The role of Human Resources (HR) in Six Sigma

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ABSTRACT

The objective of this paper is to focus the introduction of Six Sigma into an organization which will lead to a major change that will have a profound effect on a broad group of stakeholders. Managers and employees at many levels of the organization will be asked to engage in new behaviours which will see Six Sigma as a source of competition for resources, executive attention and organizational power. HR professionals can increase their chances of being included in Six Sigma decision making and implementation. The measures include the right skills of the HR professionals for contribution of Six Sigma initiative at both strategic and tactical levels.HR professionals can help executives approach culture change in a way that addresses the underlying business goals without creating organizational resistance. The methodology that has been employed is Survey that has involved more than 100 organisations employing about half million people.90%of HR practitioners taking part in the study said that their role was to support employees during a change programme, with more than 83% preparing information to help them cope with the process. About 77% were also involved in developing the timeline for change and in making the initial announcement to affected employees majoring about 65%. But rather few HR parishioners played a part in assessing whether the change programme had been successful (40%) or whether it produced the required return on investment (15%). Overall about Two-Thirds of practioners (67%) said that HR was responsible for developing training programmes to support the change. Such programmes where particularly common in larger organizations. Change Management Concept is hardly tried to be incorporated by few employers and also to major if it has an impact. Moreover Change Management models are rarely used by HR.

Keywords: Six Sigma, Change Management, Technology, Mergers, Acquisitions.

1. Introduction

HR professionals with the right skills can contribute to a Six Sigma initiative at both strategic and tactical levels. This paper describes the areas in which HR should play a role in Six Sigma and discusses how HR professionals can increase their chances of being included in Six Sigma decision-making and implementation. Chances are one have heard of Six Sigma, perhaps in connection with General Electric, the company that made it popular in the 1990s. One may even know that Six Sigma uses statistical techniques to improve processes in both manufacturing and service industries. But hardly one knows that there is an important role for Human Resources (HR) in this sophisticated process improvement approach. or that Six Sigma initiatives are

unlikely to succeed without HR's help. HR professionals with the right skills can contribute to a Six Sigma initiative at both strategic and tactical levels. This paper describes the areas in which HR should play a role in Six Sigma and discusses how HR professionals can increase their chances of being included in Six Sigma decision-making and implementation. To appreciate the important role HR has in Six Sigma, it is important to have an understanding of what Six Sigma is, all the roles played by others in a Six Sigma implementation, and the factors critical to a successful implementation. The term "Six Sigma" is widely used to refer to all of the following:

1. A structured method for improving business processes. This method, called DMAIC (define, measure, analyze, improve, and control), is supported by an assortment of statistical tools.

2. A statistical measurement of how well a business process is performing. A process that performs at "Six Sigma" produces only 3.4 defects out of every million opportunities to produce a defect. Processes that perform at lower sigma levels (such as one sigma or four sigma) produce more defects per million opportunities. It is possible for a process to perform at an even higher level (and thus have even fewer defects), but Six Sigma has become popular as the standard for excellent process performance.

3. An organizational mindset in which people make decisions based on data, look for root causes of problems, define defects based on customer rather than internal requirements, seek to control variation, track leading indicators of problems to prevent them from happening, etc.

2. Six Sigma Roles

Six Sigma has a martial arts convention for naming many of its professional roles. The table1describes how these roles are typically defined: Leaders and Champions usually receive high-level training on the technical aspects of Six Sigma and specific training on how to lead an initiative. At the "Belt" level, each candidate is assigned an initial "training project" that he/she will work on during the formal training period. Candidates attend classroom training for a week, work on their projects for three weeks, return to class for another week, and so on until they have acquired all the skills appropriate to their role.

3. HR's Role in Six Sigma

As with any major organizational initiative, many factors contribute to success. Some of these factors will fall within HR's area of responsibility, such as those discussed below.

3.1 Black Belt Selection and Retention

Having the right people in the Black Belt role is critical to the success of a Six Sigma initiative. The training investment is substantial for this pivotal role. Further, Black Belts are the visible "face" of Six Sigma. They help shape the organization's impression of Six Sigma, and, consequently, the willingness of many to embrace the initiative. Therefore, one wants to pick Black Belts very carefully. (Some organizations only select Black Belts from among those who have already been identified as "high potentials.").HR professionals can help the Six Sigma Leaders find the right people for Black Belt roles and ensure they remain in those positions for the typical two-year rotation. Potential HR contributions in this area include:

1. Building a competency model that will help identify candidates with the right mix of technical, team, and leadership skills and abilities.

