

Excuse Me, Why Should HR Know About Lean Six Sigma?

By Amy Tan & Dr Uwe H Kaufmann

Background

A friend recently spoke at an HR Conference on a competency development roadmap for Six Sigma professionals. During the break, a few participants went up to him and asked him what Six Sigma is. Only then it occurred to him that not every HR person is familiar with well known basic principles and management practices contributing to business performance and leadership development.

Given today's need for HR professionals to be Strategic Business Partners, to be a 'Voice of Conscience' to the CEOs as well as Champion for the Employees, those with background in proven management methodologies and tools such as Lean, Six Sigma or Kaizen have a great advantage. An HR Professional who can present his business case for HR strategies and interventions with a compelling return on investment will be respected and regarded. Having the knowledge and exposure in cost and time estimates, in analytical thinking processes as well as fact-based strategies and decision making will open doors.

Understanding and using statistics to convey thoughts raises the bar on necessary conversations such as Legal compliance related to Human Resources Management, Developing a Recruiting and Retention Strategy, Performance Management, Job Design, Knowledge Management, Human Resource Information Systems.

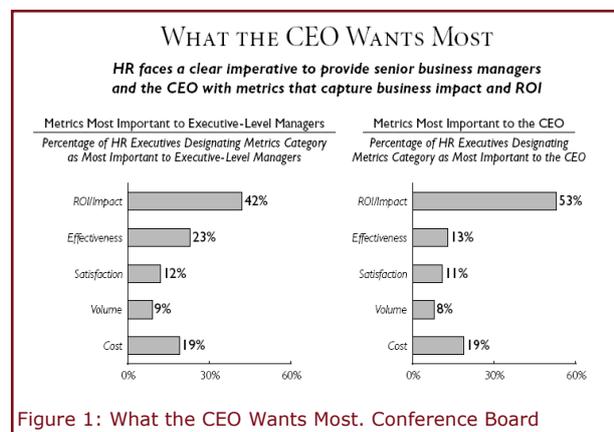
HR Role and Management Methodologies

The role of the HR professional is typically divided into four main categories – Strategic Business Partner, Change Catalyst, Employee Champion and day-to-day Administrative Operator. In today's world an HR professional is expected to act with confidence in all four categories.

Modern Management methodologies such as Six Sigma provide a framework for confidently capturing and presenting information in all these four areas, for acting upon gaps in performance and continuous improvement. HR professionals cannot fall behind in use of modern management methodologies in order to be able to speak the same language as the business, to support them if needed and last but not least for the sake of being accepted as business partners.

Contributing to Metric Design

Today, HR faces demand from the CEOs and senior business managers for metrics that capture the impact of HR activities on business performance. Despite worthy goals, few HR professionals have confidence that their measurement systems provide line managers with the information they need to make



critical workforce decisions. Often their metrics are not even linked to the corporate strategy and are unsuitable for contributing to improvement in overall business performance.

Therefore, it is important to distinguish which metrics are truly adding value to the organisation. Measuring for measurement's sake is time consuming waste. To determine which metric should be used is imperative to understand both the strategic initiatives of the department as well as the organisation's needs. Being familiar with the strategic initiatives, is key to many HR processes such as performance reviews, training, recruitment, succession planning, job descriptions/profiling and employee orientation. Six Sigma provides simple yet valuable tools to help translating the needs of your organisation into metrics, identifying and closing gaps hence contributing to business results.

Voice of the Customer (VOC, Figure 2) is a structured multi-step process focusing on capturing the voices of HR's customers – leaders and staff of your organisation – and translating it into CTQs (Critical to Quality), metrics and actions.

Kano Diagram (Figure 3) is a simple yet powerful tool used to prioritise Customer Needs. Firstly, **Musts** are expected by your internal customers. By not delivering on Musts, dissatisfaction is inevitable. Since as mentioned earlier, Musts are expected, there is no need for reinforcements on them. Secondly, **The-More-The-Better** are satisfiers. More providence on these will contribute to satisfaction. Any form of deficiency will definitely create dissatisfaction. Thirdly, **Delighters** are defined as representatives of a special set of requirements that can contribute vastly to satisfaction if received and diminutive disappointment if they are not present. They are difficult to detain since the customers usually don't even think of them due to the minimal expectancy from them.

VOC and Kano are just an extension of what many organisations do anyway: capturing the employee satisfaction. Unfortunately, Not everybody play by the rules. In other words, they rather draw conclusions on high-level data without going to the root causes. The result is often sobering.

