Building Champions

Six Sigma Applied to Human Resources

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Workshop Objectives

- Understand the basic concepts and techniques of Six Sigma

- Know how to identify and select HR projects that will have an impact on the business

- Experience real-life examples of successful HR Six Sigma Projects

- Understand the role that HR can play in Six Sigma

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History of Six Sigma

- Originated in the early 1980's at Motorola.
  - TQM was not achieving the desired results.
- Focused on reducing product and process variability in order to prevent defects.
- Used to achieve the goal of "doing it right the first time".
- Established and communicated the process they termed "Six Sigma".

What Is Six Sigma?

Six Sigma is a variation reduction process used by cross-functional project teams to improve customer satisfaction, create revenue growth & reduce costs.

Six Sigma will DRAMATICALLY improve the BOTTOM LINE!

A **philosophy** or a business strategy

Thinking

Managing the Business

Performing Jobs Better

Meeting Strategic Objectives

A variation reduction **methodology**

Process Improvement

Identifying & Eliminating Variation

Preventing Defects

A **metric** used to measure process output

Measurement

Goal

Six Sigma: A Philosophy

Operational Excellence:
Understanding customer expectations and meeting them with a high quality product and/or service.

Six Sigma:
A philosophy or business strategy for achieving Operational Excellence within manufacturing and business processes.

Six Sigma: A Methodology

- Statistical "Tool Box" including:
    - ➤ Measurement System Evaluations
    - ➤ Control Charts
    - ➤ Hypothesis Testing
    - ➤ Components of Variation Studies
    - ➤ Design of Experiments
    - ➤ Analysis of Variance
    - ➤ Regression Analysis
    - ➤ Capability Studies

- "Roadmap" for gaining process knowledge:
    - ➤ **D**efine, **M**easure, **A**nalyze, **I**mprove, **C**ontrol

Six Sigma: A Methodology

- It is not just "Statistics"! Other tools include:
    - Thought Mapping
    - Process Mapping
    - Effective Teaming Skills
    - Presentation Skills
    - Project Management

- "Roadmap" for gaining process knowledge:
    - **D**efine, **M**easure, **A**nalyze, **I**mprove, **C**ontrol

Six Sigma DMAIC Methodology

DEFINE

MEASURE

ANALYZE

IMPROVE

CONTROL

DMAIC - Define

DEFINE the project (i.e. the process improvement opportunity):

- Develop a clear definition of the project opportunity.

- Collect background information on the current process & the customers' needs/requirements.

DMAIC - Measure

MEASURE the current situation:

- Gather data/information on the current situation (baseline) to provide a clearer focus for the improvement effort.

- Verify integrity of the data.

DMAIC - Analyze

ANALYZE to identify causes:

- Identify the root causes of defects & variation.

- Confirm them with data.

DMA**I**C - **I**mprove

IMPROVE by implementing solutions:

- Develop, test and implement solutions that address root causes.

- Use data to evaluate results for the solutions and the plans used to carry them out.

DMAIC - Control

CONTROL:

- Maintain the gains that have been achieved

  - Standardizing work procedures or processes

- Anticipate future improvements

- Preserve the lessons learned from this improvement effort

Six Sigma: A Metric

- Sigma is a statistical term for standard deviation

  - A measure of process variation

  - Represented by the Greek letter σ

- Can be translated into "defects per million opportunities" (DPMO)

The "Sigma Level" of a process can be measured…the higher the better!

Practically Speaking...

Four Sigma	Six Sigma
20,000 lost articles of mail/hour	Seven lost articles/hour
Two short/long landings/day	One short/long landing/five years
200,000 wrong drug prescriptions/year	Sixty-eight wrong drug prescriptions/year

Where do you think your processes are?

The Six Sigma Goal

- Identify, isolate, and eliminate variation.

- Prevent defects rather than detect defects.

- Problem solve pro-actively instead of "fire-fighting".

Continuously Improve!

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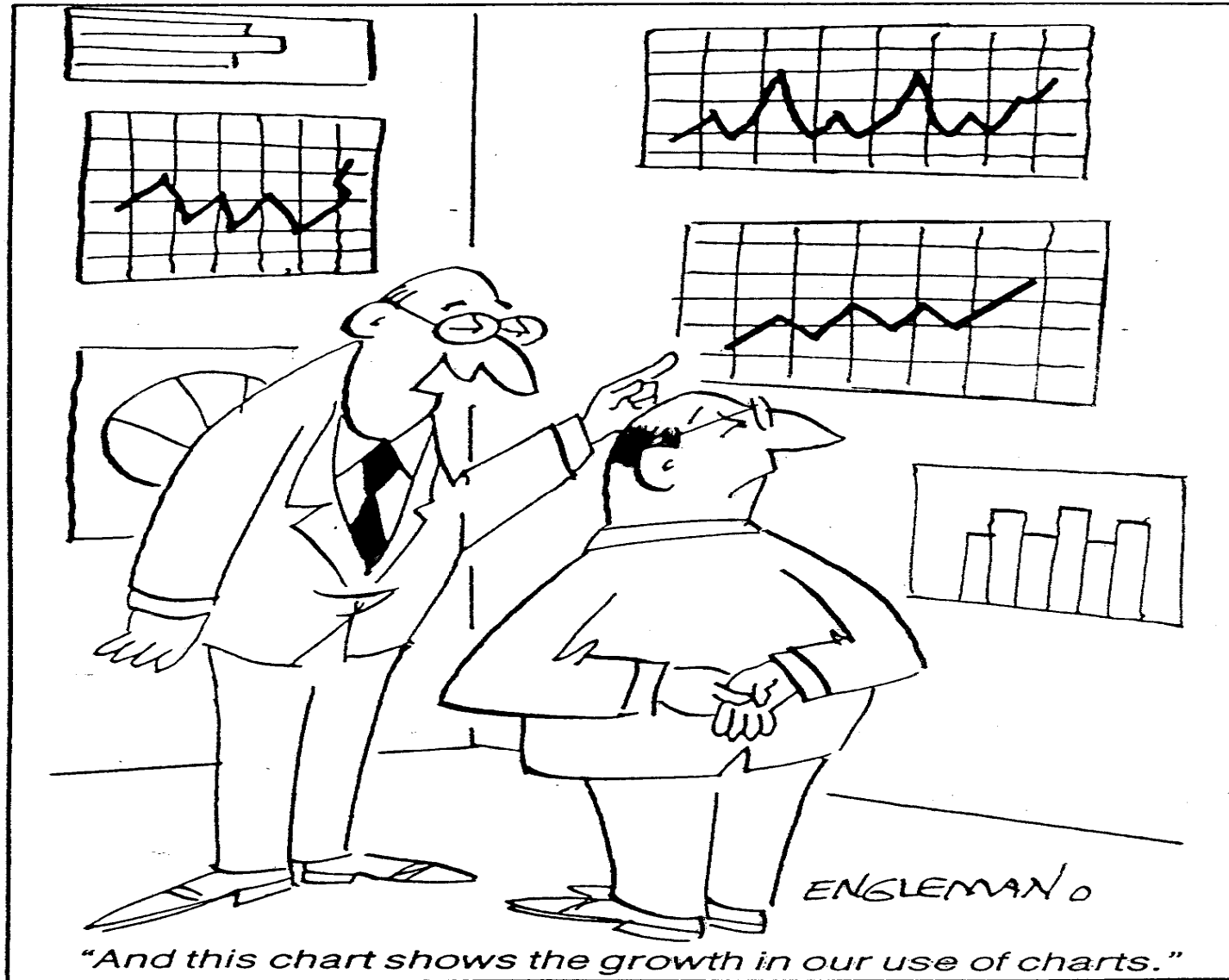
Six Sigma Is Not

- Just another training program

  - *It's about results!*

    o *Trainees begin the learning process with a process improvement project already defined*

- A replacement for current quality management systems

- The "Cure-All"

- Only applicable for manufacturing

Data/Knowledge Is Power!

- We don't know what we don't know.

- If we can't express what we know **in the form of numbers**, we don't know much about it.

- If we don't know much about it, we can't control it.

- **If we can't control it, we are at the mercy of chance!**

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Do We Measure the Right Things?

Benefits to Be Expected

- A Common language and set of tools for strengthening systems & processes

- An effective method for data-driven decision making

- Bottom-line improvements:

  - Cost savings, profits, quality, growth, customer satisfaction

  - Each 6σ project is expected to have business benefits

    o From $5,000 to over $1,000,000 in annual savings

    o An average "Green Belt" project can save approximately $50K

    o An average "Black Belt" project can save approximately $150K

Differentiating Characteristics

- Strong emphasis upon understanding customer requirements

- Focused problem-solving projects aligned with business goals

- Packaging of the tools

- Disciplined rigor of data-based decision making

- Intense financial focus and visibility of bottom-line business results
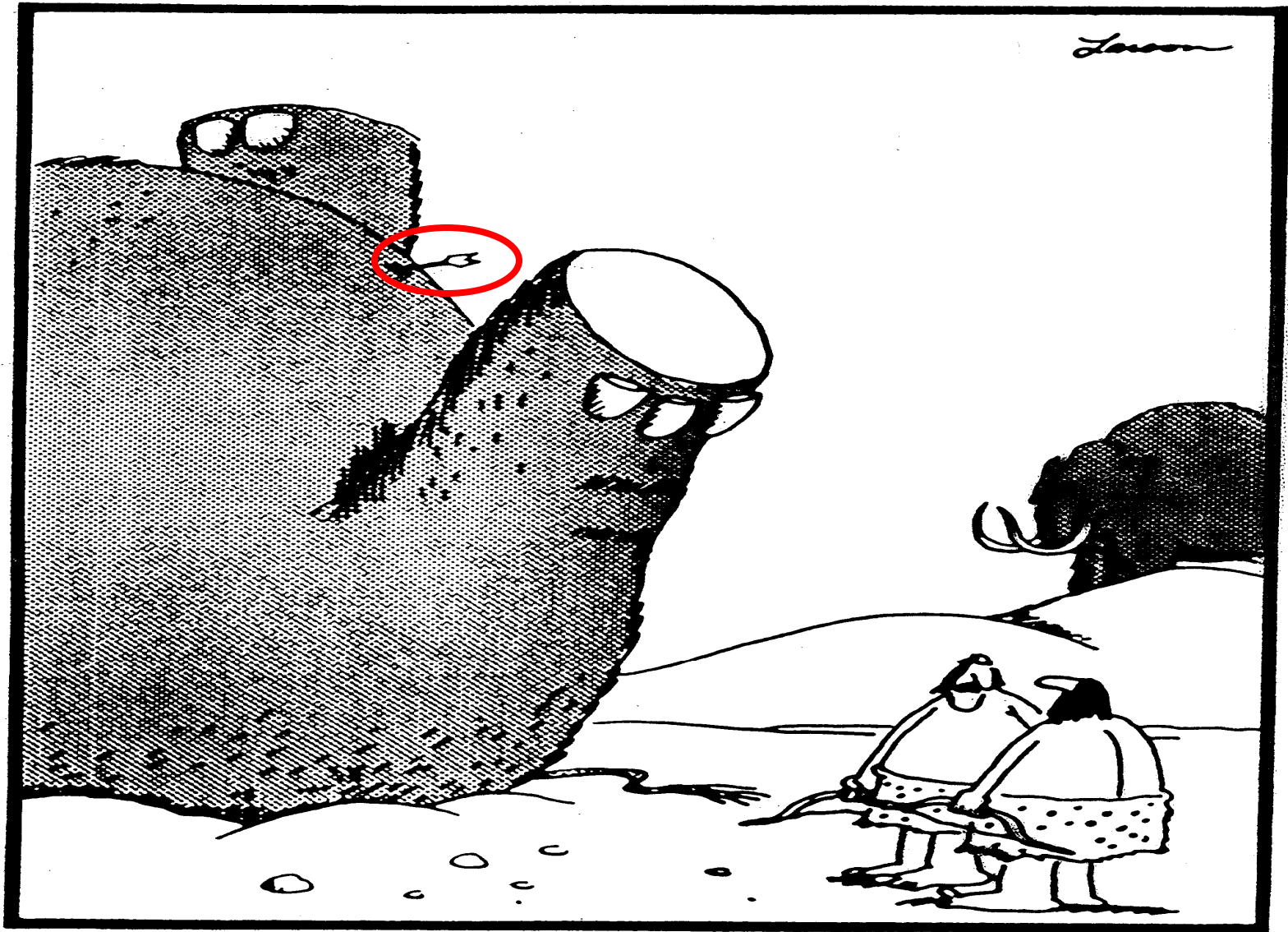
Six Sigma Applications

- Administrative
- Transactional
- Design
- Purchasing
- Manufacturing
- Maintenance
- Customer Service
- Quality Assurance

Process Improvements Lead to Business Results!

