High-Yield Methods

for customer-aligning business strategies, process & technology

Streamlining HR

Using Visual Workflow to optimize HR performance

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CONTENTS

Contents 2

Overtaxed HR Departments 3

Streamlining Work to Lighten the Load 5

Sample Maps 9

About High-Yield Methods 17

OVERTAXED HR DEPARTMENTS

Increasingly, companies are asking HR departments to provide more services and cover more employees—without granting staff increases. And a surprising number of organizations are asking HR to do more with less. Why? Certainly, many different corporate motivations are driving this trend. However, one factor is almost a constant: Corporate management *expects* increased productivity from every function. Unfortunately, most companies don't provide the same level of support to all functions to help them dial up the pace of work.

Think about how many companies pour millions of dollars into Six Sigma and Lean initiatives to increase manufacturing productivity. The sums spent are awesome. And some of these companies, thankfully not more, even try extending these designed-for-manufacturing process approaches out into administrative areas and into sales and marketing—where they routinely fail. But when was the last time your company provided process design support to HR using *any* process approach?

Many HR departments find themselves between a rock and a hard place on productivity issues. "No, you can't hire more bodies;" but, "Yes, you'll need to cover more employees and/or provide more services.

What are your options—other than throwing up your hands and leaving only to encounter the same situation elsewhere?

First, you have to make the time to make your case to management—or if you're already in senior management, to the CEO—that HR needs to thoroughly redesign operations to reduce the amount of work required to produce equal or greater

output. That will get a quick nod, but then you need to drop the other shoe. Just as in manufacturing, the company has to *fund* process improvement in HR.

And if you win that battle, the second step is to find a business process approach that's designed to work in variable work environments[1] such as human resources, rather than trying to force-fit a manufacturing approach into a setting where it doesn't belong—or work.

We'd like to introduce you to just such an approach—Visual Workflow (VW). We're not saying it's the only process design approach that works in HR, but we've very effectively applied VW to streamline HR functions in order to create more capacity without increasing staff.

[1] For a complete explanation of the differences between "scripted" manufacturing environments and variable work environments—including the process demands for each—please download our free Visual Workflow white paper at www.h-ym.com.

STREAMLINING WORK TO LIGHTEN THE LOAD

In the late 1990s, HYM introduced VW for use in front office functions such as sales, marketing and customer service as well as in service companies. The approach was an immediate success, triggering a company-wide reorganization of the first organization where it was applied. Before long clients began asking HYM to apply VW in support and back office areas, sometimes even enterprise-wide. And over time, clients have increasingly gravitated to using VW in their HR functions.

VW received what was perhaps its acid test when Honeywell Global Business Services—essentially a provider of $800 million of HR services annually—asked HYM principal Dick Lee to apply VW to identify chronic issues and inefficiencies that Six Sigma had been unable to locate or rectify.[2] In 90 days a three-person consulting team completely broke down and redesigned GBS's workflow, finding the hidden issues and allowing the Honeywell Six Sigma team to finally resolve them. But VW's not just for large organizations. We even applied it in HR departments with less than five staff members.

What's different about VW?

VW is a blend of original elements: TOC (Theory-of-Constraints) tools for locating and designing away workflow bottlenecks; and Balanced Scorecard tools for setting performance metrics and cataloging the likely affects of change. VW differs from most other business process design approaches in numerous ways. Differences germane to application in HR include:

[2] Honeywell describes itself as a "poster-company" for Six Sigma.

- **Scaling up or down to suit any size department**, whereas most approaches need a large critical mass of activities to work.
- **Uncoupling workflow from individual work process** rather than treating all of business process as a single entity. Analyzing workflow and work process together produces very unfortunate results in variable environments—including frequent cases of "can't see the forest for the trees."
- **Coupling workflow & information flow**[3] into a single unit. Variable environment workflow and information flow are tied at the hip. In fact, mapping information flow maps the vast majority of workflow as well.
- **Using a highly efficient workflow flow scanning system** capable of reviewing multiple flows quickly and cost-effectively.
- **Designing workflow first** to focus on the primary source of work defects and bottlenecks. In fact, in most VW implementations *we find 85% - 90% of issues at the workflow level, the majority "bad handoffs" of work and information between functions, between work stations within a function and between internal and external stakeholders.* Most problems are "in the seams," not with individuals or even within individual functions.
- **A drill-down step from workflow flow to work process** for reengineering individual work process in alignment with workflow and also for detailing application software requirements.
- **Ownership of changes in work and technology by those affected**, which allows employees to change instead of "being changed." Many variable environment employees are empowered to think for themselves and use their judgment. That makes imposed change from above or dictated by the "process police" a bitter pill that's more often spit out than swallowed.

