The improvement of HR management by using Lean

UNECE, Budapest, September 6th 2012

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MAIN POINTS

• Statistics Norway
• HR in Statistics Norway
• Continuos need for improvement
• Lean – short introduction
• Lean in HR div- improvements and experiences
• HR’s role in organisational development introducing Lean
Statistics Norway

• 1000 employees
  – 600 in Oslo
  – 400 in Kongsvinger
  In addition
  – 200 interviewers

• Collection of data
  – 70 administrative registers
  – 727 000 questionnaires
    ♦ 77 per cent in electronic form

• 320 different statistics

• 1000 releases of new statistics on ssb.no
HR Division of Statistics Norway

Part of Administration department

17 employees

Strategic role

Mediator

Control function

Organisational Development

Service and administration
## Tasks of the HR division

<table>
<thead>
<tr>
<th>Recruitment and staff development</th>
<th>Personnel policy</th>
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<td></td>
<td>Recruitment</td>
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<td>Employer branding</td>
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<td>Counselling</td>
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<td>Cooperation with central authorities</td>
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<td>Wage policy and negotiations</td>
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<td>Personnel administration</td>
<td>Updating staff information in database</td>
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<td>Handling travel claims</td>
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<td>Control of wages and reimbursements (from central database)</td>
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<td>Staff statistics and reporting</td>
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<td>EHS and IA</td>
<td>Environment, Health and Safety (EHS)</td>
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<td>Welfare, Social Inclusion (IA)</td>
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<td>Sick leaves</td>
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<td>Analysis of the working environment</td>
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<td>Organizational development and staff training</td>
<td>Competence mapping and evaluations</td>
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<td>Coaching</td>
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<td>Internal training</td>
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<td>External training</td>
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Why organisations need to improve

• Efficiency of different operations
• Effectiveness and efficiency of responsiveness in relation to the needs of the organisation and its partners
• Internal and external communication
• Bottlenecks and vulnerability
Why Lean

• Inspired by Nordic colleagues and positive experiences in other organisations
• Lean is a Philosophy – not an efficiency program
• Lean provides principles, approaches and tools in order to support sustainable and continuous improvement.
• A bottom-up approach which requires involvement, empowerment and responsibility
• Common sense in system – Problem owner is problem solver
The roots of Lean in production; Ford, Toyota, TQM.
Five basic principles in Lean

• **Customer value**
  – What creates value for your customer?

• **Value stream – avoid waste**
  – Identify the activities that create waste

• **Flow**
  – Create flows that runs as smoothly as possible – few stops

• **According to needs**
  – Actions/flows are created based on the needs of your customers (external and internal)
  – Your customer = next process

• **Continuous improvement**
  – Create a culture where all contributes to continuous improvement
  – Continuous improvement to be systematised
Reduction of waste is essential in Lean

- Waiting
- Over production
- Inefficient movements
- Stock
- Resources not fully used
- Waste (MUDA)
- Unused creativity
- Corrections
- Transport
Areas reviewed in the HR division:

- Recruitment
- Training course management
- Wage management
- Employees’ management participation
Evaluate the gap between the "dream" situation for users compared with the present situation

<table>
<thead>
<tr>
<th>What is important for our users?</th>
<th>TO-BE</th>
<th>AS-IS</th>
<th>GAP</th>
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9/1/2012
Process mapping: course management
Process mapping – recruitment process

Roles

Applicant

Forms, routines training

Forms, routines

Job analysis

KT: 2 d
PT: 1 m

Announcement

KT: 2 d
PT: 1 h

Applies for job

Interview

Receives receipt

Interview

Head of unit

Evaluates applicants

Summons for interview

Interview

Staff advisor

QA

KT: 1 d
PT: 1 h

Announcement

KT: 1 d

Wage advisor

System

Winsak

Webcrawler

Webcrawler

Winsak
Recruitment: some proposals based on the review:

• Improve communication with applicants
• Improve internal cooperation and the involvement of the HR division at an early stage in the recruitment process
• The HR division should participate in the interview process
• Integrate electronic procedures for handling recruitment
Training course management

• Courses more based on registered needs.
  – Key courses pre-programmed
  – Additional courses on demand – when sufficient interest

• Organisation of the course management: from one person to a team
The effect of change in Training course management

Fewer cancelled courses
Higher average participation per course
More interaction with units and employees
Courses more adapted to emerging needs

Table 1. Statistics Norway’s internal training courses. 2008-2011

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<thead>
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<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>Total number of courses performed</td>
<td>84</td>
<td>70</td>
<td>52</td>
<td>58</td>
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<tr>
<td>Total number of participants</td>
<td>886</td>
<td>754</td>
<td>498</td>
<td>761</td>
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<tr>
<td>Average participants per course</td>
<td>10,5</td>
<td>10,8</td>
<td>9,6</td>
<td>13,1</td>
</tr>
<tr>
<td>Employees participated in one or more courses</td>
<td>432</td>
<td>378</td>
<td>303</td>
<td>356</td>
</tr>
<tr>
<td>Number of courses cancelled</td>
<td>46</td>
<td>41</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Employees cancelled participation</td>
<td>71</td>
<td>72</td>
<td>122</td>
<td>100</td>
</tr>
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</table>
Wage management

• Some proposals arising from the review:
  – Centralise certain functions
  – Develop more targeted and efficient control procedures
  – Ensure better coordination between wage and staff management
  – Update documentation of procedures connected to wage management
Employees’ management participation

Norwegian law requires regular meetings between employee representatives and the top management

- The review proposed:
  - Clarifying targets and the structure of these meetings
  - Reducing number of participants
  - Stronger follow up of rules concerning deadlines
  - Increased visibility and concrete results
Reorganisation of the internal work of the HR division

• External consultants were asked to analyse the internal organisation and to propose actions for improvement. The approach was based on Lean thinking.
• The review resulted in organisation of teams with defined responsibilities and more regular follow up (weekly meetings, notice board meetings etc.)
HR division: new internal organisation

• Groups:
  – Staff counselling and recruitment (staff policy, wage policy..) (3)
  – Staff administration (update staff data, travel bills, wage etc) (6)
  – Health, environment and security (3)
  – Competence, development (5)

• Each group has a coordinator and should develop its own work program, clarify its targets and responsibilities and ensure the correct follow up

• Group coordinators has a joint meeting with head of division every week
Implementation of lean in Statistics Norway

• Formally decided to implement Lean in Statistics Norway by the top management early 2012
• Pilot phase will last until end of 2013
• Internal coordination group and external consultants
• Important HR-elements of the programme are
  – internal training of managers
  – recruitment and training of lean facilitators
  – training/seminars for other employees
  – several lean pilots specific processes
The role of the HR division in Lean implementation

- Participation in the coordination group
- Support recruitment and training of lean facilitators
- Involvement in training and information activities
- In order to play an active role, the HR unit must ensure it has enough resources and the right competences.
- This role must be accepted by the organisation.
- HR should have a role to play in change of working methods, change in management style and change in organisational culture.
Lean – some experiences

• Lean is based on some simple and easily understandable principles that can give quick results

• Requires openness, creativity and willingness to change among participants

• Requires good management and follow up

• Requires heavy involvement by the HR division

• Requires sustainability
Challenges for HR in the Lean implementation

• Management involvement and understanding of framework and philosophy. ”Walk the talk”
• Coordination: one organisation - one philosophy
• Motivation of employees ”Yet another efficiency program to make us work harder”.
• Cultural changes requires time, focus, sustainability