Six Sigma strives to eliminate and prevent process "defects"!

"Maybe we should write that spot down."

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Business Results

Process Improvement

Process Management

Process Development

HR's Opportunity

Organization Capability

Shareholder Value

Workforce Productivity

Customer Value

People Processes

Productivity

HR Transactions

Costs

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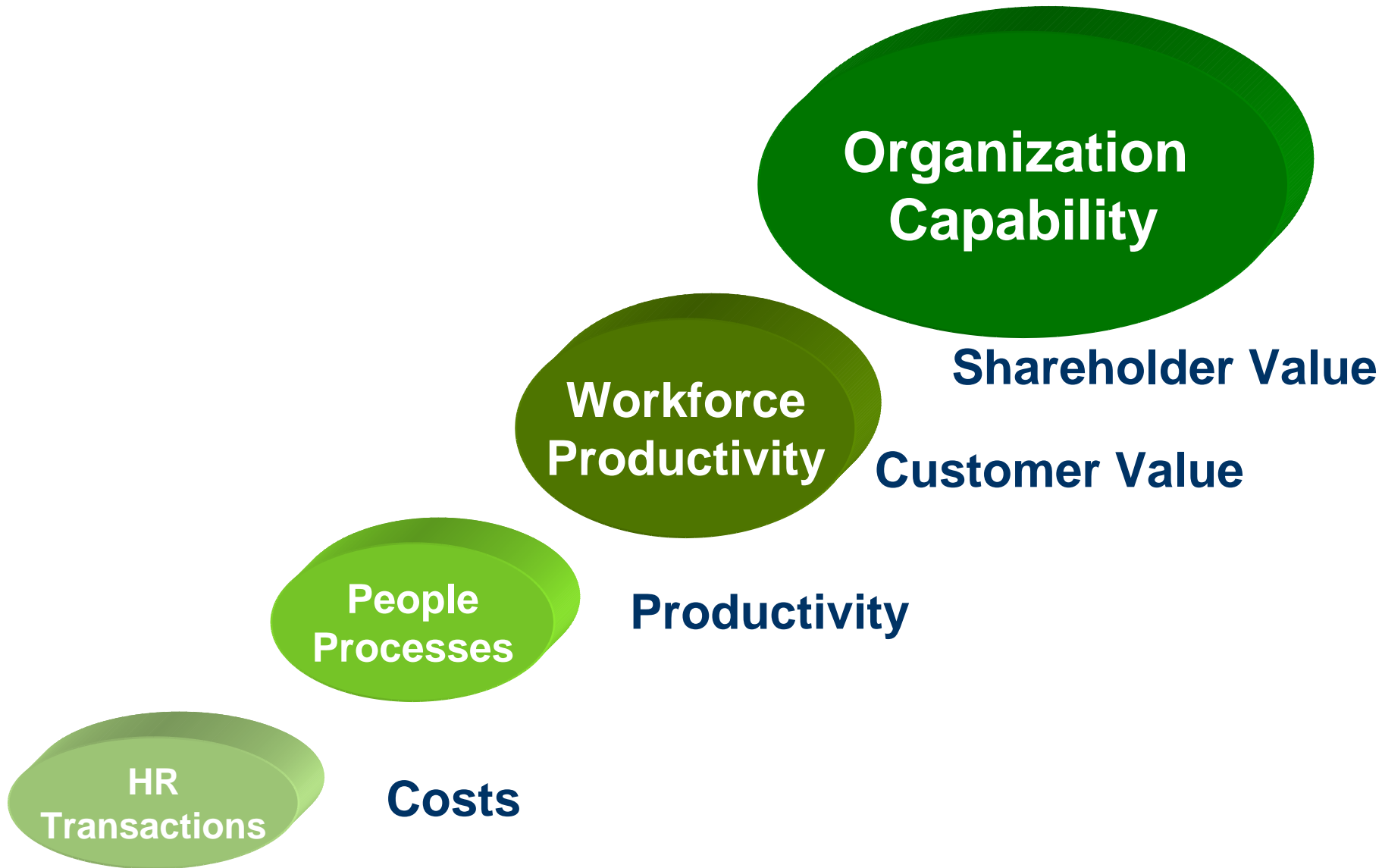
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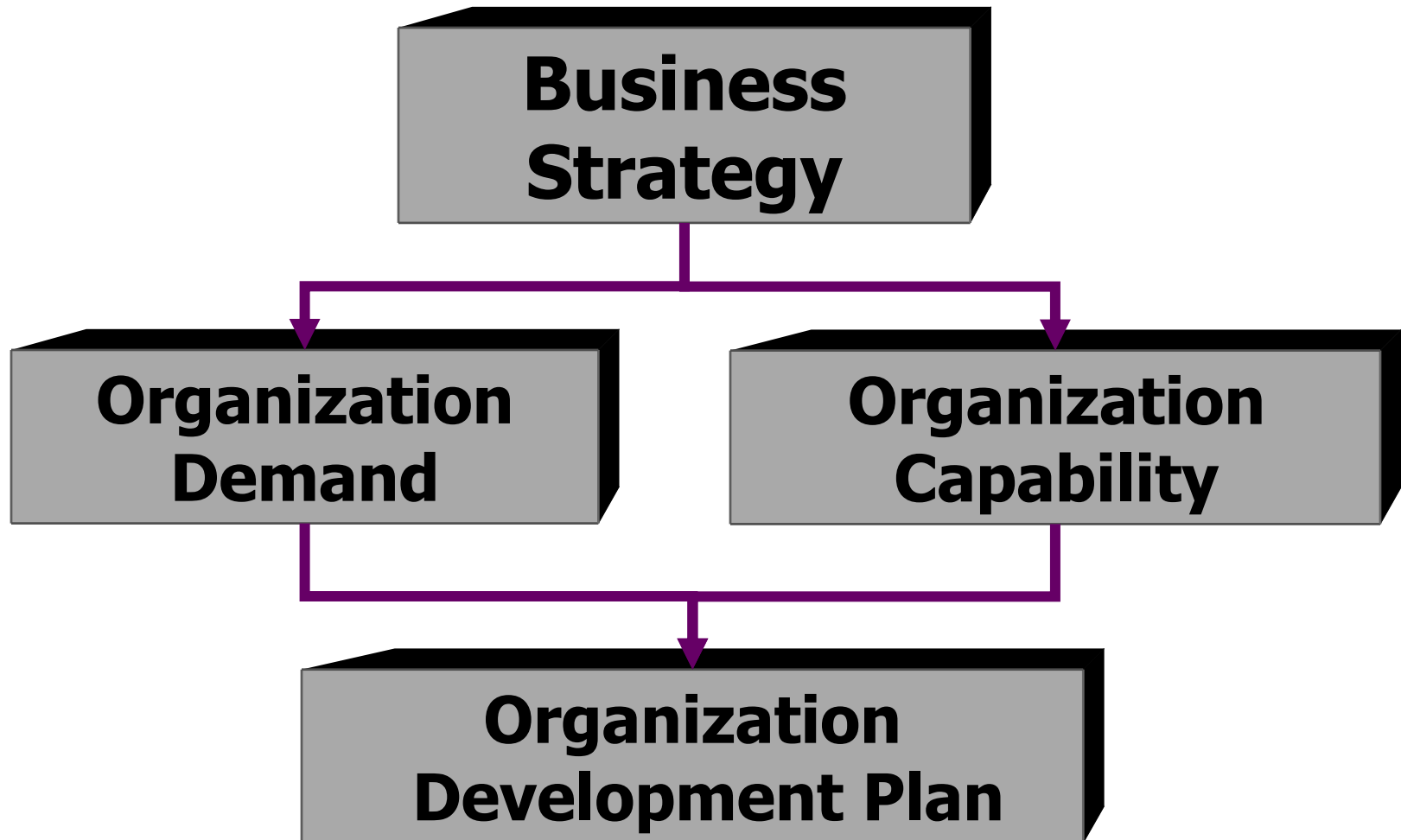
The Business Case

> **"Companies that more closely aligned goals across their organization enjoyed much higher levels of financial success"**
>
> *How Smart HCM Drives Financial Performance*
> Workforce Intelligence Institute & SuccessFactors, 2006

Do your employees understand the connection between their efforts and overall goals?

The Business Case

> **"Companies that increase employee engagement see improvement in operating margins."**
>
> Towers Perrin
> *New Realities in Today's Workforce 2007*

What does your engagement picture look like?
How does it relate to company performance?

The Business Case

> **"Organizations with strong performance-oriented cultures witnessed far better financial growth during the same period."**
>
> Nohria, Joyce, and Roberson
> "What Really Works"
> *Harvard Business Review* (July 2003)

What is your company's culture and how can it be improved to make a difference?

The Business Case

Certain Human Capital practices* explain as much as 43% of the difference in the market-to-book value of one company compared to another.

Deloitte & Touche
Human Capital ROI Report

*   The practices vary depending on the business's Driving Force
*   Some are universal:
    Managing Talent
    Rewarding Performance
    Communicating Strategically

"Talent issues are at the heart of our rapidly changing world economy and will continue to present formidable challenges to business leaders."

THE CONFERENCE BOARD

How Is HR Handling the Challenge?