[3] Going forward "workflow" will refer to both workflow and information flow because they are virtually synonymous in variable environments.

- **Accessibility to all** of the process design approach, rather than using a methodology that requires special training and communicates using undecipherable (to the process untrained) terminology.

Basic VW steps

Here's how a VW application would unfold in an HR setting: Being from Minnesota, we wanted to create a new "12-step program," but we'd have to add "dummy" steps.

1. **Strategic review:** VW aligns process with strategy and technology with process. Accordingly, understanding your departmental strategies is an essential first step.
2. **Forming cross-functional teams:** Variable work flows across functional and stakeholder boundaries. Hence, business process "improvements" made within one function can damage another. To avoid this situation, we always convene cross-functional VW teams—in an HR instance the team would include department management, recruiting and hiring, benefits, payroll and perhaps even a non-HR employee or two.
3. **Decomposing and mapping "as-is" workflow and information flow:** We analyze current workflow and information flow in team sessions. Then HYM converts input session "marker maps" into easy-to-read, clipart-based "pictographs." Using literal symbols creates a commonly understood visual language instead of requiring participants to use process-speak or technical symbols they don't grasp, which makes VW maps accessible to all involved.
4. **Analyzing the "as-is" state:** By asking whether workflow steps are supporting strategies; whether they're adding value to employee; if they're the most efficient way to accomplish work; and whether they're the least expensive way to accomplish work—as a team we reach agreement on where to focus and what to change.
5. **Designing "to-be" workflow and information flow:** In the same team setting, we redesign flows to: properly align with company values and strategies; add more value to customers; work smarter and more efficiently; and take full advantage of new technologies. Then we work from the redesigned marker maps to create

another full set of pictographs that document and communicate the "to-be" state, including data integration requirements for departments running disparate application systems rather than a unified HRIS.

6. **Reengineering individual work process:** Once we've completed addressing the workflow level, we then drill down to work process. Our new workflow guides work process reengineering. And, because we use sophisticated mapping automation software, we greatly reduce the time required to map manually with Visio™ or a similar tool.

7. **Defining application software: requirements (for either purchase or re-configuration):** For HR departments that plan to replace or implement HRIS, by having software selection follow VW, we know down to the keystroke level how software must provide support—before the software purchase.

8. **Mapping change (for large HR departments):** Changing workflow virtually always requires some degree of organizational change. For some companies that are particularly misaligned, the changes may be disruptive. Regardless of the breadth and depth of change, we use another set of visual tools to assess the intended and unintended consequences of VW recommendations,