2. Creating job descriptions that help candidates fully understand the position and expectations prior to signing on.

3. Developing a retention strategy that will help ensure Black Belts complete their rotation and the organization recoups its investment in training and development.

3.2 Rewards and Recognition

Rewarding and recognizing Black Belts and Six Sigma teams is more complex than it may appear. Black Belts join the Six Sigma initiative from various places in the organization where they are likely to have been at different job levels with differing compensation arrangements. Determining whether and how to make appropriate adjustments in level and compensation now that all these individuals are in the same role is both tricky and critical.Similar complexities are involved at the project team level. Six Sigma projects led by Black Belts typically result in savings in the hundreds of thousands of rupees. Deciding how the team should be rewarded and recognized and who should get credit for what is not easy. Yet ignoring these issues can result in resentment, reluctance to work on Six Sigma projects, and the potential failure of the overall initiative. HR professionals can help the Six Sigma Leader tackle the challenge of establishing the right rewards/recognition. Potential HR contributions in this area include:

1. Analyzing existing compensation arrangements to identify the extent to which those arrangements will support the Six Sigma initiative.

2. Creating a strategic compensation plan that will better support Six Sigma.

3. Developing a non-monetary reward program for Six Sigma teams.

3.3 Project Team Effectiveness

The work of Six Sigma is done mostly at the project team level by a Black Belt leading a small team through the steps of the DMAIC method. If the team itself does not function well or does not interact effectively with others in the organization who ultimately have to support and carry out the process changes, the project probably will not be successful. Given the typical project's potential payback, failure can be expensive. HR professionals can help the project teams work together more effectively. Potential HR contributions in this area include:

1. Ensuring team leaders and members get training and/or coaching in teamwork, conflict management, communications, dealing with difficult team members, and other team effectiveness skills.

2. Providing teams with tools that allow them to diagnose their own performance and identify when and where they need help.

3. Acting as a resource for Black Belts who encounter team-related challenges they cannot surmount.

3.4 Creating a Six Sigma Culture

Many Sponsors, Champions, and Leaders look to Six Sigma as a way to change an organization's culture to one that is more data-driven, proactive, decisive, and customer-oriented. But they often have little idea about how to achieve successful culture change.

HR professionals can help executives approach culture change in a way that addresses the underlying business goals without creating organizational resistance. Potential HR contributions in this area include:

1. Working with Six Sigma Sponsors, Leaders, and Champions to identify elements of the culture that might hinder the achievement of Six Sigma goals.
2. Advising on change plans that will target those specific cultural elements.
3. Identifying how Six Sigma can be rolled out in a way that works with, rather than against, the current culture.

3.5 Change Management and Communications

Introducing Six Sigma into an organization is a major change that will have a profound effect on a broad group of stakeholders. Managers and employees at many levels of the organization will be asked to engage in new behaviors. In many cases, those leading other initiatives will see Six Sigma as a source of competition for resources, executive attention, and organizational power. Others may see it as an indictment of their past performance. Many will be confused about how Six Sigma fits with the large number of other ongoing organizational initiatives.

HR professionals can help reduce the uncertainty and anxiety surrounding Six Sigma and increase the levels of acceptance and cooperation in the organization. Potential HR contributions in this area include:

- Drafting a change management/ communications plan that addresses the people side of the Six Sigma rollout.
- Helping create a "case for change" that describes:
- The reasons for and benefits of Six Sigma.
- How the organization will help employees succeed in new ways of working.
- How Six Sigma fits with other ongoing initiatives.
- Counseling Six Sigma Leaders and Champions on how their behavior can help or hinder Six Sigma's acceptance throughout the organization.

3.6 Being Included in Six Sigma

Just because HR professionals can play a role in the success of Six Sigma, it doesn't automatically follow that they will be asked to participate. Unless you are in an organization that views HR as a partner in all business initiatives, you may have to push to be included in Six Sigma.

HR can greatly increase its chances of being included in the Six Sigma initiative by:

1. Ensuring HR professionals have the right skills and knowledge.
2. Marketing its potential contribution early in the initiative.