% NOT Satisfied

HR drives business results	90
Talent aligned with Strategy	90
Succession Planning Process	80
HR responding to future talent needs	70

Corporate Leadership Council 2008

Identifying HR Projects

Organization Demand: People Processes

	HR Process
Strategic Importance → **Mission Critical**	On-Boarding Coaching & Feedback Mentoring Deployment Culture Management Knowledge Transfer Recruiting & Selection Retention Communications Employee Engagement
Important	Variable Compensation Performance Management Internal Networking Training & Development
Maintenance	Base Compensation Benefits Planning & Admin Employee Relations

Business Strategy → Organization Demand / Organization Capability → Organization Development Plan

Identifying HR Projects

People Process Assessment

Process Effectiveness			
Strategic Importance	**Broken/Nonexistent**	**OK**	**Differentiator**
Mission Critical	On-Boarding Coaching & Feedback Mentoring Deployment Culture Management Knowledge Transfer	Recruiting & Selection Retention Communications Employee Engagement	
Important	Variable Compensation Performance Management Internal Networking	Training & Development	
Maintenance		Base Compensation Benefits Planning & Admin Employee Relations	

Project Opportunities →

Identifying HR Projects

Effectiveness

	Low	High
High	**Investment Required**	**Continuously Improve**
Low	**Eliminate or Outsource**	**Reduce Investment**

Value

Identifying HR Projects

HR Process Capability Survey
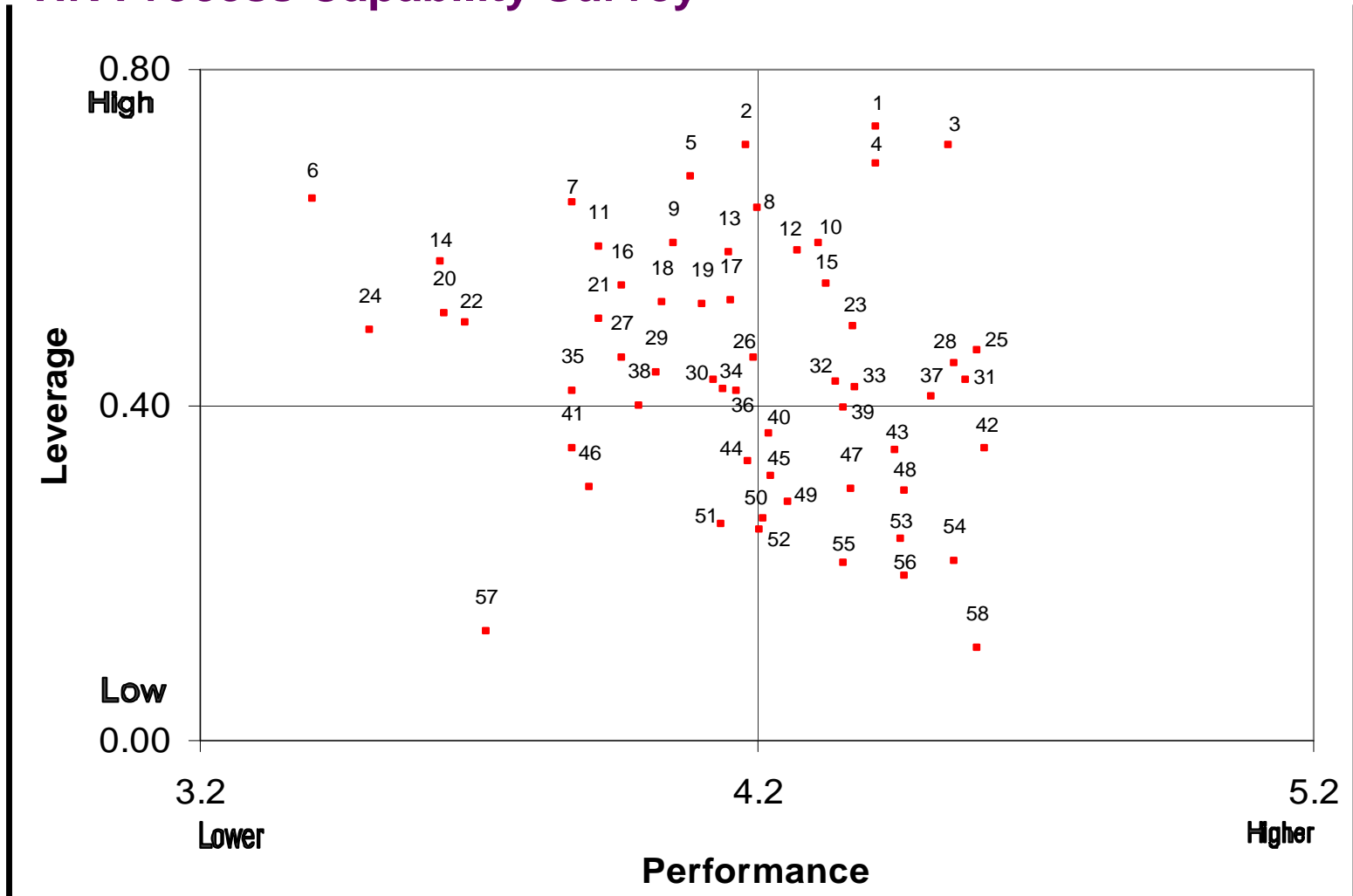
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Real Life Examples

- Improving Time-To-Hire

Define

Measure

Analyze

Improve

Control

Time-To-Hire Project Summary

- **Location**
  - All North American Operations

- **Problem Statement:**
  - The organization is currently resource constrained.
  - Overburdening resources creates turnover which further contributes to the problem.
  - There is a need to reduce the time it takes to fill an open position.

- **Goal Statement:**
  - Reduce Time-to-Hire for salary professional positions by 10% by X date by creating a process that will continue to produce efficiency improvements and promote effective selection tools.

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Business Case

Business Case:

- The Company is growing in the midst of an overall economic recovery
- The organization is currently resource constrained and facing a future supply shortage of skilled professionals.
  - o Changing demographics of the workforce
  - o Increased skill and experience requirements
  - o Increased competition for talent available
- Failure to meet professional staffing requirements will affect the ability to meet strategic goals.
- Improving time-to-hire will contribute to accelerating achievement of strategic business goals.

Benefits to Internal Customer:

- Improved retention of key contributors
- Ability to meet and exceed objectives

External Customer:

- Ability to respond to customer requests faster
- Expand services and product markets

Cost Savings

Metrics

- Time-to-Hire
- Cost-to-Hire
- Effectiveness of Recruiting Sources
- New Hire Retention
- Recruitment Activity

Baseline

- Average time-to-hire 79 days
- Previous Year

Traditional Cost Measures

- Advertising
- Travel reimbursement
- Recruiter fees

The Hidden Cost of Recruitment

- Lost Revenues (Profit)
- Turnover
- Missed Goals and Objectives

REVISED METRIC

Daily Profit per Employee = Annual Profit / Total Employees / 250 days

*A 10% reduction in time-to-hire = $35/day * 8 days = $280 per Requisition*

Project Timeline

Apply best process to all openings
Train all hiring managers
Track and measure performance
3 Weeks
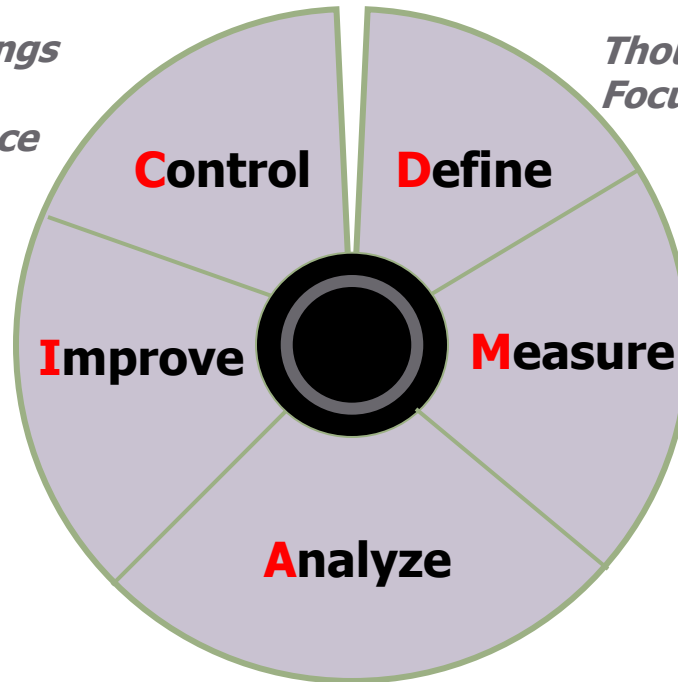
Thought Map, SIPOC, Process Map,
Focus Group and Survey feedback
1 Month

Control

Define

Improve

Measure

Analyze

Select jobs to trial various
process improvements and
track performance
2 Months

Using applicant tracking data
to verify baseline & to track
effectiveness of recruitment
sources

1 Month

Use various charting tools to
visually identify time–to– hire
process issues
3 Months

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Thought Map

Creating a sense of urgency

Difficulty in scheduling on site interviews

Defined Schedule of recruiting events

Creation of Recruiting Manual
Include process steps
Resources
Screening TIPS
Sample questions

Is there a measurable level of engagement by hiring managers?

Manager suggestion – Everyday reminder on calendar –

Utilization of panel phone screens through ECI service

Is this done in a timely manner?

Commitment to 24-48 hour turnover with Job Description

Quick notes link?

Initial interview with Hiring Manager – detailed guidelines

Effect of candidate Location, schedule

Who is the Hiring Manager?

Grading of Position

Build a data base list of professional organizations and job sites

Opportunity for Improvement

What factors can effect Time-to-Hire?

Spending Time with Hiring Manager

Locating the candidates – internal vs external source
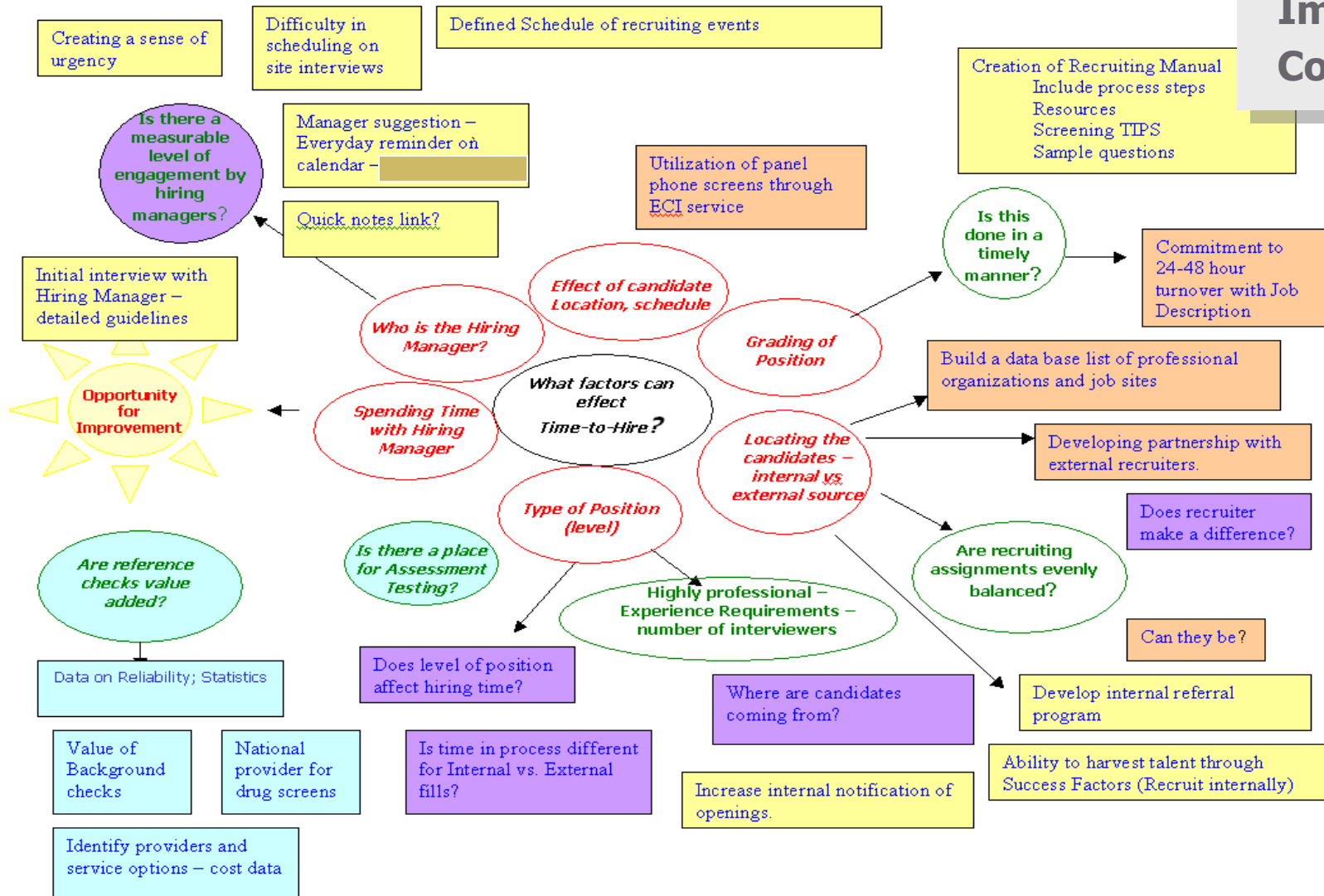
Developing partnership with external recruiters.