Internal benchmarking is a field that numerous HR professionals recognize. Internal benchmarking involves the process of comparing operations/departments within an organisation to each other. Metrics drawn from CTQs can assist benchmarking an organisation regarding their internal customer satisfaction.

Another popular Six Sigma tool is **Process Mapping (SIPOC, Value-Added Analysis)**. SIPOC maps Suppliers, Inputs, Process Steps, Outputs and Customers of any given process. The profit of a SIPOC is in the high-level understanding of the process and the definition of process metrics that lead to CTQ metrics. A straightforward example should show the effect of process mapping:

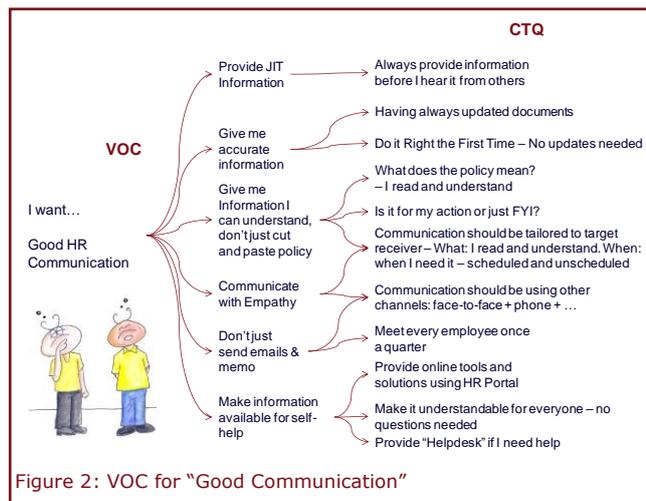


Figure 2: VOC for "Good Communication"

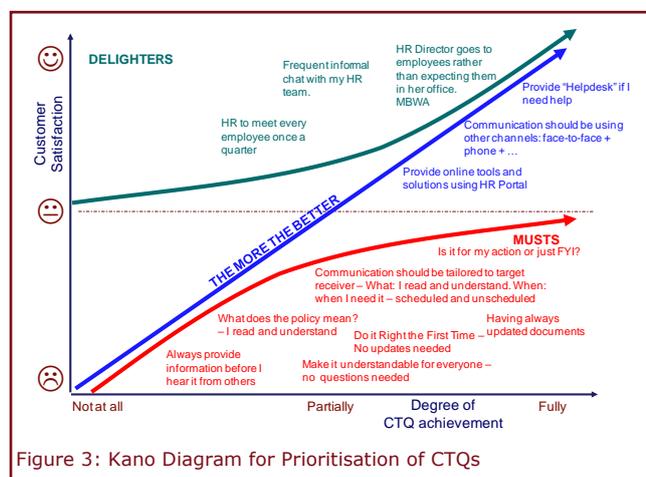


Figure 3: Kano Diagram for Prioritisation of CTQs

Mapping a recruitment process was done to identify why recruitment takes so long. The high-level process map is shown in Figure 4. After studying the typical processing time each of the steps took it became obvious that the “Shortlisting Process” consumed a considerable portion of the entire processing time. Why? Digging into the details of this process the team found that one of their HR officers performs batching, i.e. she kept all the recruitment files until end of the week and tried to complete them on each Friday. If the workload was too much, she kept the remaining of the files until the following Friday...

This kind of findings are everywhere waiting to be discovered. They are easy to embark upon and to resolve once the root cause has been identified. However, resolving the issue is only part of the task. The other – sometimes even more important – part of the task is to promote solutions – without blaming people – and to encourage cross company learning.

HR professionals can help by establishing and supporting **Best Practice Communication** linked to R&R systems. To be successful, organisations must implement a process that promotes and rewards the sharing of ideas.

Supplier	Input	Process	Output	Customer
• Divisions/ Departments	Manpower Request Form with Job Description	Request submitted	New Recruits	• Divisions/ Departments
• Job Seekers	Establishment List	Approval by CEO		• Job seekers
• HR	Job Application Form & Supporting Docs	Launch Advertisement		• PMD Account Managers
• CEO	Shortlisting criteria	Shortlisting Process		
• Advertiser	Competency framework	Interview Process		
• Search Firms		Approval to appoint		
		Offer appointment?		
		Acceptance of Offer?		