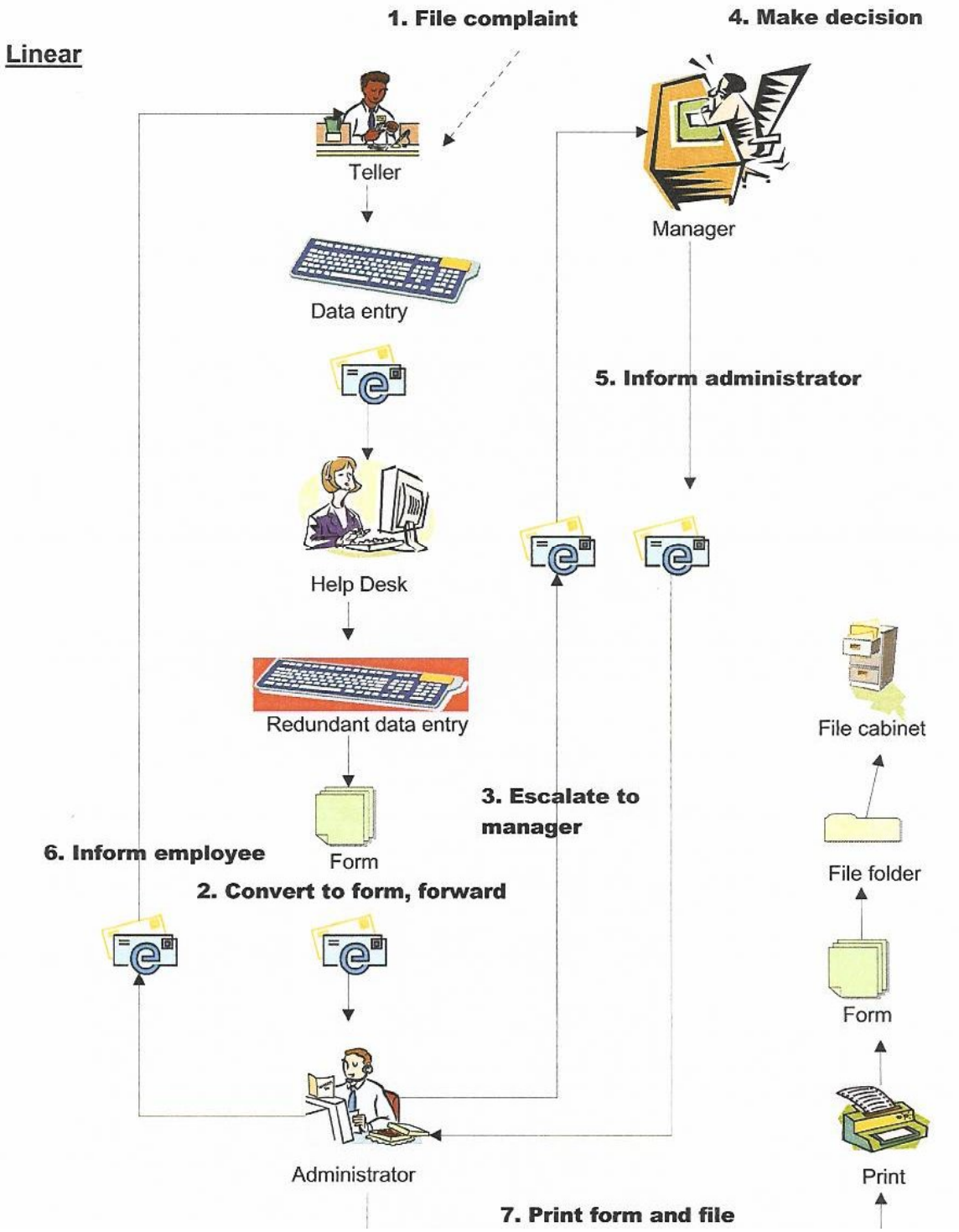
9. **Migration planning (for large HR departments):** Unlike work process changes, implementing most workflow changes may require senior management approval. Preparing a formal migration recommendation helps management understand what's involved.

SAMPLE MAPS

Workflow pictographs: We've provided samples of both "as is" and "to be" HR workflow pictographs on pages 9 – 13. Pages 9 – 10 show how adding automation enables conversion of linear workflow to sequential workflow around common data. Pages 11 – 13 show how a simple shift in workflow can greatly reduce workload when recruiting for multiple locations.

Work process maps: We've also included samples of work process maps on pages 14 – 15. To conserve time and budget, HYM executes these maps using ProCarta, a highly sophisticated automated mapping system initially developed for the Canadian military. Data entry is "point and click" plus brief text entry. Once data is entered, ProCarta auto-draws Visio maps in a matter of seconds (converting over 50 pages might take a minute or more).