Type of Position (level)

Does recruiter make a difference?

Are reference checks value added?

Is there a place for Assessment Testing?

Are recruiting assignments evenly balanced?

Highly professional – Experience Requirements – number of interviewers

Can they be?

Data on Reliability; Statistics

Does level of position affect hiring time?

Where are candidates coming from?

Develop internal referral program

Value of Background checks

National provider for drug screens

Is time in process different for Internal vs. External fills?

Increase internal notification of openings.

Ability to harvest talent through Success Factors (Recruit internally)

Identify providers and service options – cost data

SIPOC Diagram

Project Goal Statement:
Reduce Time-to-hire window from Time requisition received in HR until Offer accepted.

Inputs	**S**uppliers	*Requirements*		**O**utputs	**C**ustomers	*Requirements*
Electronic Posting	Kenexa, Career Builder, Monster	Provide visibility to of position to qualified candidates		Resumes/Applicants received	Internal Hiring Managers	Provide complete job description, defined minimum requirements
Screening of Candidates	HR Recruiter in combination with Hiring Manager	Identify top candidates for consideration		Prescreen Interviews	Internal Hiring Managers/ Screening team	Clear understanding of position requirements; information to review qualifications of candidates
Interview Process	HR Recruiter in combination with Hiring Manager and hiring team	Convenient schedule; structured interview; compilation of results		Final candidates for consideration	Internal Hiring Managers/ Screening team	Recommendation from HR; follow up on reference checking; facilitation of selection process
Job Offer	Hiring Manager and Compensation Manager	Competitive offer with consideration to internal equity		Candidate accepts offer and start date set	Hiring Manger and Candidate	Details regarding salary expectations; ability to negotiate where necessary

High Level Process Steps

Process Scope:
Signed Requisition to Offer Accepted

Process Map

	Authorization to Hire Specific posiiton		Engaged/Most appropriate person	Clear,Concise definition of job requirements	Good Candidates	Identify qualified ca
Requisition received in HR	**Recruiter Assigned**	*Inser*	**Posting Entered on Kenexa**	**External Advertisement**	**Review of Candidates Responding**

Express need	Balance of work load	Feedback from hiring manager	Internet Sources	Manager driven
Increase in Business or turnover	Functional expert in the area	Job Description	Mgr Feedback	Recruiter driven
Approval Levels	Succesful partnering with	Prior postings	Budget	Prescreen Questions
Signature Process	manager of business uni	Target Audience	Direct Employer Posting	
Job Description	Prior experience		America's job Bank	
Job Grading			NewsPaper	
			Job Fairs	

Narrow candidate pool	Identify best fit	Final selection	Decision to hire	Offer letter
Prescreen Phone Interview	**On Site Interview**	**Evaluation of candidates**	**Reference Check**	**Compensation review**

Cost	Cost	Panel consultation	Availabilty of references	Internal equity
Manager Interest	Manager Interest	Feedback forms	Liability	Market data
Location of candidate	Location of candidate	HR Input	Willingness of references	comp manager
Type of job (Higher level -	Type of job (Higher level -	Other potential fits for candidates	Timing of contact	
more liekly)	number of interviewers	Meets base line qualifications	Value added?	
	Panel vs series interview			
	number of on sites			
	structured interview			

Clear definition of customer(mgr) expectations

INSERT

Offer Accepted		**Meet with Hiring Manager**

Competitive compensation		Recruiter Initiated
Benefits package		Review Job Description
Relocation where appropriate		Draft posting
		Define mode of operation
		Determine budget

Trend Analysis

Calendar Year	Total Terms	Greater than 1 year Seniority	Less than One Year	Percent New Hire Turnover
2001	36	30	6	17%
2002	32	29	3	9%
2003	30	28	2	7%
2004	**42**	**26**	**16**	**38%**
2005	6	5	1	17%
Grand Total	**146**	**118**	**28**	

Recognition of the percentage of new hire turnover in 2004 initiated a new Six Sigma Project focused on turnover analysis and improving the selection & assessment processes.

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Initial Data Analysis

I-MR Chart of TIME TO HIRE FY04 BASELINE
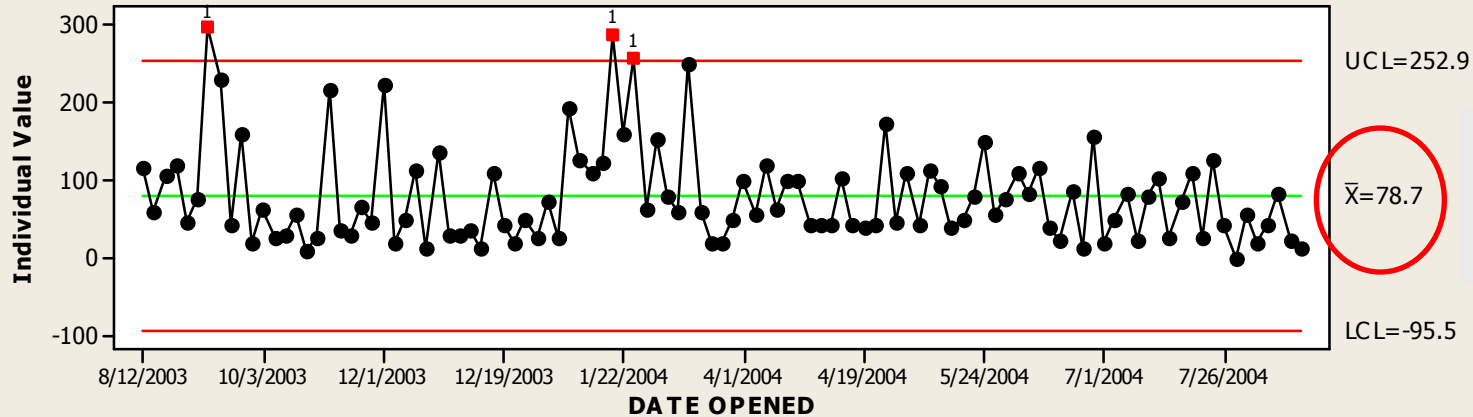
Average time to Hire
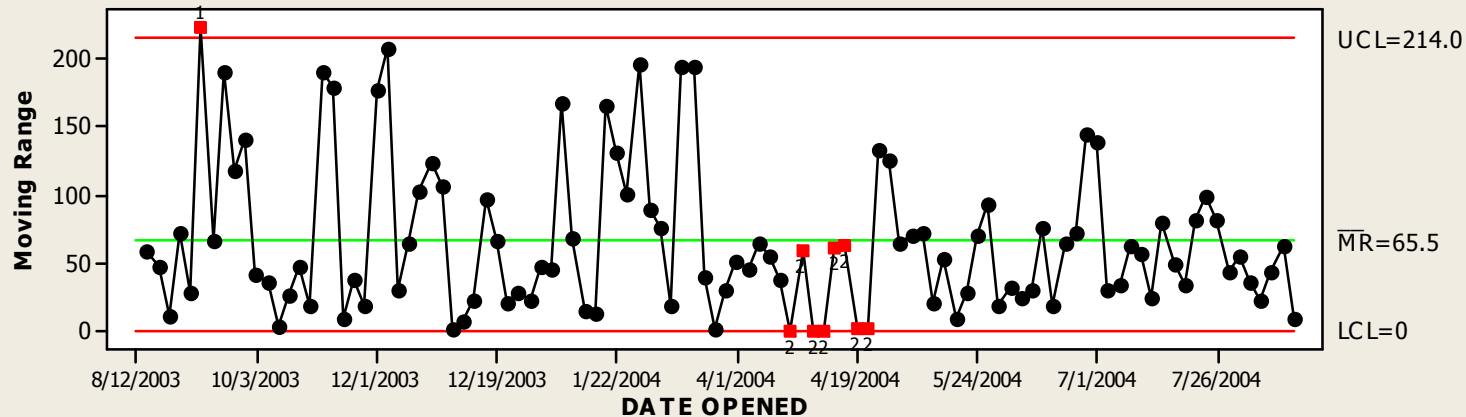
Setting New Parameters