Figure 4: SIPOC for Recruitment Process

Building Lean Six Sigma Competency Model

Offering to build a Lean Six Sigma competency model, for example, will not only serve to identify candidates with the right mix of technical and leadership skills but also allow the HR professionals to work closely with the Process Excellence team to develop management and leadership competencies of the **Six Sigma Green Belts, Black Belts, and Master Black Belts**. After all, these Belts are often the best potential personnel in the organisation.

Figure 5 shown here is an example of a Process Excellence Leader Competency Model. The four roles Business Advocate, Change Agent, Process Excellence Expert and Integrator/Enabler together with the competencies shown – to a certain degree – ought to be part of every company’s Leadership Profile.

HR professionals also have the opportunity to utilize skills such as change management, and leadership development. Acting as a resource and/or coach for Black Belts who encounter team-related problems will quickly build credibility. Sometimes, the HR professional is positioned better to function as a liaison with the Sponsor and Champion than the project manager.

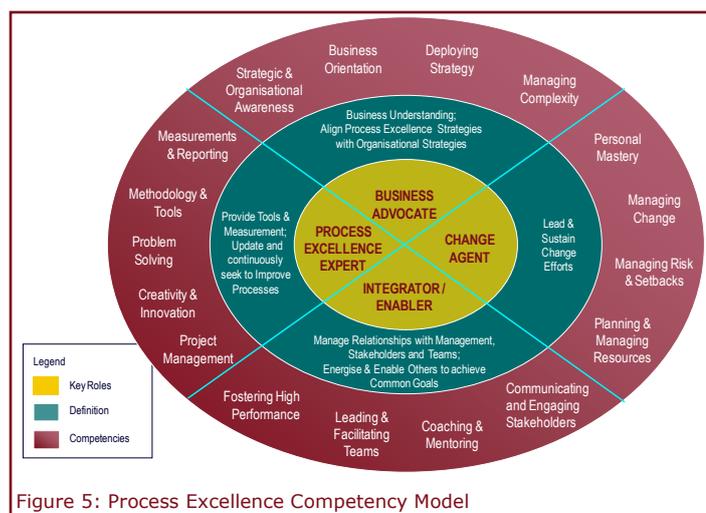


Figure 5: Process Excellence Competency Model

Managing Change

One of the 4 key roles of HR for an organisation is in facilitating and managing change. Introducing Six Sigma into an organisation means major changes that will have a profound effect on a broad group of stakeholders. Managers and employees at many levels of the organisation will be asked to engage in new behaviours. HR professionals shall be champions in making change happen by owning the change process, customising the change model and guiding the business through the change process. HR professionals as change agents, helping their businesses both to meet new objectives and to do so quickly, should consider taking the following steps: (a) identify key success factors for building capacity for change; (b) provide the extent to which these key success factors are being managed; (c) identify the improvement activities for each success factor; (d) see the review of the key factors as an iterative process, not an event.

Conclusion

HR professionals with knowledge of Six Sigma tools and other methodologies can deliver better service to their customers – their leaders and colleagues. Identifying requirements and gaps, analysing and improving processes as well as measuring the performance long-term to sustain the gains applies to all business processes, including HR.

Moreover, HR professionals can support driving and sustaining business initiatives such as Six Sigma that are driving performance and business results. Developing recruitment and retention strategies for Six Sigma personnel, creating job descriptions, and establishing reward and recognition programmes as well as leadership development are only some of many opportunities to become involved.

HR Professionals with Six Sigma knowledge are absolutely an added advantage and a starting point for any organisation embarking on achieving a strategic HR role.

About the Author

Amy Tan is a Director with Centre for Organisational Effectiveness Pte Ltd, based in Singapore. She has more than 20 years of experience in Human Capital Management & Development. Her expertise has been in HR Strategy Review & Planning, Competency Modelling, Change Leadership Development, Talent Management, Performance Management and Organisational Development. Amy's career experiences were with companies such as AT&T, SGS-Thomson Microelectronics, Aon Asia, Nokia and Ministry of Manpower. Amy is also a Six Sigma Black Belt. She can be reached at Amy.Tan@COE-Partners.com.

Dr Uwe H Kaufmann is the Singapore-based Managing Director of Centre for Organisational Effectiveness Pte Ltd. He has extensive experience in implementing process and organisation improvements for various industries. He specialises in Lean Six Sigma and Innovation as well as Strategy Implementation. Uwe is a German national and can be reached at Uwe.Kaufmann@COE-Partners.com.