) reports that in one study, nearly 55 percent of corporate executives identified lean manufacturing as "extremely critical" to their ability to achieve world-class status, and 40 percent identified it as "somewhat critical" (Kooks 1999). Supporters of lean operating systems maintain that the

implementation of lean is more efficient based upon the commitment of people to continuously improve productivity and quality (Carroll 2001).

While lean is most often communicated as a set of tools, it is most effectively practiced as a comprehensive operating system including principles or culture, systems and processes, tools and skills, and even evaluation and metrics (Flinching and Carline 2006). Corporations practicing lean culture report improvements in safety, quality, delivery, cost and even morale. This in turn often leads to overall improvement in financial performance.

Without developing a Lean culture, a company will not get all the traction it needs to reach the full potential of Lean. The simple fact is that Lean relies far more heavily on the commitment of its frontline team than most leaders realize. So, what is a Lean culture? \* Operate without fear. No fear of being punished for making a mistake when trying to improve, and no fear of losing one's job when productivity skyrockets. Have time for Lean efforts. It is one thing to say Lean is important. It is quite another for a management team to pull people off production to work on projects. \* Turn to the Lean tools without prompting. Employees in a Lean culture realize that their lives will get better and easier if they make improvements. So they do. \* Feel ownership of a process. They are empowered to make changes, and feel pride when they make an improvement.

Cultural Differences in "Lean" and "Traditional" management approaches:

TRADITIONAL ORGANIZATIONS	LEAN ORGANIZATIONS
Delegate	Support
Fear of failure	Taste of success
Push systems	Pull systems
Result focus	Process focus
Inspects defects at	Manufacture quality in
Best for me	Best for you



for the customer | Penalize mistakes | Educate | Complexity | Simplicity |

Functional management structure | Management by value stream |

Leadership by Embracing a lean culture calls for understanding the lean philosophy in terms of the inconsiderable investment in purports, a culture that requires executive sponsorship, buy in from the rank file, patience and resources to make it successful and it calls for significantly improving how talent is acquired. Hence the HRS aspect of lean cannot be overlooked.

BRIDGING THE " LEAN" AND " HRS" GAP Lean transformation is definitely one of the most powerful means to improve businesses and HRS. By implementing lean management strategies, it can help create better organizational conditions and further encourage lean transformation. In a lean implementation process, HRS should give special attention to fair and suitable reward ND recognition programmer, which actually helps in recruitment and retention of employees.

HRS departments can motivate a company to acquire lean transformation by communicating well with the internal resources and also in the process of recruitment and deployment of the right kind of people in the right Job. Team study, appropriate recognition, organizing training sessions for quality improvement and efficiency are certain key areas from where the HRS department of an organization can motivate and initialize lean transformation modularity for a business or a corporate organization. In Lean production, the worker plays a central role. People are viewed as a resource to be developed and so workers are actually well trained as this is considered a critical element since only knowledgeable workers are able to

meet the needs of flexibility and multi functionality in a 'Lean production system'.

Lean production by convention encourages the use of standardized work processes which are often documented and must be followed. This does not actually allow for employee's personal contribution or any sort of genius. It seems sort of puppet styled where the employee moves and acts as and at when told to. The employee's thinking cap is practically taken away. As bad as it seems, excessive automation actually makes it even worse. The idea of flexibility in Lean does not actually mean flexibility in the real sense of the word as in 'meeting expected target by doing things properly in your own way in whatever style you want'. In Lean production as it is practiced, it actually means Working when and where required'.

It is also a common practice in 'Lean organizations' today for business strategic terms such as 'Restructuring, 'Reengineering' and 'Rightsizing to be used as Justification for their profit oriented downsizing of staff which results in under-staffed lean systems. Such under-staffed yester have their Human Resources far below the actual minimum number required and this is not acceptable in a truly 'Lean' system. There are two facets to the relationship between lean and HRS. First, it is self-evident that the HRS function -? just like any other department in a company -? needs to apply lean practices and principles toward process improvement in its own work. Second, the HRS function needs to actively support lean transformation throughout the company.