I-MR Chart of TIME TO HIRE/FY04 - Q4 Process Changes
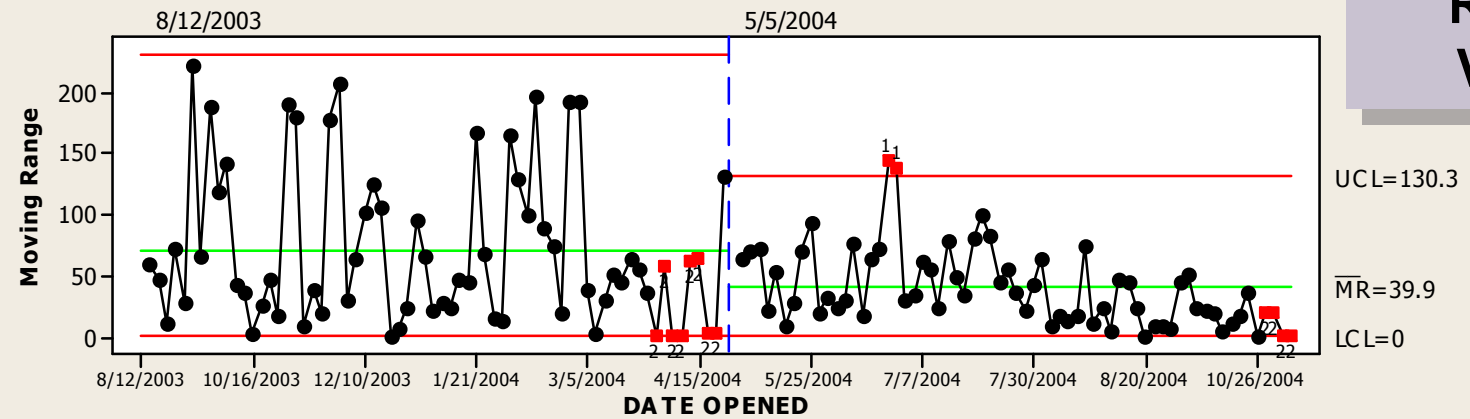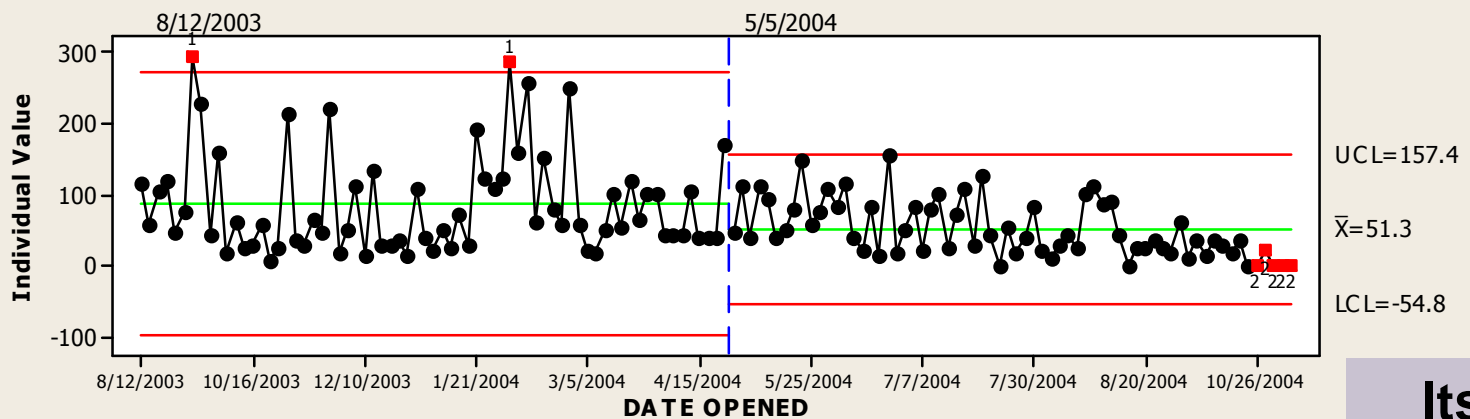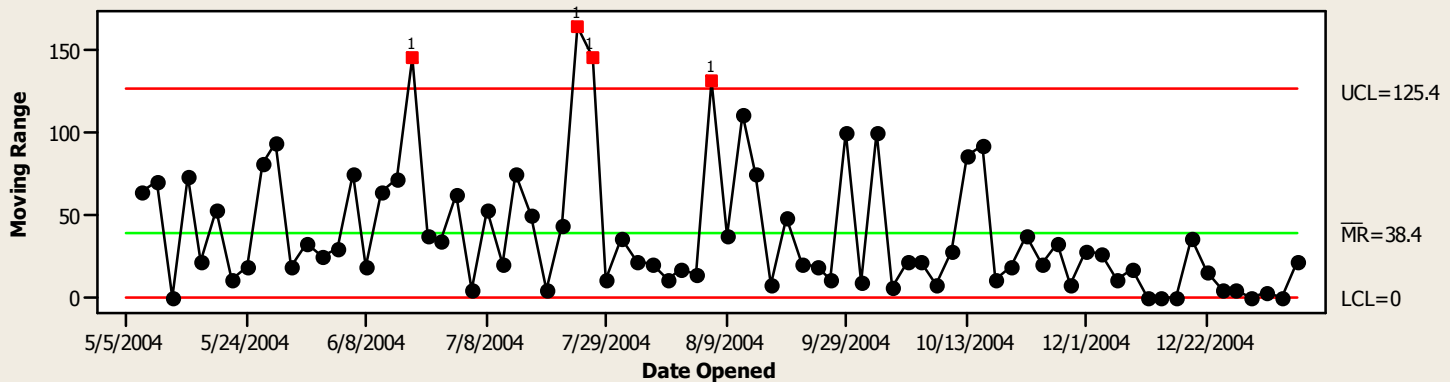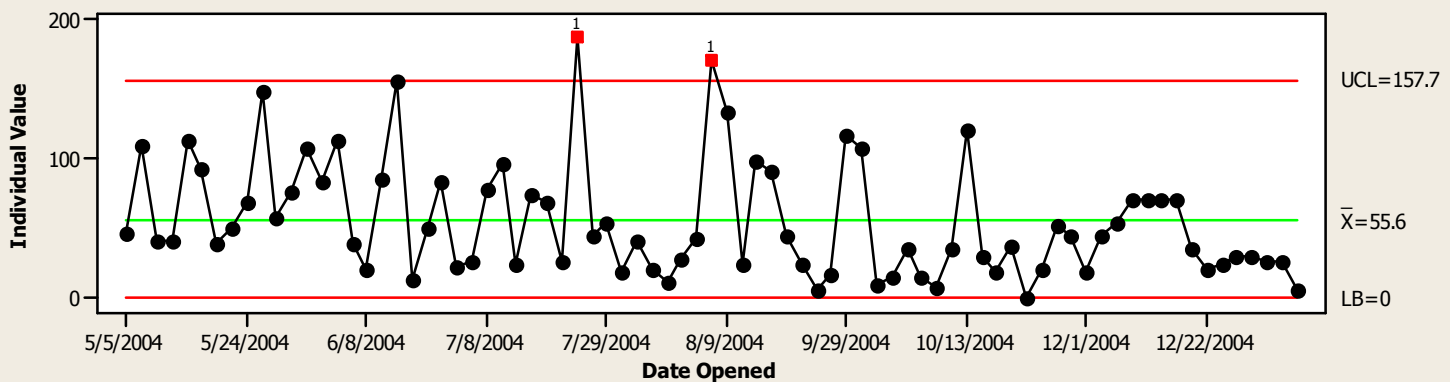
Its all about Reducing Variation

Data Analysis – Current State

Control Chart for TIme to Hire
Period from May 2004 through February 2005
Non-production positions posted both Internally and Externally

Metrics and Factors

- Applicant Tracking
  - Time-to-Hire
  - Cost-to-Hire
  - Source Effectiveness
  - Recruitment Activity
- HRIS
  - New Hire Retention

- Critical Factors
  - Advertising source
  - Combination of sources
  - Number of applicants received
  - Recruiter assignment
  - Candidate source
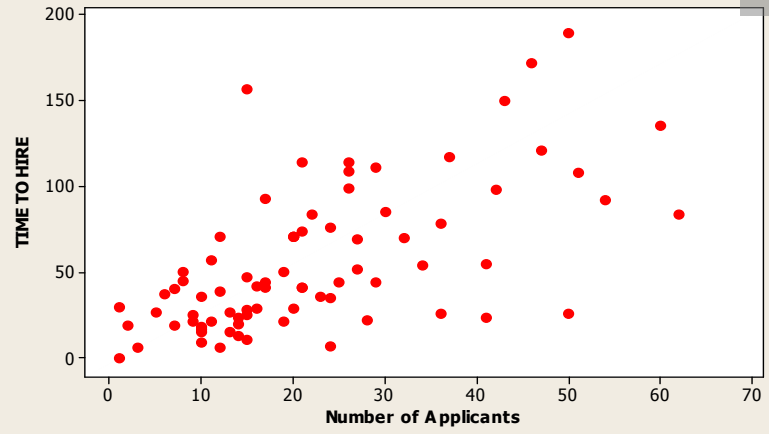   - Internal vs External
  - Job Grade
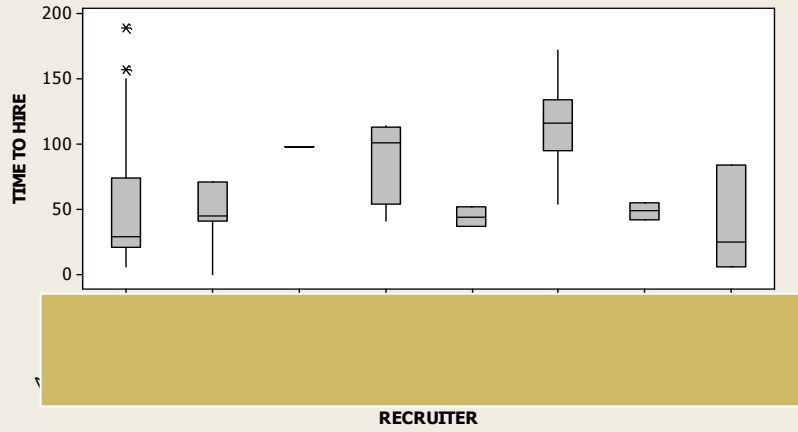
Evaluation of Factors

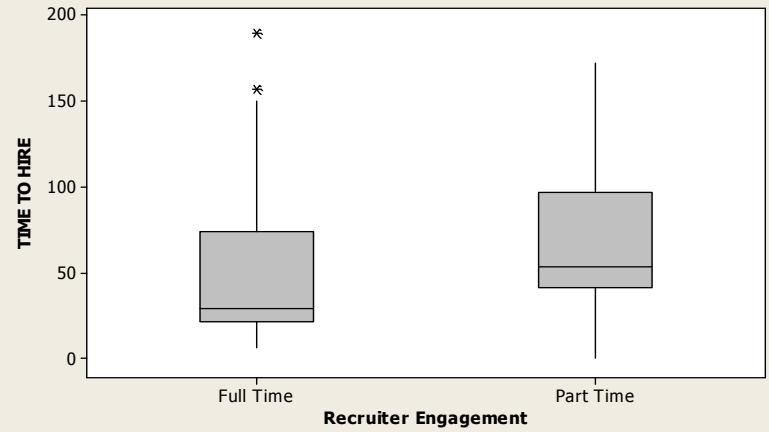Pie Chart of PERCENT vs REFERRING SOURCE
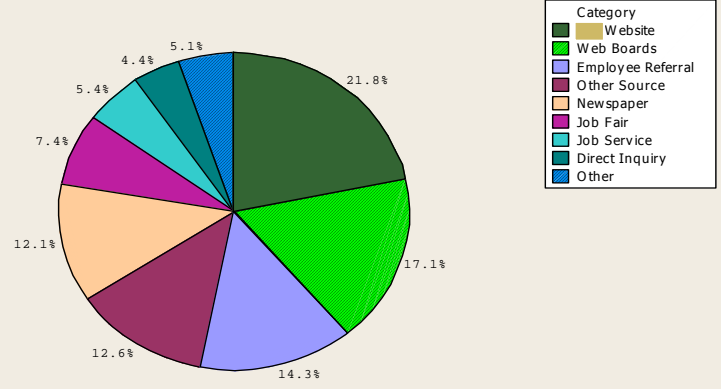
Scatterplot of TIME TO HIRE vs Number of Applicants