Chart #1: Linear vs. Circular Workflow



Circular

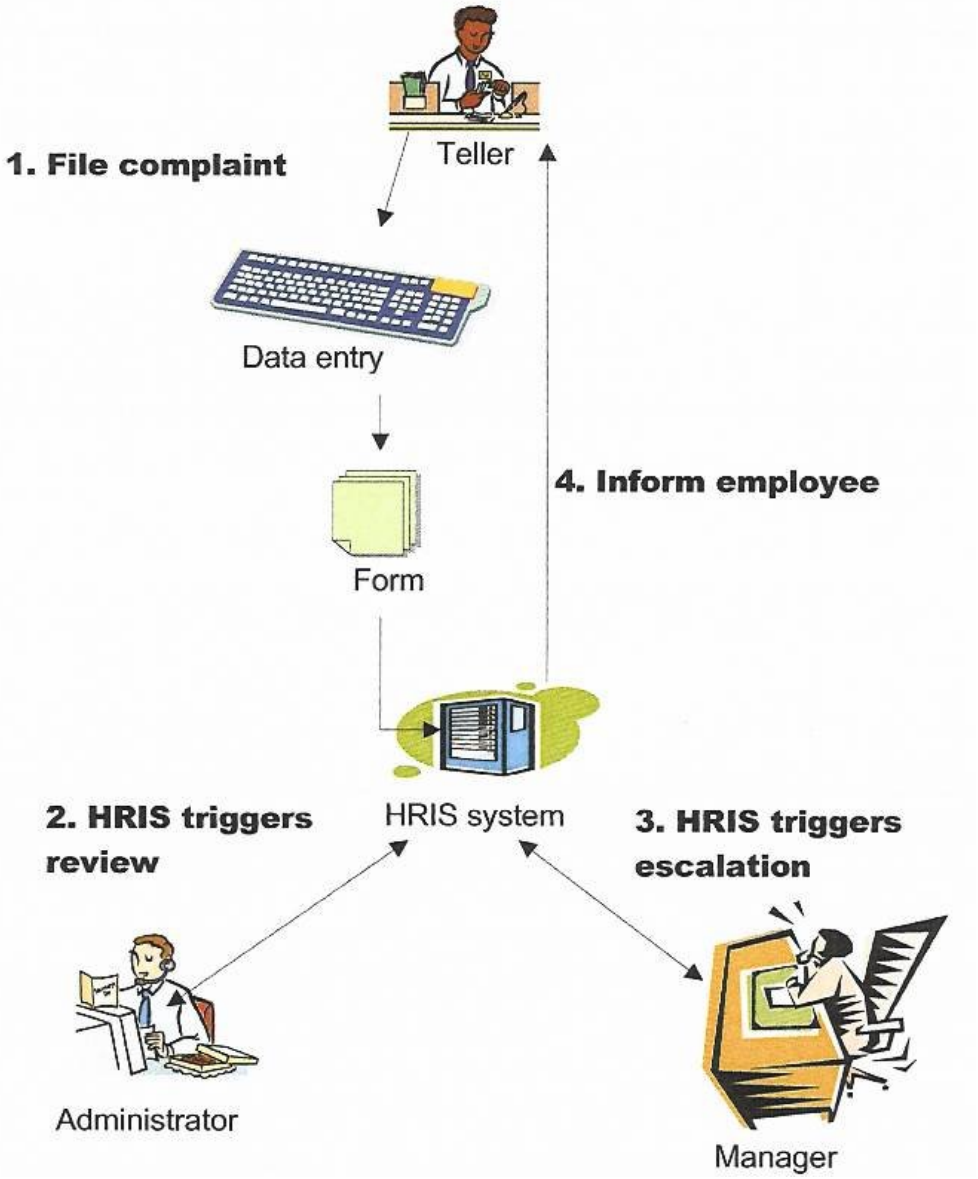