The HRS function, by virtue of its interactions with practically every part of a company, is in an ideal position to be a powerful ally in lean transformation. The major challenge faced by the HRS community is to measure performance. Lean is the identification and leadership. However, HRS departments seldom seem to take an active role in lean transformations. But in too many companies, HRS remains untouched by their company's commitment to lean. And for those who have engaged HRS to help with lean transformation, the contribution has not reached its potential. Achieving "Lean" in HRS through identification of seven types of waste that are common to any manufacturing/service operation.

The objective of lean human resources is to identify and abhor waste which is rampant in any organization. Thus the following diagram focuses on how several kinds of waste can be aligned to various human resource support functions in an organization. These seven types of waste in any process can be aligned to human resources in an organization as follows: 7 TYPES OF WASTE | HRS/RECRUITMENT PROCESS FLOW Waiting | Escalations/approvals, waiting for feedback, waiting for offers to be entered etc | Inventory | Offers to be processed, resumes to be reviewed etc | Defects | Incorrect data, requisition folders not being updated etc | Processing Updating Job flow, brass ring, unnecessary steps, signatures and reviews |

Transportation | Shipping offer letters etc | Over production | Processing before next operation is ready, processing prior to need etc | Motion | Tracking down paper work, walking to and from, filing cabinets | Lean Philosophy in Corporate Recruitment: Lean manufacturing is a philosophy in

which practitioners commit to continuous improvement using critical tools to help them identify and eliminate waste in their processes. Its tenets can be applied to back office as well since all organizational activities involve some degree of waste or duplication. Applying lean philosophy starts with Value Stream Mapping, a process by which managers examine all activities that take place to produce a product/service.

As a part of the lean philosophy, tasks that do not create value for the customer are considered wasteful - in recruitment for example, an organization may duplicate efforts when a candidate slate is presented to a hiring manager; some companies employ multiple applicant tracking systems that require same information to be input several times to meet the customer needs, compliance requirements or for data retention; this duplication clearly generates wasted time that adds no value to a hiring manager/candidate. Thus by drawing up a impressive Value Stream Mapping, lean practitioners can address all the unnecessary efforts in recruitment process.

Organizational conditions to support lean transformation: Lean HRS helps organizations engaging employees in training and development through the use of work groups for quality, product development and task flexibility. Lean transformation is the most powerful means to improve businesses. HRS creates better organizational conditions to support lean transformation. Success of lean implementation can be possible with: \* Development of teams as a supporting structure: Teams are an important element of a lean organization. The development of effective teams extends deep both inside

and outside of lean transformations. Teams in a lean environment need the \* Calculation and communication of metrics: Metrics keep score and determine if progress is being made.

In a lean environment, several criteria should be considered when developing metric systems or scoreboards. These metrics should support daily decision making. \* Communication across boundaries: Companies that are successful in lean are also successful improving their communications, particularly across boundaries such as departments and functions. Lean changes both the work and the way people think, so employees need to see that individuals at the top of the organization are changing the way they think before they will do the same. \* Communication to employees regarding their role: Part of the management's communication for lean implementation includes clarity of each employee's roles and responsibilities.

Roles must change as an organization goes toward lean maturity, so the rate at which an organization reaches maturity partly depends on lean role clarity and integration throughout the Journey. Maintaining role clarity as these roles dramatically change appears to be an important criterion of success. Acknowledgment and celebrations of successes: Most corporate initiatives have a distinct beginning and a clear, objective outcome, but lean is a never-ending Journey. If objectives remain clear, employees at all levels can feel a sense of accomplishment and if appropriate, the accompanying reward. Companies that find ways to celebrate success along the Journey are more successful at lean. They clearly define milestones, communicate progress toward them, and celebrate successes along the journey.

The HRS team should be able to create a lean culture environment that supports the above mentioned key variables. Certain traits like ability to immunization, work in teams, create and follow measurements, work across organizational boundaries, and identify and celebrate successes should be present in employees implementing lean which should be identified by the recruitment- process. ANALYZING THE LEADERSHIP ROLE IN LEAN

TRANSFORMATION In successful transformations, leaders take the lead. The creation of a continuous process improvement culture cannot be delegated or hired into an organization. Leadership must embrace the tools and methods and lead the change.