Boxplot of TIME TO HIRE vs RECRUITER

Boxplot of TIME TO HIRE vs Recruiter Engagement
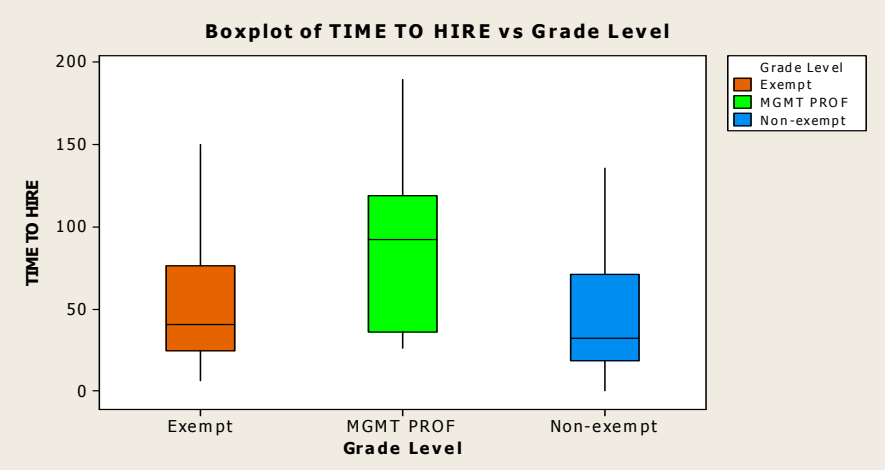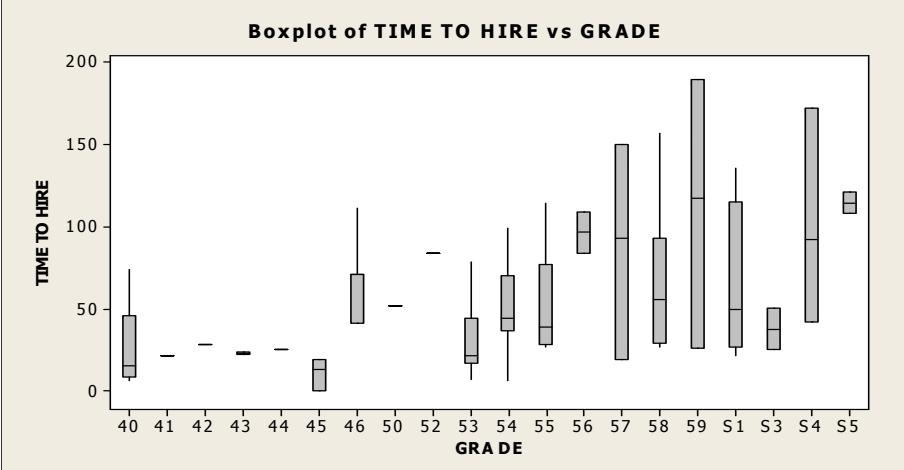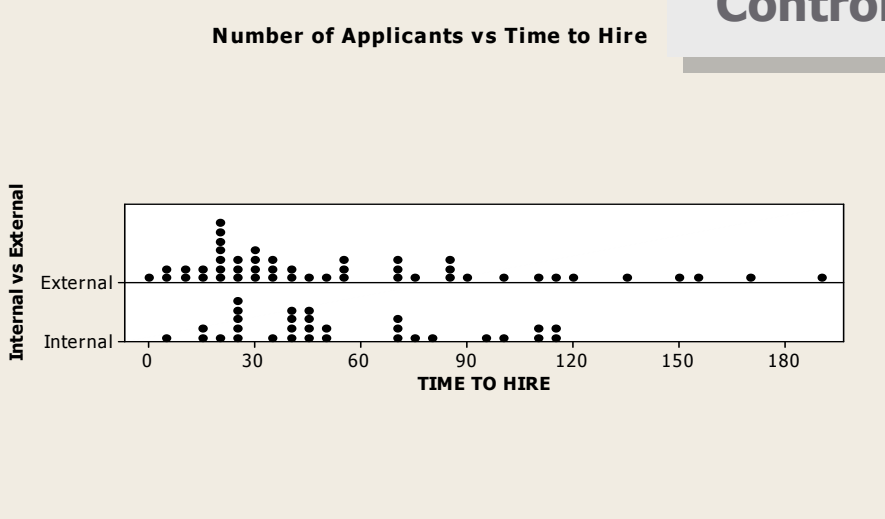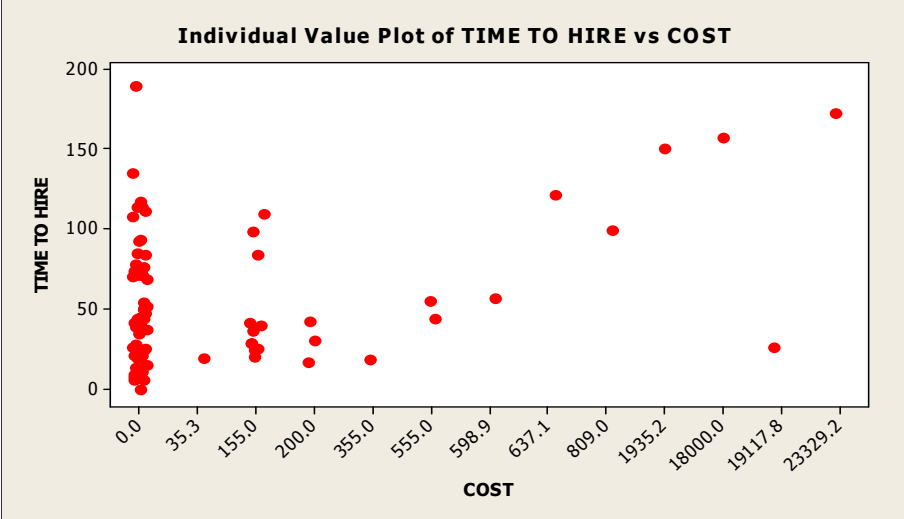
Evaluation of Factors

Individual Value Plot of TIME TO HIRE vs COST

Number of Applicants vs Time to Hire

Boxplot of TIME TO HIRE vs GRADE

Boxplot of TIME TO HIRE vs Grade Level

Evaluation of Factors

Pareto Chart of Source
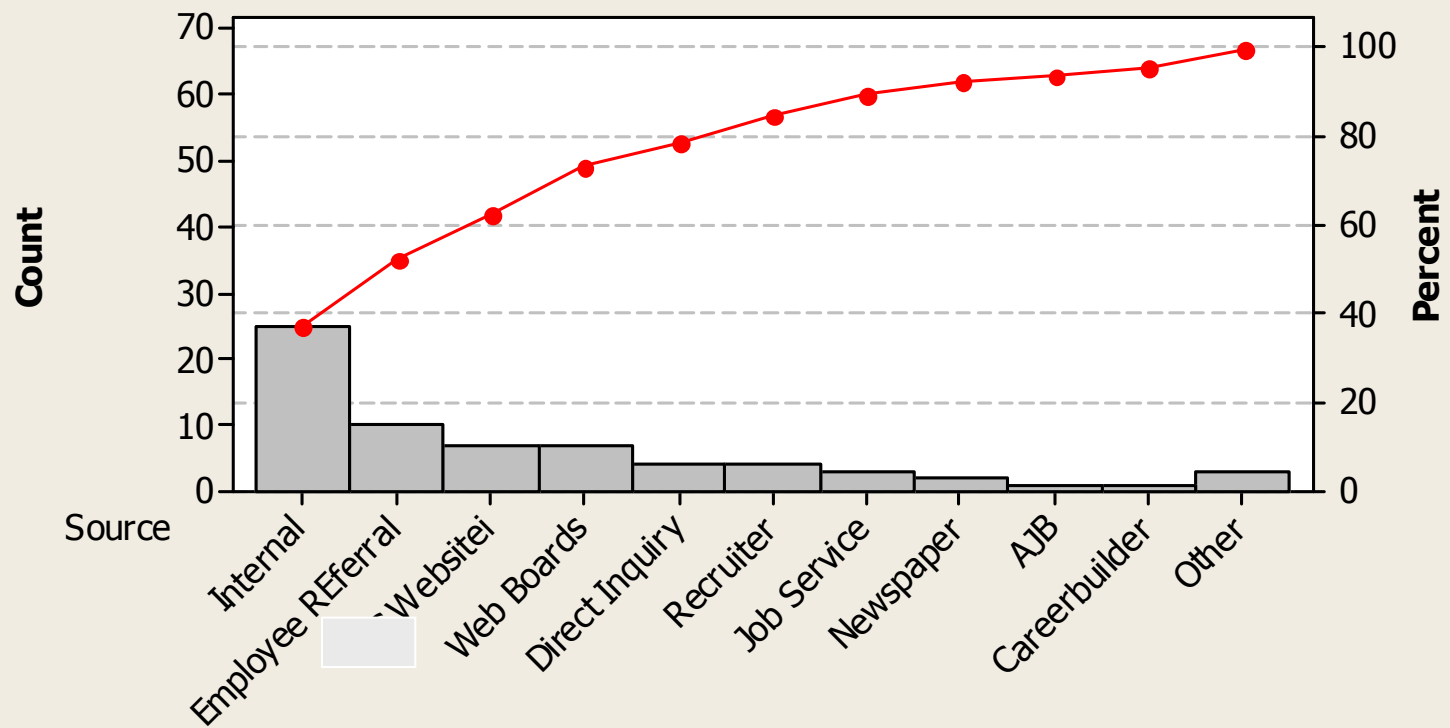
Source	Internal	Employee REferral	Websitei	Web Boards	Direct Inquiry	Recruiter	Job Service	Newspaper	AJB	Careerbuilder	Other
Count	25	10	7	7	4	4	3	2	1	1	3
Percent	37.3	14.9	10.4	10.4	6.0	6.0	4.5	3.0	1.5	1.5	4.5
Cum %	37.3	52.2	62.7	73.1	79.1	85.1	89.6	92.5	94.0	95.5	100.0

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Experiments

Combinations	Advertised on Monster	Advertised on CareerBuilder
1	Yes	No
2	No	Yes
3	Yes	Yes
4	No	No

Data available to do 5 repetitions.

Two-way ANOVA: TTH versus CB, Monster

```
Source     DF       SS         MS       F       P
CB          1   9636.1   9636.05    3.95   0.063
Monster     1   1140.1   1140.05    0.47   0.504
  Error    17  41490.8   2440.64
  Total    19  52267.0
```

S = 49.40   R-Sq = 20.62%   R-Sq(adj) = 11.28%

Main Effects Plot (data means) for TTH

Interaction Plot (data means) for TTH
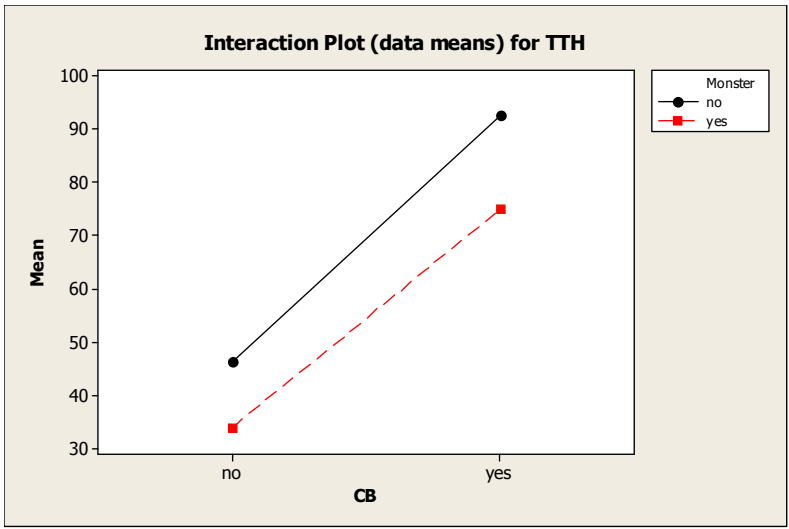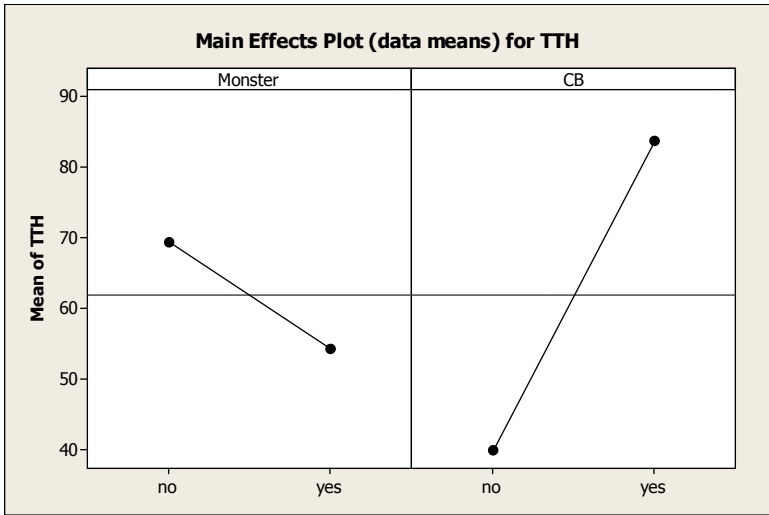
Evaluating Multiple Factors

Tree diagram:

- Time to Hire
  - Full Time (Recruiter)
    - Non Exempt (Grade Level)
      - Internal (Candidate Source)
      - External
    - Exempt
      - Internal
      - External
    - Mgmt-Prof
      - Internal
      - External
  - Part Time (Recruiter)
    - Non exempt (Grade Level)
      - Internal (Candidate Source)
      - External
    - Exempt
      - Internal
      - External
    - MGMT Prof
      - Internal
      - External