3.7 Gaining the Right Skills and Knowledge

In addition to HR/organizational development-related areas, HR professionals need a familiarity with Six Sigma itself. Without a basic knowledge of the DMAIC method, supporting tools, roles, jargon, and even simple statistical methods, HR will not have the credibility it needs to be considered a potential contributor to the initiative. The time to get this knowledge is now. Even if the organization is not rolling out--or even considering -- Six Sigma today, there are two reasons why it's worth a HR professional's time to become familiar with the concepts now. If the organization does decide to implement Six Sigma, there won't be enough time to catch up. HR has to be involved at the very beginning of the initiative. In addition, there are many applications of Six Sigma to HR's processes themselves, e.g., the payroll process, benefits administration, selection, and recruiting. HR might even consider setting an example for the rest of the organization by adopting Six Sigma techniques to enhance its own processes. HR has a substantial role to play in the success of a Six Sigma initiative. But it will have the opportunity to contribute only if its professionals have the right skills and knowledge and are able to show Six Sigma executives the value they can add. Gain those skills now and make sure senior leadership knows how HR can help support the success of the initiative. Only then will they realize they just can't do it without you! Change management skills are a key part of the job for most Human Resources practitioners: More than four-fifths (83%) of the HR practitioners taking part said their organisation had undertaken initiatives requiring change management skills in the previous two years, with most reporting multiple change initiatives. In all, the 93 respondents who reported major changes within their organisation had been involved in 659 separate initiatives - an average of seven each in 24 months. Although few organisations (17%) had someone in their HR department devoted full time to change management, most (53%) had one or more practitioners with recognised expertise in the subject. The survey found that the HR function was most commonly involved in change management programmes at the planning stage (46%) - once a decision to go ahead had been made, but before it was more widely announced. At a further four out of 10 organisations (40%) taking part in the survey, HR was involved earlier - in initiating change and before a decision was made on whether or not to proceed. Just 10% were not involved until the implementation stage, and only 4% played no part in change. The survey shows that while HR was involved equally in initiating change in both public and private sector services (both 48%), it was most likely to be excluded from involvement in major change in manufacturing companies (15%). The survey involved a total of 114 organisations employing a total of just under half a million people. HR practitioners typically take a leading role in assessing the likely impact of change on employees as well as supporting them through the process. Nine out of 10 (90%) HR practitioners taking part in the study said their role was to support employees during a change programme, with more than eight out of 10 (83%) preparing information to help them cope with the process. A similar number (77%) were also involved in developing the timeline for change and in making the initial announcement to affected employees (65%). But rather fewer HR practitioners played a part in assessing whether the change programme had been successful (40%) or whether it produced the required return on

investment (15%).Overall, about two-thirds of practitioners (67%) said HR was responsible for developing training programmes to support change. Such programmes were particularly common in larger organisations and in the public sector than elsewhere. Almost all managers are trained in basic change management models, but the survey suggests these seldom survive outside the classroom environment.

Just four HR practitioners taking part in the study said their organisation used one of the standard change models - although three of these did rate it as extremely effective. Among the relatively small number of organisations where HR was involved in assessing the success of the change programme, the most common measure was employee satisfaction (73%).Other common measures used to assess the impact of change include an assessment of whether changes in processes had actually taken place (64%), and employee understanding of the changes (58%).

4. The Contribution of Human Resources to Change Management

Retailing is the fastest most dynamically changing segment of industry today. Fierce promotions, aggressive competition, expansion strategies, changing demographics and complex just-in-time distribution systems are just several elements of the change. Consumers are more value conscious than they have been in the past. The shopping habits have shifted. Many of the consumers can find the same items in different prices, and prefer the lower priced one. Consumers are much more value oriented at present. With more working women in the workplace, they have found little time to do shopping. The time for shopping is much more limited, as a result, convenience has become an important concept and internet or electronic commerce and mail order companies are doing brisk business as a consequence of the two-working adult family households. Thus, besides the e-retailers, classical bricks-and-mortar retailer started to utilize World Wide Web activities. Retailers are using more and more technology to enhance efficiency and low costs. This will reduce bloated inventories, improve purchasing & forecasting, and reduce out-of-stock problems.

5. Conclusion

Thus it can be inferred that it is a fact that the consumer behaviour is changing not only due the change in the consumer behaviour, but due to the availability of different types of buying decisions in terms of internet shopping, retailing and so on. Moreover, purchase decisions also depend on purchase quantity, purchase timing, purchase amount and so on. Nevertheless it can be mentioned that the change management plays an important role and HR managers cannot shrug off its responsibilities in this matter and it is they who plays a pivotal role in bringing the organization to adopt to the change management for rendering better service to the customers both present and prospective.

6. References

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