

# Applying Lean to HR Service Delivery

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The principles of Lean (or Lean Manufacturing, Lean Enterprise, etc.) are focused on building a culture in which everyone is constantly focused on the elimination of waste in their environment. In other words, delivering products or services through streamlined processes that minimize non-value added activities and effectively leverage people's abilities. These principles previously found their home among the people, processes, and equipment of the factory floor. However, lately these same principles are part of conversations among those in office and service environments—even HR.

You may find yourself taking part in these conversations about Lean. Perhaps your organization has embarked upon the Lean journey in other areas (e.g., operations) and is now looking to continue developing the culture by incorporating more administrative or service focused functions, such as HR. It is very easy to get lost in the Lean terminology and completely overlook the true intent. It is also easy to become frustrated with how to apply Lean principles to a function, such as HR, when you are focused on technical terms that may still feel more “factory floor.” One suggestion is to focus less on the technical terms and more on the bottom line—removal of non-value added work activities or waste.



So what does waste look like in HR? Lean practitioners would agree that redundancies, extra processing steps, multiple approval levels, and misaligned human talent and skills constitute waste. Figure 1 illustrates the eight types of waste targeted as part of Lean. Let's take the recruiting and staffing function as an example. What is your cycle time between posting a job, recruiting, selecting, and finally having an employee on board and adding value to the organization? This process typically contains unnecessary complexities, redundancies, and extra steps that are not value-added. For example, what documentation is required to complete a job requisition? How many approvals are needed before the job is posted? Are managers selecting candidates for interviewing via e-mail? Are candidates fronting travel expenses requiring reimbursement? Are new hire materials collected manually or electronically? Typically, these areas are prime spots to identify waste activities in your HR process.

Another significant example of waste is the inadequate use of human talent or employee skills. Within a Lean culture, processes and work activities are aligned to employees so as not to waste talent and abilities. Let's apply this to our recruiting and staffing example. Do your specialists (recruiters, talent managers, etc.) spend their time handling tasks such as filling out job requisitions, scheduling and conducting interviews, and processing candidate reimbursements? These tasks are often conducted by employees who would bring more value to the organization by spending their time on activities such as workforce planning and identifying high-quality hires, allowing them to reduce another type of waste—employee turnover.

Figure 1: Eight Types of Waste Identified Through Lean



An HR shared services delivery model is designed to eliminate these forms of waste through leading practices such as: centralization of processes to eliminate redundancies and duplicate effort, realignment of skills with more value-added work activities, the use of business tools and technology to improve service quality, and an emphasis on continuous improvement. The ultimate goal of the Lean enterprise is to create a culture that is continuously working to eliminate waste in processes, deliver high-quality products or services, and effectively align skills with work. Best-in-class HR service delivery models have the same objectives. It is not about the terms you use to define your journey (e.g., waste, Lean, non-value added). It is about the ultimate goal.

To learn more about applying Lean to an HR service delivery model, please [contact us](#).