

Lean HR: A Step Towards Success

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Abstract: Most of the organizations are flat now-a-days and are moving for continuous change. A major challenge for these organizations is to improve efficiency of its employees, and to ensure continuous improvement in this rapidly changing environment. The traditional HR methods are obsolete in current scenario. The need of an hour is to create an environment that will promote employee engagement and make the organizations succeed in this continuous change, for this human resource practices should be 'flexible' and 'lean'. This paper highlights the ways to adopt 'Lean HRM' which will help the organization to eliminate or minimize waste and drive towards human efficiency. The lean HR originated in 2007 but organizations fail to understand its benefits. HR practices needs a revamp and must include lean which is especially relevant to use of human resources and training functions.

Keywords: Lean, Process, Human Resource, Culture

Introduction

It is a thumb rule for all HR managers to sack employees in bad times of the organization assuming that this will help in reducing losses. HR managers must understand that sudden removal of employees will lower the morale of retained employees and increase insecurity leading to loss of efficiency which in turn again adds to the losses. There is a need for innovative HR practices to reduce layoffs and develop positive climate in the organization and helps in smooth and cordial relationship between employees and management with more commitment towards work.

A number of practices that may help the HR managers/ owners to motivate employees contribute towards manufacturing improvements and increased profitability is discussed in this paper.

Creating Environment for Lean Culture

The first and most difficult task in any lean transformation is the engagement of staff at all levels. The best time to initiate lean initiatives is usually bad phase of the organization. The managers and employees should understand the need for lean and its benefits for them individually so that resistance will decrease. It is observed that employees and managers feel they are overloaded with their work and though the change initiative is necessary they don't have time for it. In early stage of lean implementation, there is resistance from all. Thus, the success of lean depends on strong leadership, good communication, patience and persistence on the part of the management and percolation of the need at all levels. Staff, supervisors and managers have to learn that the 'old way' is not always the best way. Managers must learn to be mentors, and to set an example for the rest of the organization by doing, as well as saying.

Attitude of the Management

Positive attitude makes a tough job easy; thus, management must adopt attitudinal change towards the lean. It should treat the employees as business partners who will make the organization earn more profits. The communication between the management and the employees should be clear and transparent. The lean philosophy says that the employees should be considered as process engineers as they are master of their work process. The organization should create positive work environment that enables its employees to thrive for the success of the organization. It should focus on fostering innovation and collaboration, or making the organization the best place to work even in adverse time.



Fig. 1: Lean HR Model

Improved Recruitment Process

Recruitment, in good days, should be done with proper planning and analysis. The HR person should be included in the core committee of the organization which sets short term and long term goals of the organization. The HR person can highlight the future requirements of human resources in this meeting and this can be correlated with the goals set by the organization. At the time of recruitment, the organization should clearly lay down the policy regarding the competencies employees must have (e.g., teamwork, positive attitude, problem solving ability, job fit, motivation, communication, integrity, etc.) and it should recruit people who have the required competencies, so that in adverse times instead of layoff they may be used in other jobs or departments by the organization.

The selection procedure should be designed in such a manner that identifies employees who excel in a lean environment, as it demands higher levels of energy, problem solving, collaboration, and continuous improvement.

Training

'One size fits all' concept for training is outdated and must be replaced by training need analysis of the employees. More emphasis should be given on practical training than theoretical and also information regarding lean systems to all the employees. During training, emphasis should be on encouraging high performance by communicating the value and including it in its performance management system.

The method of 'self-inspection' by the operator should be implemented which makes the employee responsible for the quality of their work. The employees who refuse to embrace high performance culture should be removed from the organization.

Performance Management

It is the process that a manager applies to link an employee's individual performance to organizational goals and performance metrics. It helps to promote employee engagement, growth, productivity and retention provided the complete process is unbiased and transparent. The role of a HR manager in lean is to identify the duties of employees expected to accomplish and communicate the competencies (job knowledge and skills) needed to be successful. Timely feedback on employee's effectiveness on applying job knowledge and skills to achieve the goals for their position and the organization should be given with reward to the best performers. If some of the employees do not meet the required performance standard, the manager must know the ways to address performance issues and the methods that can help improve employee performance.

Transformational Leadership

The successful implementation and execution of lean HR mainly depends upon the leadership quality. Leader should identify the potential of his team and channelize it to achieve required change, create sense of commitment of the members of the group. This will help to motivate followers to perform and achieve goals set by the organization and earn rewards and praise. As a result, employees will be self-motivated and will have the ability to cope with stress in adverse conditions and perform successfully, leading to increased productivity.

Performance Linked Compensation

The HR managers should design an improved compensation and incentive plan for the best performers. In lean-management, the best performers are those employees who are great at developing other employees and solving problems apart from the technical requirements of their

jobs. The most valuable team member may not be the one who produces the most but the one who can stretch to use many skills, without necessarily being the best at any of them.

Effective Communication

The most important of all for lean implementation is clear and effective communication that leads to strong teamwork and the ability to work together to achieve organization goals. Trust and loyalty are key factors in any relationship and both are boosted by effective communication. Strong relationships can be built between the management and the employees, between the employees themselves and among the organisation and the customers by adopting good communication.

Discussion

Now, the time has come to design and adopt lean HR practices to build the workplace of tomorrow that will inspire employees and allow them to think out-of-the-box for better strategies to compete successfully in rapidly changing business environment. This will also reduce the layoffs in adverse time and improve the overall efficiency of the organization by reducing cost of recruitment and retraining by retaining the existing employees.

References

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