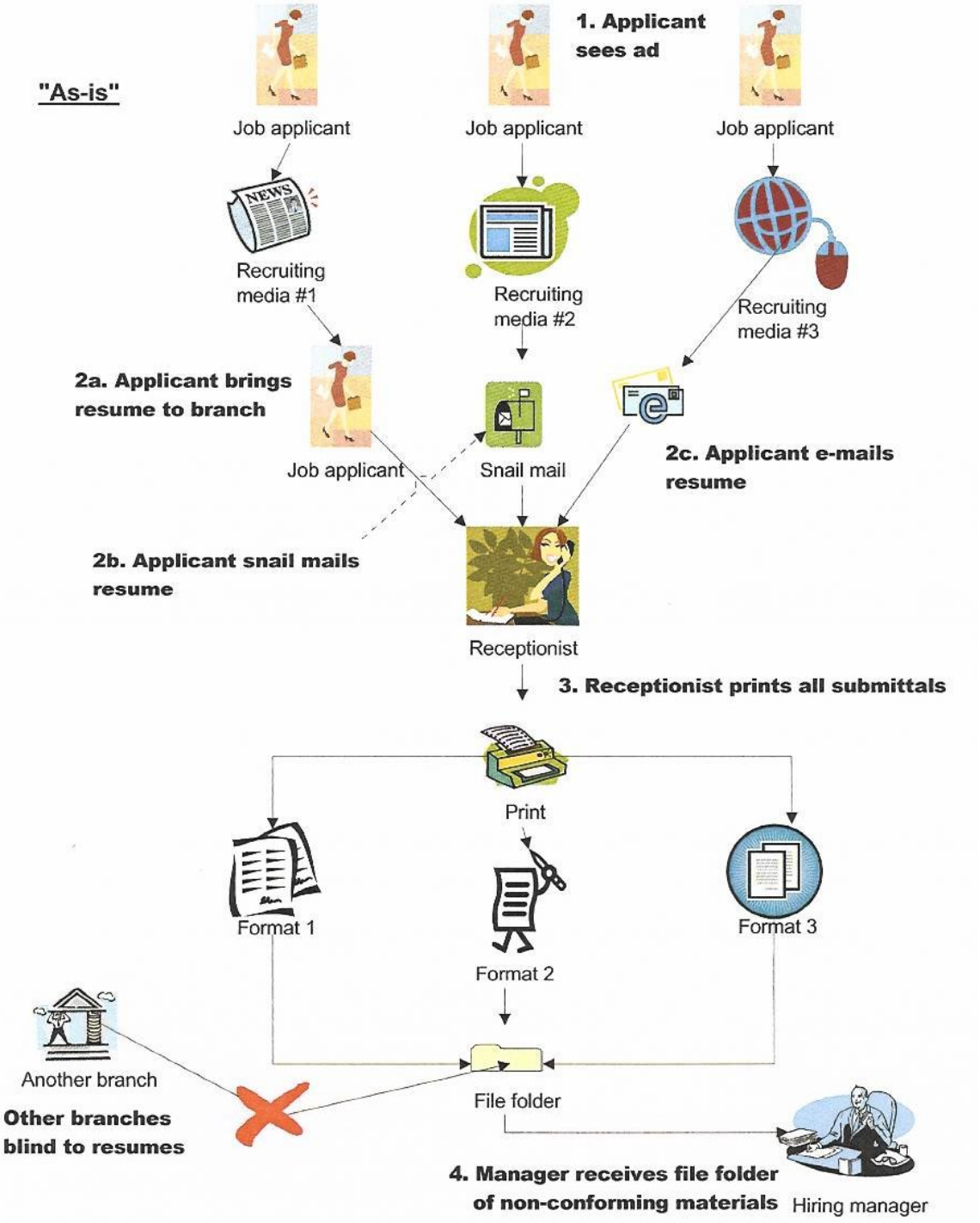
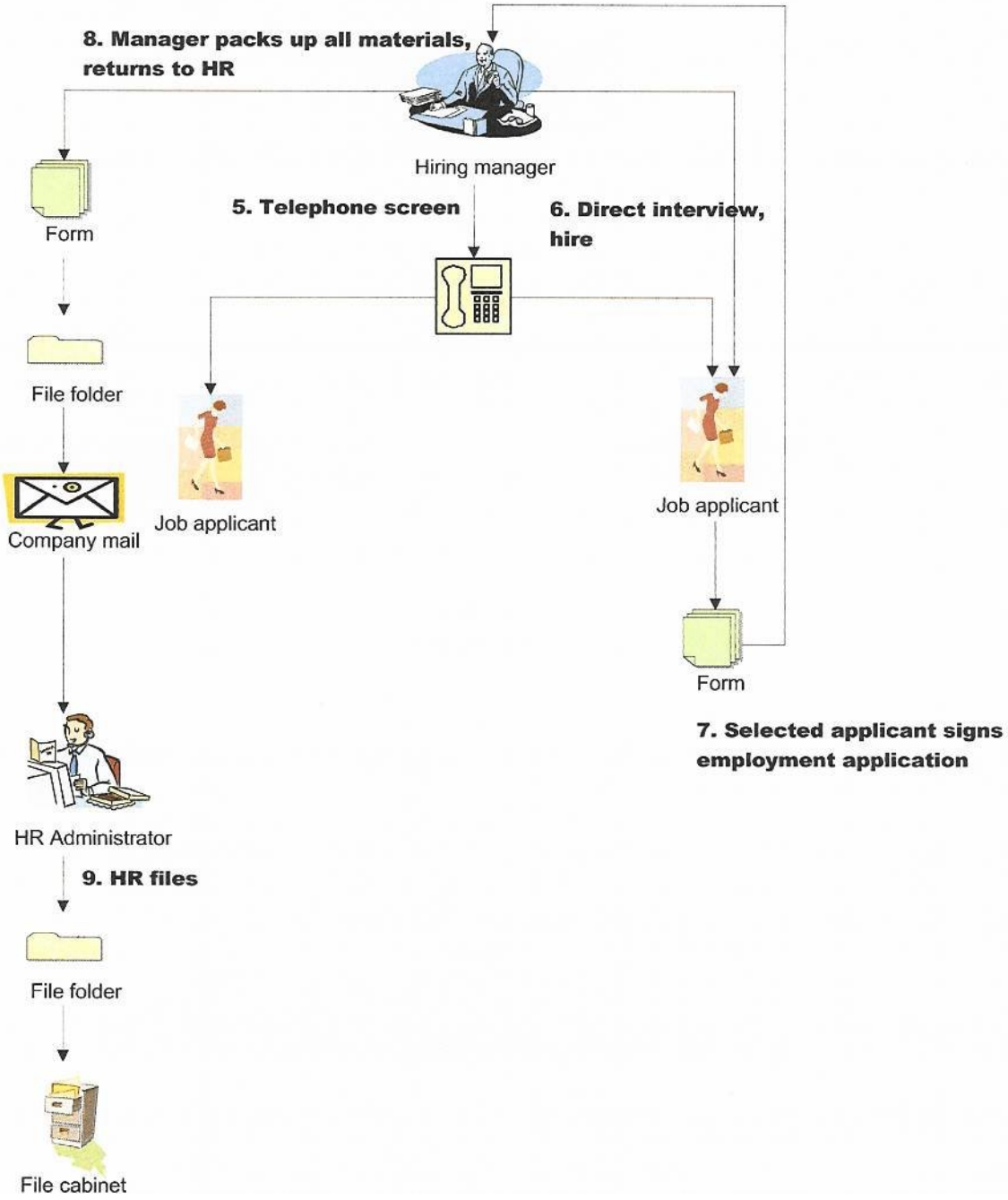