Main Effects Plot (data means) for TIME TO HIRE

Interaction Plot (data means) for TIME TO HIRE
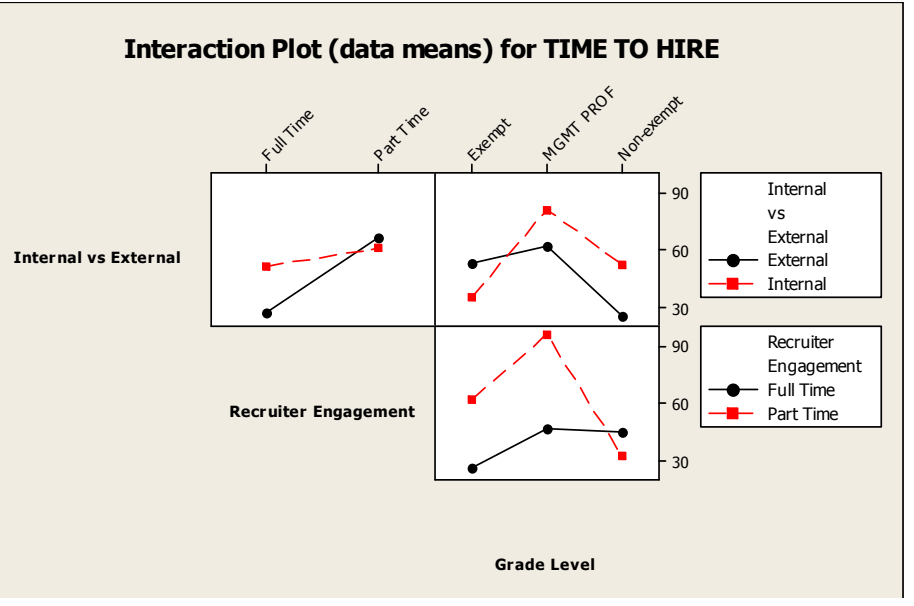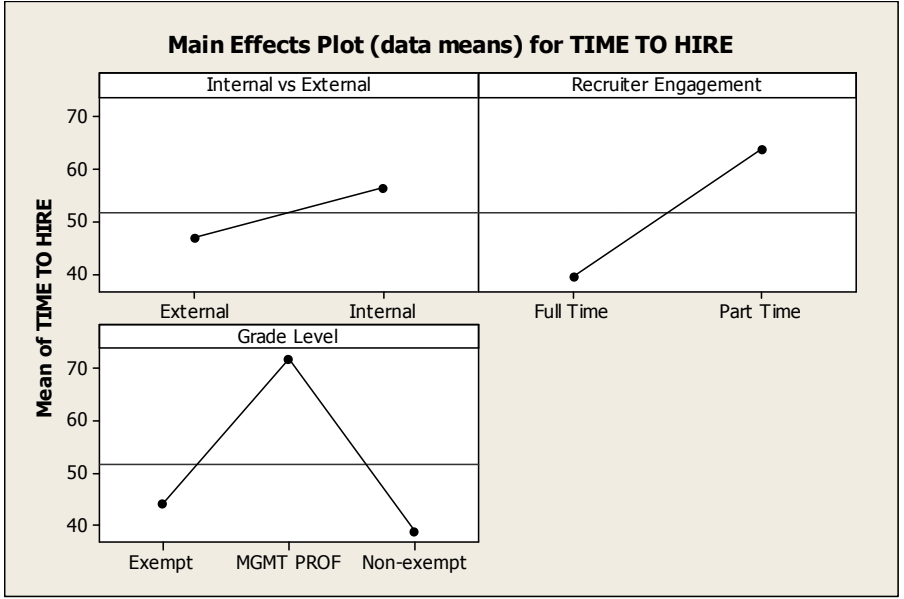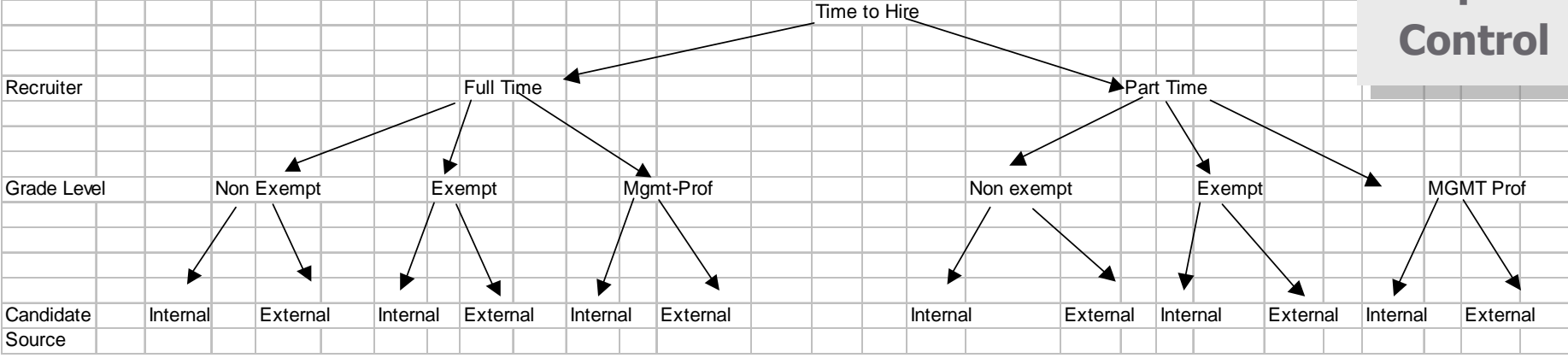
Designed Process Experiment

- Hiring Manager Interview Step
  - Establish process alignment
  - Answer key questions in advance
  - Increase manager engagement
- Developed a form for interview process
- Measured performance using completed Req's

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MICHAEL COUCH & ASSOCIATES INC.
Assuring Business Success through People
www.mcassociatesinc.com

Process Change Experiment

One-way ANOVA: TIME TO HIRE versus Mgr Meeting

```
Source         DF    SS    MS     F      P
Mgr Meeting     1  2016  2016  2.28  0.182
Error           6  5303   884
Total           7  7319

S = 29.73   R-Sq = 27.55%   R-Sq(adj) = 15.47%


                       Individual 95% CIs For Mean Based on
                       Pooled StDev
Level  N   Mean   StDev  -+---------+---------+---------+--------
no     4  66.00   39.88              (-----------*-----------)
yes    4  34.25   13.30  (-----------*------------)
                       -+---------+---------+---------+--------
                         0        30        60        90


Pooled StDev = 29.73
```


Residual Plots for TIME TO HIRE

Boxplot of TIME TO HIRE vs Mgr Meeting
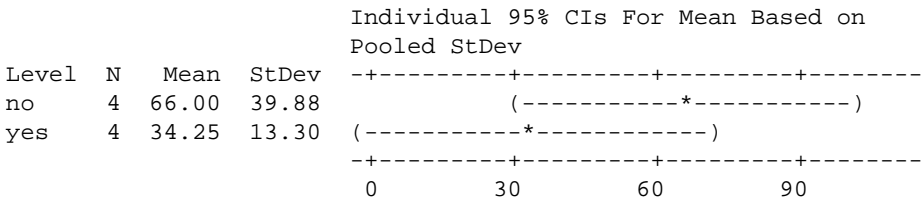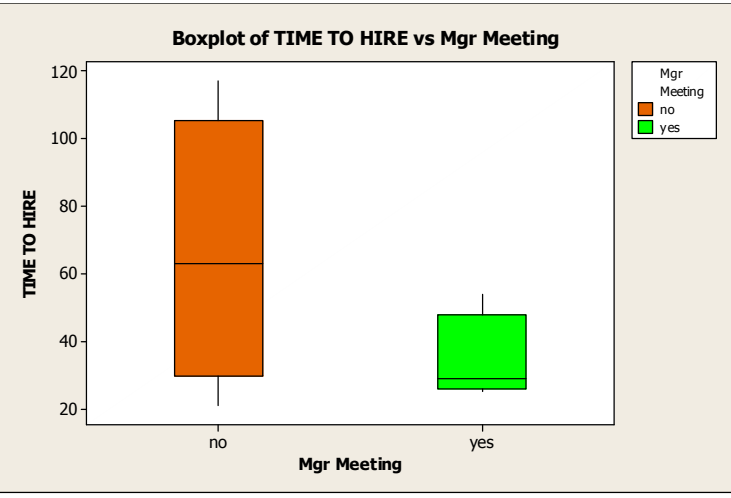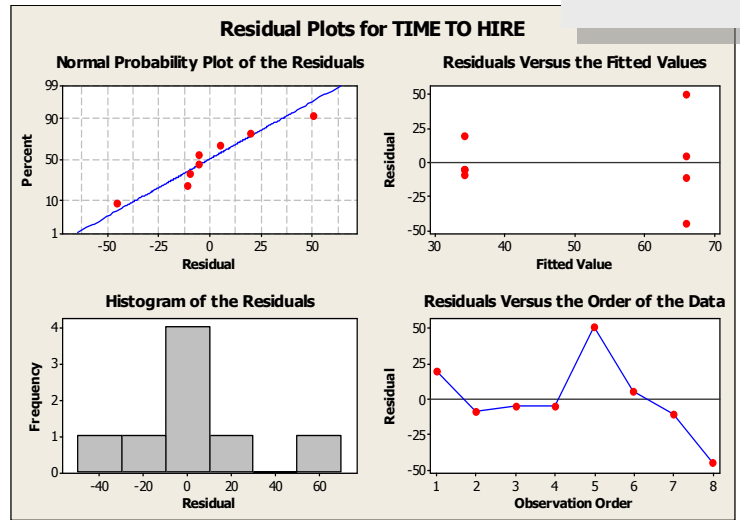
Appears to affect the process, however too early to indicate statistical significance.

Quantifying Results

Position	Req	Grade	Date Opened	Date Filled	Time to Hire	Compared to Baseline	Improvement $
ER & SALES CHANGE COORDINATOR	2400	42	8/2/2004	8/30/2004	28	51	1785
BIG BOX COMMERCIAL SALES MANAGER	2420	S4	8/3/2004	9/14/2004	42	37	1295
MHEDA SALES MANAGER	2440	S4	8/6/2004	1/25/2005	172	-93	-3255
ACCOUNTS PAYABLE TECHNICIAN	2480	44	8/9/2004	9/3/2004	25	54	1890
SERVICE TRAINING DEVELOPER	2501	54	8/9/2004	11/17/2004	99	-20	-700
INSIDE SALES COORDINATOR - SERVICE PARTS	2460	S1	8/9/2004	12/22/2004	135	-56	-1960
INSIDE SALES COORDINATOR - SERVICE PARTS	2641	S1	8/11/2004	9/24/2004	44	35	1225
REGIONAL SERVICE MANAGER	2640	S4	8/11/2004	11/11/2004	92	-13	-455
MANUAL DISTRIBUTION CLERK	2920	43	9/7/2004	10/1/2004	24	55	1925
PARTS MARKETING ANALYST	2980	54	9/21/2004	9/27/2004	6	73	2555
ONLINE EXPRESS ANALYST	3020	53	9/24/2004	10/11/2004	17	62	2170
PRODUCT MARKET CHAMPION	3060	59	9/29/2004	1/24/2005			
DISTICT MANAGER	3180	S5	10/5/2004	1/24/2005			
ACCOUNTS PAYABLE TECHNICIAN	3280	40	10/11/2004	10/20/2004			
ACCOUNTS PAYABLE TECHNICIAN	3280	40	10/11/2004	10/26/2004			
DATA ENTRY CLERK	3300	40	10/11/2004	10/26/2004			
ACCOUNTS PAYABLE TECHNICIAN	3280	40	10/11/2004	11/16/2004			
TACTICAL BUYER/PLANNER	3320	53	10/12/2004	10/19/2004			
TACTICAL BUYER/PLANNER	3320	53	10/12/2004	11/16/2004			
DISTRICT MANAGER WESTERN REGION	3360	S5	10/13/2004	2/11/2005			
STRATEGIC BUYER	3400	57	10/21/2004	11/9/2004			
MANUFACTURING CLERK	3442	45	10/26/2004	10/26/2004			
TACTICAL BUYER/PLANNER	3420	54	10/26/2004	12/2/2004			
INDUSTRIAL ENGINEER	3380	55	11/18/2004	11/18/2004			
TACTICAL BUYER/PLANNER	3740	53	11/23/2004	12/13/2004			
INSIDE SALES COORDINATOR - SERVICE PARTS	3760	50	11/24/2004	1/15/2005			
COST ESTIMATOR	3800	54	11/29/2004	1/13/2005			
CREDIT COLLECTION ANALYST	3840	53	12/1/2004	12/18/2004			
WARRANTY VENDOR RECOVERY ANALYST	3940	54	12/2/2004	1/15/2005			
PAYMENTS MANAGER	3960	58	12/2/2004	1/25/2005	54	25	875
MATERIAL FLOW SPECIALIST	4040	46	12/7/2004	2/22/2005	71	8	280
MATERIAL FLOW SPECIALIST	4040	46	12/7/2004	2/22/2005	71	8	280
MATERIAL FLOW SPECIALIST	4040	46	12/7/2004	2/22/2005	71	8	280
MATERIAL FLOW SPECIALIST	4041	46	12/7/2004	2/22/2005	71	8	280
CREDIT & OPERATIONS ANALYST	4080	54	12/14/2004	1/19/2005	36	43	1505
CLERK - PS & R	4120	41	12/22/2004	1/12/2005	21	58	2030
REGIONAL PARTS SALES MANAGER	4200	S3	1/10/2005	2/4/2005	25	54	1890
COST ACCOUNTING MANAGER	4280	58	1/17/2005	2/15/2005	29	50	1750
MANAGER INVESTOR RELATIONS & ANALYSIS	4300	58	1/17/2005	2/15/2005	29	50	1750
SALES / MARKETING CONTROLLER	4360	58	1/28/2005	2/24/2005	27	52	1820
COST ACCOUNTANT - MILITARY PROGRAMS	4362	55	1/28/2005	2/24/2005	27	52	1820
CLERK	4380	40	2/3/2005	2/9/2005	6	73	2555
							47880

