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lean human resources management



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By Carlo Scodanibbio



People.

People make the difference between failure and success.

Because only involved personnel, using creatively their brain and taking up responsibilities can enable an enterprise to face effectively the tough challenges of the years ahead....

For several decades we have created, in industry, a number of fake "factors of competitiveness": we have believed that, in order to compete and succeed, the secret would be *financial strength*, or *commercial abilities*, or *modern technology*, or *management style*, or

And people?

We have a bit forgotten about people and the vital importance af truly committed personnel..... Certainly, we have dedicated some attention to people: we have adopted the most fashionable Human Resources Management discipline of the moment, and believed that either through *MBO*, or *MBO II*, or good *Leadership*, or *Situational Leadership*, or *Quality Circles*, or *Total Quality Management*, or *Self-Directed Work Groups*, or *Motivational Talks*, or we would inject into people sufficient or even strong motivation so that they would jump like crickets while producing or executing their job and perform like superstars.... neglecting that

.... we have gone into the new millennium with styles and approaches to people management conceived long time ago (over two centuries) by Adam Smith (the rather famous *Division of Labour* principles) and perfected during the last century (by Frederick Taylor with his *Scientific Management System* and - most intriguing - by Unions all over the world, with their aseptic and almost "freezing" approach to personnel performance).... rather "dated".... Such style and approaches - adequate in the mid '90s - are, unfortunately, no longer suited to face the tough challenges of the years ahead....

The Lean Philosophy, based on Lean Thinking and Lean Management approaches (<u>more »</u>), comes to the rescue and finally puts in order the rather horrible mess that we have built over many decades in the field of People Management.

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The Lean approach to HR Management - Lean Human Resources Management (LHRM) - is based on a number of core principles:

- LHRM believes that people and only people will make the <u>difference between failure and</u> <u>success</u> of any organization
- LHRM believes that people can grow professionally, perform well and be good value producers
- LHRM believes there is no space in modern industry for *Pygmalion Effect* episodes: <u>managers make their people</u> and <u>managers must believe in people</u> and their capacity to perform well.

In order for people to change and grow, <u>managers must change first</u> and scrap their "traditional" misconceptions about personnel.

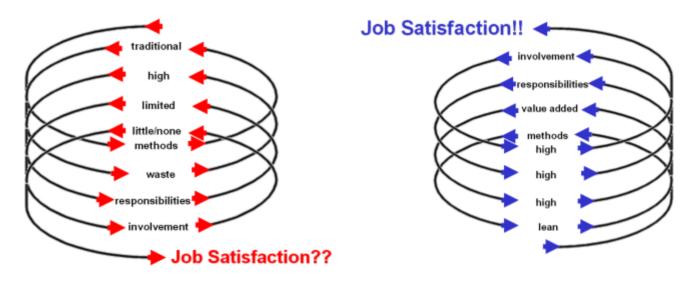
Consequently, <u>the entire Organisational Structure must change</u>: old, obsolete, "traditional" *formulas* need to be scrapped, replaced by healthy *Lean principles*.

- Under the LHRM angle of view, people can and must be *job satisfied*.
 To the purpose, organisations must create the necessary conditions by giving people *space* or *areas of purpose* within which **empowered** personnel can *act*, *grow*, *perform*, *improve* and regain *pride* and *dignity* usurped by decades of *Labour Division* and *Paleo-Management* while enjoying their *value-adding* activities.
- The key-word is empowerment.
 Which, under the LHRM angle of view is never mere delegation nor simple transmission of decision-making power and authority or, even worse, pure concession of benefits.
 Empowerment means *integral* transmission to people of *power* to act and do, but associated with *responsibilities* and *accountability*.
 This closes the circle: there can be little (or none) job satisfaction when there is no accountability and responsibilities are lacking, missing or undefined.
- In practice, **LRHM** shuts down once and forever *bottom-of-the-ladder tasks/jobs, single-skilling, single-functioning, simple tasks/jobs,* and the like, targeting instead at *job enrichment* first, and then *re-skilling, multi-skilling, multi-function jobs.* And - most important - highlighting the concept of *process* as opposed to the concept of *task.*
- LHRM represents the foundation of the *Second Industrial Revolution* (as opposed to the *First Industrial Revolution* based on Smith/Taylor principles). By re-discovering the somehow lost concepts of value and process (as opposed to the concepts of non-value-adding and task), the Lean Philosophy opens wide the door to high levels of industrial (and People) performance: gradually, through *job enrichment* first and then through solid *re-skilling* and *multi-skilling*, personnel (NB: <u>at all levels</u>!), individually and/or in teams, are inserted in simple then more complex processes, which they <u>understand</u>, which they **own**, for which they are assigned to improve and perfect over time through Lean Kaizen practices.

Such approach can generally and definitely lead to pride and job-satisfaction.

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The "traditional" approach, as opposed to the Lean approach, can be schematised as follows:



Lean Human Resources Management is the ultimate, logical development of TEI - Total Employee Involvement, one of the core disciplines of the TPS - Toyota Production System.



Carlo Scodanibbio, born in Macerata (Italy) in 1944, holds an Italian doctor degree in Electrical Engineering (Politecnico di Milano - 1970). He has over 49 years of experience in Plant Engineering, Project Engineering and Project Management, as well as Industrial Engineering and Operations Management. Free-lance Consultant since 1979, he has worked in a wide spectrum of companies and industries in many countries (Southern Africa - Italy - Cape Verde - Romania - Malta -Cyprus - Lebanon - Mauritius - Malaysia - Nigeria - Kenya - India - Saudi Arabia - Seychelles), and operates as an Independent Professional Consultant and Human Resources Trainer to industry. His area of intervention is: World Class Performance for Small and Medium Enterprises in the Project, Manufacturing, and Service sectors. His favourite area of action is: the "lean" area.

He has co-operated, inter-alia, with the Cyprus Chamber of Commerce, the Cyprus Productivity Centre, the Malta Federation of Industry, the Mauritius Employers' Federation, the Romanian Paper Industry Association, the United Nations Industrial Development Organisation and the University of Cape Town. His courses and seminars, conducted in English, Italian and French, have been attended by well over 20.000 Entrepreneurs, Managers, Supervisors and Workers. They feature a very high level of interaction, and are rich in simulations, exercising and real case studies. The approach is invariably "hands-on" and addressed to immediate, practical application.

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