

Lean is in

This management philosophy helps a company focus better on value for the customer

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When you are lean, you move faster, look better and have less risk of falling prey to maladies. That applies to a business, too.

Businesses that manage to cut flab are better able to optimise production and maximise the return on investment. This was always true, and now the slowdown means that companies absolutely must deliver high quality products and services by weeding out the irrelevant. The way forward lies in adopting 'lean' techniques of business management.

'Lean' is not a tactic or a cost-reduction programme; it is a way of thinking for an organisation. This thinking, or philosophy, is concentrated on minimising all kinds of waste – unnecessary movements, waiting times, over-production, processing time, production flaws, unnecessary stock and unnecessary transportation. Manufacturing is the birthplace of 'lean', where the goal is to identify and eliminate steps that add no value from the perspective of the customer.

Lean philosophy

Lean focuses on a systematic, continuous improvement approach that promotes processes to reduce waste while aligning them to an

overall growth strategy. The core idea is to minimise waste while maximising customer value. Simply, lean means doing more with less.

So, a lean organisation understands customer value and focuses its core processes to continually meet those needs

Thinking 'lean' can be considered an attempt to create more value with less work. The service sector, especially information technology (IT), has implemented the concept with considerable success.

As with all philosophies that require a business model to change, organisations that turn to the 'lean' philosophy have to take great care of their most important assets – people.

Role of HR

Lean is a bottom-up approach that is supported by the senior

management and facilitated by middle management. As HR plays a crucial role in change management, it is important that its processes are first aligned with the business change. To start with, HR must look into its core functional areas like:

Recruitment: Managers look to HR for their resource needs. An effective hiring process means documenting the recruitment process, training all stakeholders for effective contribution to the process and simplifying recruitment trackers.

Personnel records: A key responsibility of HR is to maintain accurate personnel records. This is very resource intensive. Today, many organisations keep an online employee directory that serves as a central information repository. This is a self-service system that enables employees to update their records. Besides this, systems/modules could be developed for recording leave and attendance, thus providing accurate inputs for payroll.

Skill training: The primary focus of training and develop-

ment is to bridge the gap between the current skills/competencies of an individual and the desired competencies for the current role.

Performance management: Performance management in an organisation must be designed to promote fairness, transparency and meritocracy.

The very nature of HR is such that it interacts with every function across the company or an organisation. Human Resources can lay a strong foundation for lean management by defining processes and procedures, assigning clear accountabilitys and communicating the roles and responsibilities of employees.

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