Ask both what HR can do for Lean and what Lean can do for HR

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Lean Ísland 2016

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Introduction and context

Background and foundations:
- 18 years in HR
- Around 10 years in a Lean enterprise
- Two major start-ups, designed to be Lean day one
- 2 years consulting with Lean organizations in Iceland
- Review of academic literature

Context of presentation:
Your corporate leadership is starting a Lean transformation of the whole company. You are the HR manager so you ask yourself what this means for you and your team

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„Take home" points

- *Lean is an organizational design that's fundamentally different from what most of us know*
- *Lean calls for different way of thinking about HR*
- *HR needs to understand the philosophy of Lean*

- *Using Lean methods and tools to redesign HR processes is a smart way to get up to speed*
- *Don't forget the Gemba*

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What kind of HR?

Transactional vs. transformational focus of Human Resources

- *What is the role of HR in the organization?*
  - *Strategic or administrative?*
  - *Delivering customer value in core processes?*

What kind of Lean?

What does it mean to be Lean?

- *Is the organization using Lean tools to improve processes or is the whole workforce engaged in capturing improvement opportunities?*
  - *You can do improvements without going Lean*

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Down Memory Lane

Around 30 visits, „Lean" production facilities and corporate offices to understand HR's support to Lean

- *How do your HR processes support your Lean system?*
  - *Most of the time the question was not understood*
  - *Most HR professionals did not see any reason to look for alignment between their processes and the Lean system*
  - *Offering training courses*
  - *HR processes mandated by OPEX standards, eg. rewards and recognition*

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What's the winning option?

1. *Tweak your current HR processes to better fit a lean organization*
2. *Study lean thinking in an attempt to figure out what kind of HR processes __actually__ support a lean organization*
3. *Study lean thinking as a framework and toolkit to review your HR processes, in effect make them „lean"*

10 propositions - 10 tips for HR focus in a Lean transformation

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Proposition #1

Ask both what HR can do for Lean and what Lean can do for HR

- *If HR is supposed to support the business through a lean transformation then HR needs to understand the properties and needs of a Lean organization*
  - **Maybe the smartest way to build that understanding is to apply lean thinking and tools to the HR processes**
  - **Look at the business to understand it's needs and look at HR to understand it's processes**

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### Proposition #2

Ask more questions

- *Be front loaded in the quest for knowledge and skills*
  - *There are those who keep saying that Lean is simple, Lean is common sense. Failed transformations tell us otherwise*
  - *Lean is a way of looking at the business fundamentally different from what most of us are used to*
  - **Study hard in the beginning and don't fall in to the „common sense" trap**

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Proposition #3

Apply A3 thinking

True North Ideal
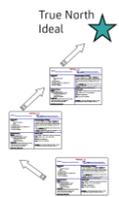
- *The A3 format for framing improvement ideas and solving problems helps keep a common thread from **the business reason that elicits the idea, through an analysis of current practices, target setting for improved practices and actions required to close the gap between the two***
- *The A3 is your platform for Plan, Do, Check, Act cycles*
- *Developing people is always one of the aims of applying A3 thinking*
- **Know where you are, where you are going, how to get there and why you want to go there**

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Proposition #4

Standardize your HR processes and start looking for waste

Right quality – Lowest cost – Shortest lead time

- *Is there any waste in HR processes? There sure is. Mapping the value streams of HR will help uncover opportunities to eliminate waste, standardize, visualize and document improved processes*
- **Build a foundation for improvements with standardized work**

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Proposition #5

Learn by doing

- **It's better to act your way to a new way of thinking than to think your way to a new way of acting**. – John Shook, from „The Lessons From NUMMI"
  - *Continous improvement is an iterative process. You don't have to aim for perfection. Shoot for „good" knowing that „better" will come later*
  - **A pretty good plan today is better than a perfect plan tomorrow**

Slide 1

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Proposition #6

Stay close to the Gemba

- „Gemba" = the place where the actual customer value is created. It's where your products or services come to life
- **Lean organizations focus on the actual work, the value creation and how exactly work is done.** Understanding the value stream is a way to learn more about your business and enable HR to provide the right support
- „I don't care how you do it, just bring the results!" attitude does not work. The **„how we do it"** is what we keep improving all the time
- **Look for the result of your HR work in the core processes, not the HR file**

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Proposition #7

Rethink training and development

- Mentally move training and development out of the classroom and out on the shop floor. This is where people learn their jobs and how to improve
- Developing people is not the same as taking courses
- TWI
- Coaching/mentoring
- **Develop strategies to make knowledge and skills deep and broad**

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Proposition #8

Rethink performance appraisals

- In a Lean organization you may be more interested in the **performance of processes and teams** than the „traditional" performance of individuals
- **Does your performance management system drive rivalry rather than team spirit?**
- Is it based on „deliver the results – I don't care how" mindset?
- Does your organization value short term thinking over a long term vision?
- **Be careful what you wish for – you might get it**

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Proposition #9

Rethink reward and recognition

- In a Lean organization success is achieved by teams. **How team based are your reward schemes?**
- Rewards and recognition help increase the frequency of the right, or desired, behaviors
- **Changing behaviors and forming new habits is what we are trying to achieve**

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Proposition #10

Think leadership development from scratch

- **„Leadership" is probably the variable that explains the most of the variance on the success – failure continuum in Lean transformations**
- The organization's leadership MUST have a head start
- Leaders as teachers
- Servant leadership?
- **Don´t leave your back door open hoping that Lean will sneak in**

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Success factors from academic studies

Author(s):	Year:	Success factors:
Bashin	2012	**Corporate culture, structural inertia**, time factors
Bashin	2008	**Communication, inertia, generic change management factors**
Yang, Yeh og Yang	2011	Integrate technical- and **human factors**
Karim & Arif-Uz-Zaman	2013	Technical- and systems focus
Jayam, Das og Nicolae	2010	**Ideology and basic principles**
Ahlström	1998	**Ideology and basic principles** + order of items implemented
Achanga, Shehab, Roy & Nelder	2006	**Leadership, management, culture, knowledge and skills**
Bhamu & Sangwan	2014	Focus on supply chain, not only internal factors
Lewis	2014	**Leadership**

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A3 „summary"

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- *Business case*
  For maximum impact of the HR support for the Lean transformation the HR team needs to understand the nature of Lean organizations and design/redesign it's processes to meet new requirements

- *Target condition*
  - HR has a clear vision for the „transformed" organization and how the new design affects the needs for talent selection and development, compensation, rewards and leadership
  - HR processes have been redesigned with

If you always do what you have always done you will always get what you have always got

- *Current condition*
  - HR processes and services are designed to support a traditional/functional organization
  - New requirements are not fully understood

- *Actions*
  - Study Lean
  - Study the organization's core processes
  - Review and standardize HR processes

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Questions and Comments

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KEEP CALM AND ELIMINATE WASTE