

THINK OUTSIDE.

transactional lean: a staffing journey to become best in class



We are most familiar with “Lean Manufacturing” as introduced by Toyota® to improve production manufacturing. In such an environment, it is used to reduce waste, increase quality, and improve production. Could this “Lean” approach be used to improve a transaction-based service operation—like staffing? GE Healthcare thought so. With help from Kelly Outsourcing and Consulting Group (KellyOCG), “Transactional Lean” has been successfully integrated into their solid business partnership with great results.

Introducing Transactional Lean

The Recruitment Process Outsourcing (RPO) practice of KellyOCG has been providing GE Healthcare with human resource solutions since 1999. In 2006, the relationship was being challenged with increasing hiring volume and heightened requirements from U.S. Department of Labor Office of Federal Contract Compliance Programs (OFCCP). GE Healthcare needed more and more staff to combat these issues, which added more and more cost to the staffing budget. Something had to change. The GE Healthcare U.S. staffing manager proposed applying the Lean approach to the staffing process to create efficiencies, improve performance, and generate cost savings.

A team of KellyOCG managers and recruiters and GE Healthcare human resources managers created a value stream map (VSM) of the current staffing process. The VSM revealed areas of low quality

Results at a Glance

CHALLENGE

- Increasing hiring volume
- Heightened compliance requirements
- Evolution to a truly consultative staffing partnership

SOLUTION

- Apply a lean approach to staffing
- Create efficiencies and improve performance
- Generate cost savings and continuous improvement

RESULT

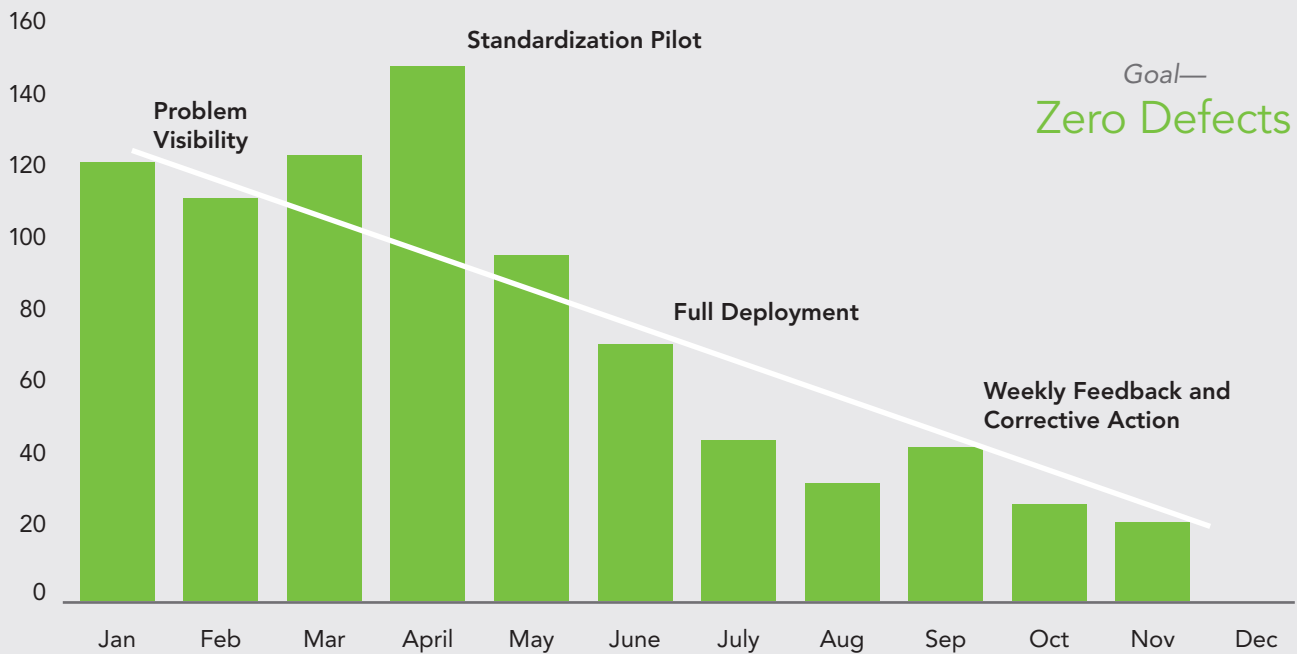
- Staffing processes became more consistent
- Direct-sourced hires saved \$223,688 first year
- Variable fee structure saved over \$250,000 in its first year

output to target as Kaizen improvement opportunities. But before anything could be set in place, a fundamental culture change had to occur.

5S

To initiate the required culture shift, a Lean principle, 5S, was introduced as the foundation for all improvements. The 5S consists of:

- Sort – separation of necessary items from unnecessary items
- Set In Order – arrange items according to how they will be used
- Shine – maintain work area for sorted and set in order items



- Standardize – ensure sort, set in order, and shine are consistently followed
- Sustain – maintain and improve sort, set in order, shine, and standardize

5S was first applied to the physical environment, eliminating unneeded storage and files. There was some initial concern; everyone wanted to know how all of the cleaning was beneficial. It soon became evident the discipline to sustain 5S was necessary to sustain a change in the staffing culture to one of continuous improvement.

The Lean journey

Following the VSM and 5S, the staffing team focused on the Kaizen opportunities. Initially, the team led and participated in more than 32 efforts to standardize processes and improve quality. Early efforts included:

- Creating application instructions
- Standardizing the initial candidate phone screening
- Creating a compliant process for documenting search strings
- Standardizing the hiring manager call for newly posted positions
- Creating a staffing quick reference guide for hiring managers
- Documenting the employee referral process
- Creating a checklist for offer compliance (see chart for results)
- Defining compliant candidate disposition codes to use in the applicant tracking system
- Instituting a Kanban for offer letters

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The impact

Staffing continued to improve, instituting visual management practices to capture performance and adopting better process controls with internal audits. With the Lean improvements in place, staffing processes became more consistent. Defects decreased, and the quality of service continues to improve. For the first time, vacations, absences, and peaks in hiring volume do not disrupt customer service. The standards of excellence and defined processes also allow new team members to more easily learn their roles and integrate into the team.

The journey continues

In September 2007, the team created a second VSM, which ultimately revealed a more simplified staffing process. Although the number of process steps decreased, another 26 significant improvement opportunities were discovered.

Recognizing the never-ending opportunity for process improvement, the KellyOCG RPO team designated a new role, Process Leader, to champion the Transactional Lean culture at GE Healthcare.

For more information about how solutions from KellyOCG can help your business achieve its goals, visit kellyocg.com today.