SAVINGS

$47,880

August to February

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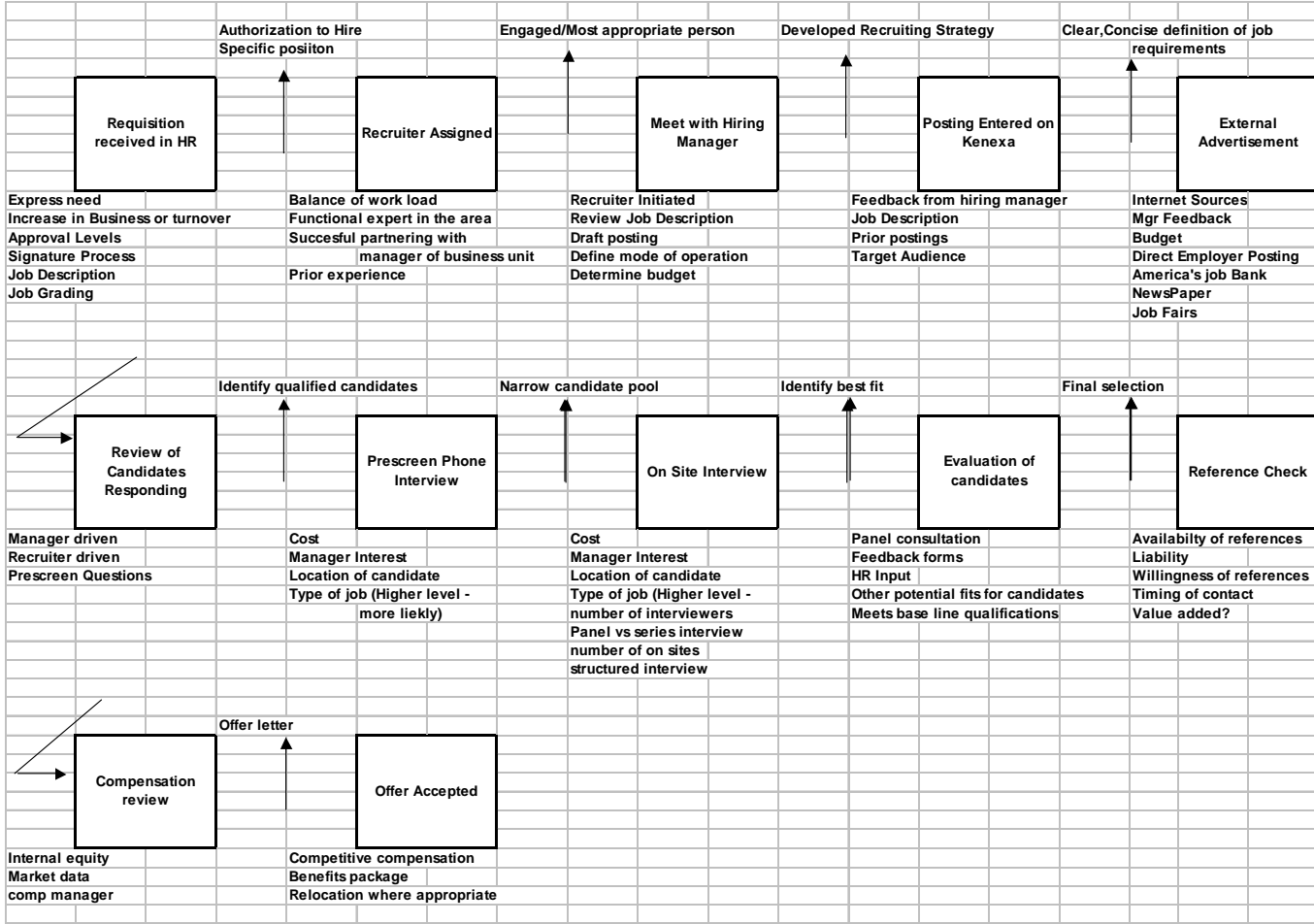# Changes Implemented

- Increased sourcing techniques
- Additional internal recruiter resources
    - Assign critical positions to full time recruiter
    - Maintain awareness of recruiter load
- Focused Planning
    - Regular recruitment meetings
- Increased hiring manager involvement
- Enhanced process for internal communication of openings

New Process Map

Authorization to Hire / **Specific posiiton**	**Engaged/Most appropriate person**	**Developed Recruiting Strategy**	**Clear,Concise definition of job requirements**	

Requisition received in HR → **Recruiter Assigned** → **Meet with Hiring Manager** → **Posting Entered on Kenexa** → **External Advertisement**

Requisition received in HR	Recruiter Assigned	Meet with Hiring Manager	Posting Entered on Kenexa	External Advertisement
Express need	Balance of work load	Recruiter Initiated	Feedback from hiring manager	Internet Sources
Increase in Business or turnover	Functional expert in the area	Review Job Description	Job Description	Mgr Feedback
Approval Levels	Succesful partnering with	Draft posting	Prior postings	Budget
Signature Process	manager of business unit	Define mode of operation	Target Audience	Direct Employer Posting
Job Description	Prior experience	Determine budget		America's job Bank
Job Grading				NewsPaper
				Job Fairs

Identify qualified candidates	Narrow candidate pool	Identify best fit	Final selection	

Review of Candidates Responding → **Prescreen Phone Interview** → **On Site Interview** → **Evaluation of candidates** → **Reference Check**

Review of Candidates Responding	Prescreen Phone Interview	On Site Interview	Evaluation of candidates	Reference Check
Manager driven	Cost	Cost	Panel consultation	Availabilty of references
Recruiter driven	Manager Interest	Manager Interest	Feedback forms	Liability
Prescreen Questions	Location of candidate	Location of candidate	HR Input	Willingness of references
	Type of job (Higher level - more liekly)	Type of job (Higher level - number of interviewers	Other potential fits for candidates	Timing of contact
		Panel vs series interview	Meets base line qualifications	Value added?
		number of on sites		
		structured interview		

Offer letter		

Compensation review → **Offer Accepted**

Compensation review	Offer Accepted
Internal equity	Competitive compensation
Market data	Benefits package
comp manager	Relocation where appropriate

Control Plan

- Develop Recruiting Manual with guidelines

- Post Manual on the intranet

  - Distribute at hiring manager training

- Maintain Time to Hire metric tracking

- Use weekly recruiter meetings to review process issues

FMEA for Control Plan

Part/Process	Potential **Failure Mode**	Potential **Effects** of Failure	S E V	Potential **Causes** of Failure	O C C	Current Process **Controls**	D E T	R P N	**Actions** Recommended	Resp
Description of process or operation being analyzed.	Manner in which the process could potentially fail to meet process requirements.	Effects of the failure mode on the customer.	Severity of the effect (S)	How the failure could occur.	Frequency of failure occurrence (O)	Descriptions of the controls that prevent or detect the failure mode.	Extent to which failure (or cause) can be identified prior to reaching customer (D)	Produc t of (S)*(O) *(D)	Actions to be taken on the highest ranked concerns and critical items.	The individual(s) responsible for the actions and the target dates for completion.
Providing recruitment Manual to guide the process				*Steps in the process are not followed*		*Post manual on the*			*Create manual for intratnet access along with training module : Hiring a*	*C. Walter, J Helsel; J Adanusa; D. Timbrook target for*
		Inappropriate questions asked	10	*No interview trainin*						
	Job submitted without Description	*Job not graded in a timely manner*	10	*Rush to process re*						
	Delays in signature process	*Requistion not acted on*	10	*Uncertain of signature process*						
	Failure to look on Kenexa	*Candidates not reviewed*	10	*Hiring not a priority uncomfortable witl the system*						
	Lack of respoense to resumes sent	*Good Candidates Missed*	10	*Hiring not a priority*						
		Perception of lack of canddiates	10	*Unclear on manage expecations*						
	Feedback forms not submitted	*Wrong candidate hired*	10	*Failrue to communicate concerns about interview red flags*	9	*Require all forms be returned prior to Job offer*	8	720	*Using hiring manager meeting to establish relationship with recruiter*	*All recruiters - On Going*

- What could go wrong
- Likelihood
- Severity
- Causes
- Controls & Prevention

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Other Considerations

- Identify and measure process deviations

- Continue surveys and audits of customer satisfaction and feedback

- Focus on turnover tracking and analysis

- Improve applicant tracking system reporting capability

Insights and Observations

- Made us look closely at the process

    - Truly understand how it works

- Realized the importance of having a defined process

- Taught us to be more proactive

    - Developed a plan of action

- Provided more insight into 6σ itself

    - You can look at anything statistically

- Excellent project management experience

    - Superior to any packaged seminar

- Learned not to make assumptions

- Ask for help early in the process

Workshop Objectives

- Understand the basic concepts and techniques of Six Sigma

- Know how to identify and select HR projects that will have an impact on the business

- Experience real-life examples of successful HR Six Sigma Projects

- **Understand the role that HR can play in Six Sigma**

Keys to Success

- Focus on the customer

  Who is HR's Customer?

  - Build the Business Case

- Data-driven/Evidence-based

  - Measurement, measurement, measurement

- Identify and plan for stakeholders

- Process Focus

  - Cross functional

- Continuous Improvement

HR Strategic Capabilities

Skills	Defining HR's Role	Strategy Options	Strategy Decision Making	Strategy Implementation	Org. Design	New Business Oppty's	Assess M&A Oppty's
HR Technical	L						
Interpersonal Skills	H	L	L				
Business Acumen & Partnering	H	H	H	M	L	H	
Metric Skills		H	M	L	L	M	L
Managing Outsourcing							M

From: *HR as a Strategic Partner: What Makes It Happen*
Ed Lawler & John Boudreau 2009 (Pre-publication Draft)

The Importance of Measurement

"**Without accurate and reliable human capital data and information, strategic HR professionals cannot make fact-based decisions that provide insights to their business clients**"

The Strategic Side of Human Resources
IBM Corporation 2006

CEO's Perspective

> "Being functionally smart gets you to the table. Selling ideas and being a value-add keeps you there."
>
> Greg Babe, President & CEO - Bayer

- Know the business
  - Be a business person 1st, an HR person 2nd
- Use data and focus on measurement
- Provide solutions that meet business needs
- Build business consultants rather than HR People

HR Leadership Forum of Western PA, *HR and the C-Suite* (2008)

Thanks!

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