Teller
1. File complaint
Data entry
Form
4. Inform employee
HRIS system
2. HRIS triggers review
3. HRIS triggers escalation
Administrator
Manager

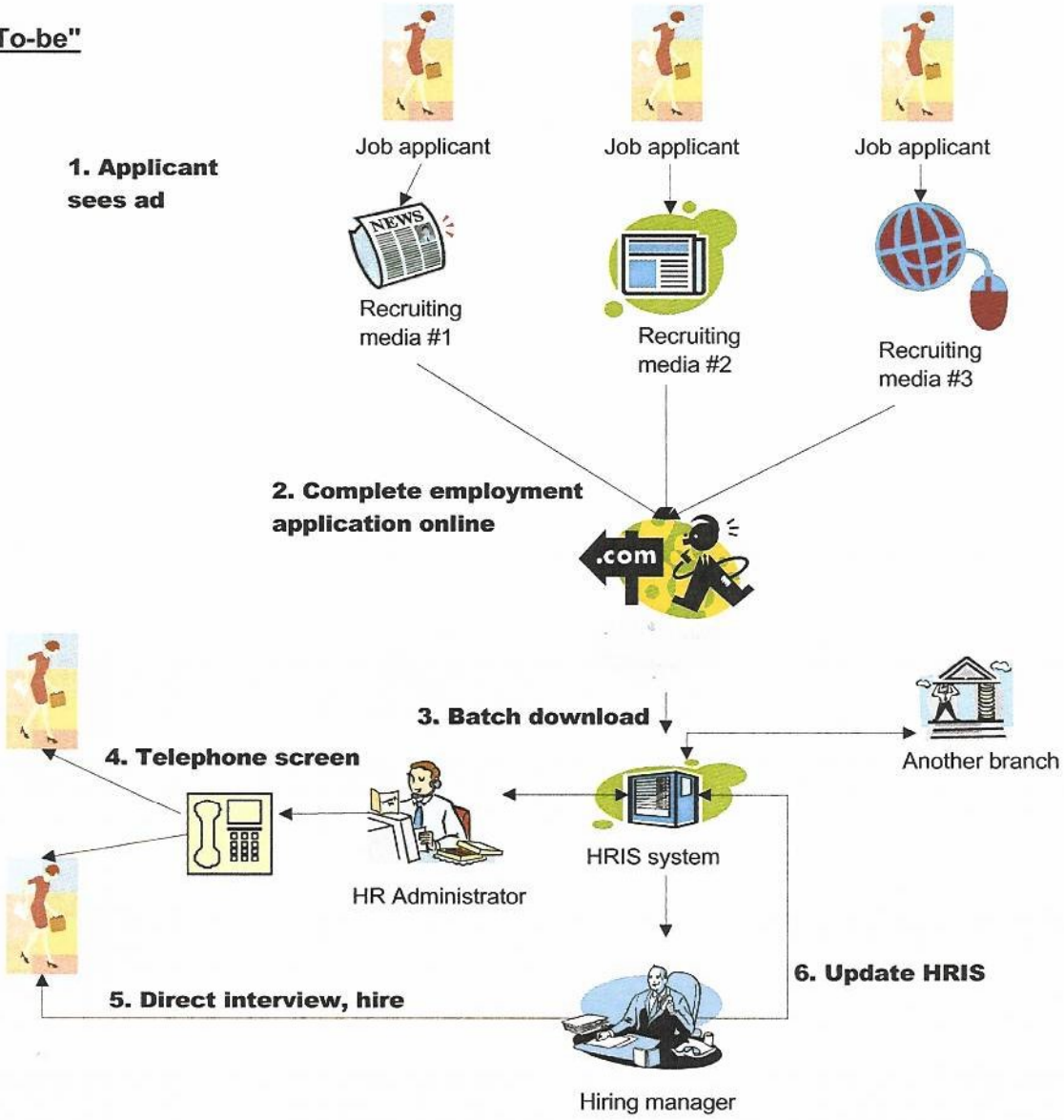
Chart #2: Normalize Data Upstream



...continued

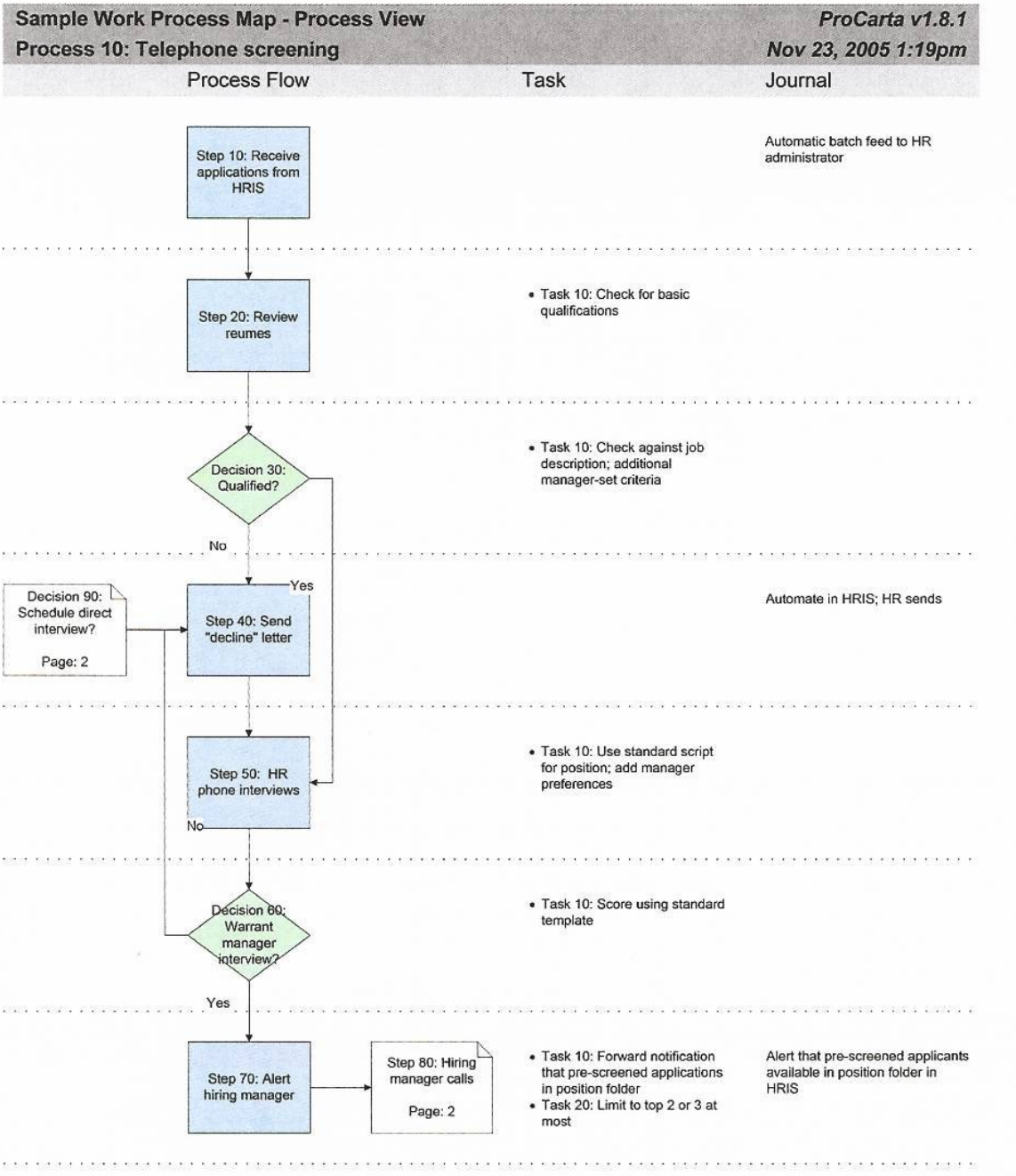

8. Manager packs up all materials, returns to HR
Hiring manager
Form
5. Telephone screen
6. Direct interview, hire
File folder
Job applicant
Job applicant
Company mail
Form
7. Selected applicant signs employment application
HR Administrator
9. HR files
File folder
File cabinet

"To-be"

