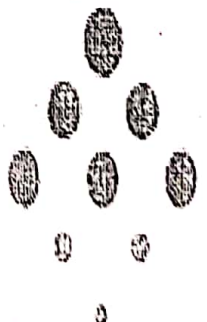# HR Leadership
# Six Sigma Way
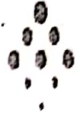
## Dr. R. S. Chalapathi

## Agenda

- Six Basics of Six Sigma
- Six Sigma Way in HR
- What HR can contribute in Six Sigma Initiative

## Basics of Six Sigma - 1

- What is Six Sigma?
- A scientific approach to reduce defects to a very low level (about 3.4 per-million opportunity)
- What is a defect?
- A defect is something not acceptable to customer

## Six Sigma Application in HR Recruitment

- What is a *defect* in recruitment?
- Whatever is not acceptable to Head of the user department, such as wrong candidate, delay etc.
- In Six Sigma Way, defects are defined at the process level not at the output level.
- **Six Sigma Way is to Reduce defects at process level not at output level.**
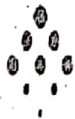
## Recruitment Process
## Think of defects at each step

- Agree on user requirements
- Compile list of candidates
- Screening test
- Interviews
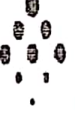- Appointment
- Joining
- Orientation

**In Six Sigma Way, defects have to be reduced to near zero at the process level.**

## Basics of Six Sigma - 2

- Why Motorola set Six Sigma goal?
- Mr. Bill Smith at Motorola Inc, established a relation between **field failures** and defects at the process level. Higher the defects at process level, higher the field failures and vice versa.
- To eliminate **field failures** in the market, Motorola set Six Sigma goal at each process level.

## Basics of Six Sigma - 3

- What is a Six Sigma Organization?
- An organization which is proactively learning and adopting to ever changing business environment.
  - Forced by competition many organizations adopt change (reactive way)
  - Six Sigma way is all about being proactive.

## Basics of Six Sigma - 4

- Let us do a small exercise.
- Part 1: You are planning to join a world class organization. What are your expectations from HR department? List about 5 things
- Part 2: You are now Head of HR in the same company and going on vacation with family for 3 weeks. What are the 5 tings you want your manager to update you on a daily basis? Make a list.
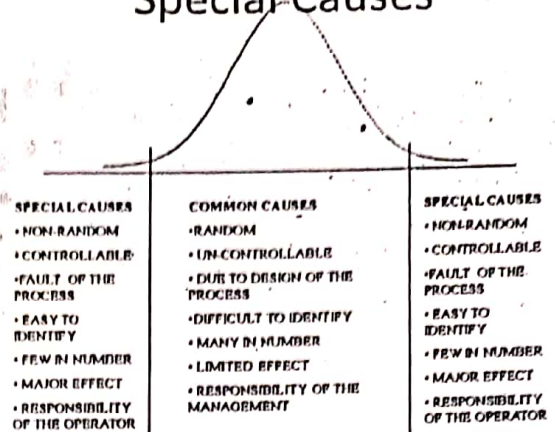- Six Sigma Way is to think win-win with suppliers and customers.

## Basics of Six Sigma - 5

- As a HR manager, what are the **three** most important things to you in the organization?
- What data do you have on these three things?
- Six Sigma Way requires you to measure what is most important to you. Then take actions as appropriate based on the data.

## Basics of Six Sigma - 6

- What do you think is the single most reason for poor employee performance?
- Performance varies person to person and same person over a period of time.
- As per Deming 80% is management controllable factors and 20% individual controllable factors. Later he revised management controllable factors to 94%
- Appraisal is individual, even though employees are expected to working teams.

## Common Causes vs Special Causes



| SPECIAL CAUSES | COMMON CAUSES | SPECIAL CAUSES |
|---|---|---|
| •NON-RANDOM | •RANDOM | •NON-RANDOM |
| •CONTROLLABLE | •UN-CONTROLLABLE | •CONTROLLABLE |
| •FAULT OF THE PROCESS | •DUE TO DESIGN OF THE PROCESS | •FAULT OF THE PROCESS |
| •EASY TO IDENTIFY | •DIFFICULT TO IDENTIFY | •EASY TO IDENTIFY |
| •FEW IN NUMBER | •MANY IN NUMBER | •FEW IN NUMBER |
| •MAJOR EFFECT | •LIMITED EFFECT | •MAJOR EFFECT |
| •RESPONSIBILITY OF THE OPERATOR | •RESPONSIBILITY OF THE MANAGEMENT | •RESPONSIBILITY OF THE OPERATOR |

Six Sigma Black Belt
Training - Day3

## Six Sigma Way in HR

- Identify the **Focus** for the organization.
- Identify the **key** Processes
- Standardize the Process
- Start process and output **Measurement**
- Create baseline
- Use control charts to monitor and identify **Special causes**
- Take corrective actions

## HR Contribution to Six Sigma Initiative

- HR to actively get involved in all activities of six sigma initiative
- Appreciate that individual's learning styles are different
- Incorporate six sigma practices into job roles, key result areas.
- Define the key performance indicators SMARTly.
- Appreciate the concept of two types of variation – common cause and special cause

## Challenges in Six Sigma Deployment
### Where HR can contribute

- Releasing best employees to work on six sigma projects.
- Taking projects based on real pain areas
- Dealing with **tough** people
- Measuring Six Sigma attitudes, competencies and culture
- Retention of Six Sigma Professionals (GB/BB)
- Team based Appraisal