They are responsible for creating and communicating the organization's vision for the future, or identifying the major barriers that need to be overcome in order to achieve the organization's vision, and for aligning the efforts of the entire enterprise toward overcoming those barriers. They are also responsible for creating the new systems and structures required to achieve the vision, and for governing the process to ensure both compliance (internal discipline and standard work) and progress (establishing proper metrics and milestones) are achieved. Research shows that senior management commitment is essential to a successful and sustainable transition to a Lean enterprise. Leaders, in our view, foster change and create an environment where change is the norm, whereas managers stabilize the organization and assure that the changes are well implemented.

In fact, behavior of both managers and leaders are necessary to achieve excellence and different approaches may be needed at different times,

depending upon the specific stage of the lean often considered that an effective Lean leadership style involves coaching and leadership behavior that fosters participation and employee empowerment within certain boundaries (Millennial, 2003). In this paper the behaviors and competencies of desired leaders and managers across different levels of Lean organizations are explored and the skills they require to support and sustain a Lean transition are identified. In a recent presentation on Lean Leadership, Jim Woman (2008) said that every organization must address the ops: purpose, processes and people. He believes that most organizations struggle because the purpose is not clearly defined, the processes are not clearly specified and the people are not fully engaged. In his view these are the responsibility of the leaders and managers of Lean organizations.

Jim Woman believes that one of the problems is that traditional organizations have a retrieval focus, and managers think vertically to optimize their area, department or function. Lean managers, on the other hand, think horizontally, in the direction that value flows through the organization. However, this does not imply that functions are less strong in Lean organizations. In many cases, including Toyota, they are even stronger. Lean organizations create strong horizontal focus by assigning a responsible person to manage product flow at the same time as they create strong functions that focus on knowledge capture and career paths. Toyota does this by the Chief Engineer role. The Chief Engineer at Toyota takes responsibility for the whole value chain of a particular product; from design to delivery.

However, unlike a matrix organization; the Chief Engineer has to negotiate with the functional heads about what is needed from the functions to support the product. In this scenario it is the functional head, which has line responsibility and prioritize the work schedules. The role of CEO in building a lean organization: Step 1: Conduct an honest assessment of work practices. Change can be tough, particularly when you've been running your business in essentially the same way for years. A lean organization depends upon making the Journey from raw goods to finished product as seamless as possible. The CEO should look at current practices in order to determine which can be axed without any inconvenience to the customer.

For example, if you purchase raw materials from a distant provider, look to see whether a local manufacturer might provide you with faster service and no shipping costs. Step 2: Eliminate the fat. Possibly the most difficult part of streamlining a business is cutting workers. Many companies have found that it is less expensive to outsource their payroll duties, rather than carry a payroll department. Middle management can sometimes be cut without a corresponding loss in productivity. For example, if you have hired your relatives to work in your business, consider whether they are an asset. Step 3: Give employees credit for knowing what they're doing.

The reality is that rank-and-file employees often have a better understanding of their jobs than their bosses do. Take advantage of that fact by allowing each employee to contribute in a meaningful way. Step 4: Continually revise your method of operation. Becoming a lean organization is a process. Sitting down and devising a plan is an effective way to get started, but you'll find



that as you look more closely at your business, you'll find other areas that need to be trimmed in order to operate efficiently. Look at the process as ongoing as opposed to a one-time fix. SUMMARY OF Findings: A popular misconception is that lean is suited only for manufacturing. Not true. Lean applies in every business and every process.

It is not a tactic or a cost reduction program, but a way of thinking and acting for an entire organization; HRS professionals often find themselves on the sidelines to their organization's lean Rooney; HRS can make a significant contribution to lean success by managing the change in a manner that gives a positive outlook; The lean leadership key requirements include: understand the process by which expectations can be set, providing necessary commitment, becoming engaged, providing means to educate everyone in the organization, to set standards for lean management and measure lean progress. Suggestions: Because every organization is different, no universal road map for lean success can exist. In addition it appears that the role HRS has taken in lean transformation is far from active. It is in the pursuit of leadership and organizational conditions, and HRS role in lean transformations that guided this research.