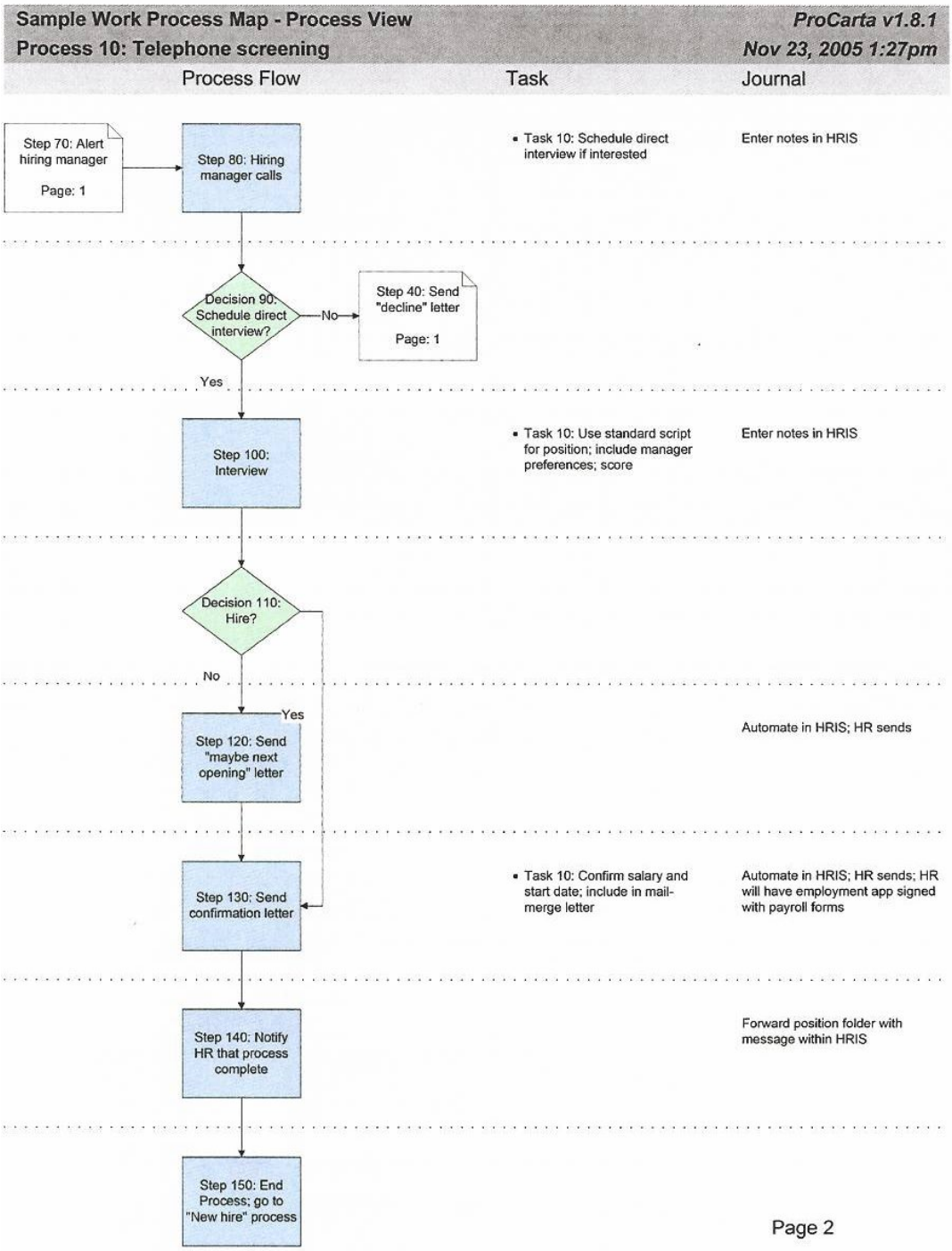


It's not uncommon to reduce two or more pages of workflow to one through workflow redesign and appropriate application of automation technology. Also, high-level workflow mapping provides documentation needed to standardize business process and assure that technology is properly aligned with and fully supporting business requirements.

This is an approximation of "to-be" work process for this activity



This is an approximation of "to-be" work process for this activity



"Deep dive" work process mapping provides the backbone for standardized training as well as the documentation necessary to assure compliance with new and/or different work process.

About High-Yield Methods

High-Yield Methods is a St. Paul, MN-based consulting company founded by principal Dick Lee in 1993. HYM specializes in helping clients increase profitability through better external alignment with customers and improved internal alignment among functions. HYM also helps clients streamline internal functions, such as HR, in order to create new growth capacity without adding to infrastructure.

Although still a leader in implementing customer relationship management and customer-focused business strategies, today, HYM is best known for developing the first formal business process improvement methodology designed for non-production line settings. Visual Workflow, or VW as commonly called, has become HYM's calling card.

While HYM has worked with global players including American Express, Honeywell & Microsoft, the firm's sweet spot is working with small and medium-sized businesses nimble enough to adapt to change.