

Lean Thinking by HR-In the Employment for ITI Graduates

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ABSTRACT:

The Government of India introduced the craftsman training scheme (CTS), through the vast network of Industrial Training Institutes (ITI's). The objective was to ensure a steady flow of skilled workers in different trades for the domestic industry. Every year ITI pass outs are either placed as apprentices or trainees in different sphere of industries most of the times ITI graduates are placed in industries through campus by HR from Industries.

This is the case study of ITI Parbhani of Maharashtra State where, ITI graduates of various trades were absorbed by Fiat Automobiles Ltd. Ranjangaon plant near Pune. Period of this study is from year 010 to year 2014. HR from Fiat every year use to come for campus recruitment to ITI Parbhani.

During the discussions with HR regarding performance and retention of trainees in the year 2011 following observations has been made by HR.

- 1) Recruited graduates are "partially committed" to their job.
- 2) They looks at industrial employment as something permanent but they maintains their close contact with their families and village.

Therefore, retention rate of ITI graduates after recruitment is very low. Rather, For the year 2010, total 40 ITI graduates offered Job. However, only 13 out of that retains and 27 left the job very soon. If this is the case, then lot of efforts and time put it into the campus recruitment by HR and Institute administration is wastage.

To overcome this situation HR and Institute administration decided to have brainstorming on the issue. Various alternatives and options were discussed. Finally, Lean thinking approach finds appropriate to suit this situation. Accordingly, Lean thinking approach for campus recruitment at ITI Parbhani has been developed. It is decided to implement at both ends that is at company level by HR and at Institute level by both i.e. HR and Institute administrators. Implementation plan made and decided to apply from 2011 batch.

The Lean thinking approach has a basis of elimination of all types of wastes, in doing so, additional learning needs of ITI graduates were identified. A new life enrichment program given to controlled group of ITI trainees.

The results are impressive. The retention rate and productivity of ITI graduates from the batch of 2011 is increased. Above all there is attitudinal change in ITI graduates.

This paper will discuss some experiences gained so far by launching the use of Lean thinking for HR and presents some potentials of lean approach.

Keywords : ITIs – Industrial Training Institute, HR– Human Resource Manager, Lean – Removing waste, increasing customer value, TPS – Toyota Production System, Brainstorming – Generation of ideas by group, NTC – National Trade Certificate, Muda – Japanese word for 'waste'

Introduction

The objectives of it is to raise quantitatively and qualitatively the industrial production by systematic training, to reduce unemployment among the educated youth by providing them employable training, and to cultivate and nurture a technical and industrial attitude in the minds of the younger Generation.

The main stakeholders of it is are Institute administration, the employer company and employee trainee. The major difficulty it is face today is because of stakeholders inability to deal with the "System Failures" that are preventing them from developing or implementing new processes that will improve the overall performance of it is.

If students are leaving or graduating from it is unprepared to meet the demands of society. Then this problem has a ripple effect throughout society. Outgoing students who are not prepared to become responsible, productive citizens become a burden to society.

One such system failures identified jointly by administrators of ITI Parbhani (M.S) and HR from Fiat Motors Ranjangaon near Pune. Industry Feedback about recruitees wasn't satisfied. Industry was unhappy because of two reasons one being regarding commitment towards job and second is retention to job. Because of that HR every year

move around ITI to ITI to fill up their vacancies. So, at one hand society is talking at other hand Industry is in dirt of filling vacancies.

To analyze and solve this issue for ITI Parbhani, a brainstorming session was arranged between HR from industry and administrators of ITI. After deliberations they come up with a solution that of adopting Lean thinking approach for ITI recruitment.

HR managers from Industry and ITI administrators critically reviewed the ITI system. A additional learning needs for ITI trainees was identified. Then, a need based model was developed called “Life Enrichment Program”.

The newly developed model has been given to ITI trainees at both ends. That is before recruitment at the Institute premises and after Job offer at Industry premises.

Both HR from industry and ITI administrators actively involved in implementing this new lean thinking approach.

The objective was to eliminate waste of time, cost and efforts of frequent campus recruitment process. Through this paper Experiences of ITI Parbhani during 2011 to 2014 is shared.

What is Lean Thinking?

Lean thinking got its name from a 1990’s best seller called “The Machine that changed the world: The story of Lean production”. Group of MIT researchers, lead by Dr. James Womack prepared to write the book. Lean is all about eliminating all sorts of waste (non value added activity) modelled after the Toyoto production system. (TPS)

Lean Thinking is a mindset – a way of viewing the world. Lean is about Focus, **Removing Waste**, and increasing customer value.

Lean is basically all about getting the right things, to the right place, at the right time, in the right quantity while minimizing waste and being flexible and open to change.

Lean is about smooth process flows, doing only those activities that add customer value and eliminating all other activities that don’t. Adding value is another way of saying generating revenue.

“**Muda**” is the Japanese word for waste and is the enemy of us all whether we know it or not.

Thus, Lean thinking is identifying wastes, and by applying Lean concepts eliminate non value added activities, tasks, steps.

Lean HR

The cost of operating HR process can be enormous and invisible. The primary goal of the modern HR management should be maximizing the customer value of Human Resources. HR department should be an active partner in promoting and training improvement actions in relation to the main tasks of the organization.

For all organizations it is always important to perform its tasks and services in the most efficient way and to adopt continuously to new and increasing needs and requirements. The HR unit in an organization will have to play an active role in improvement process, both in order to be as efficient as possible regarding its own services and in order to support the process in the organization as a whole.

The core idea of Lean HR is to maximize customer value while minimizing waste. Then, who are the customers of HR? Obviously the main customers of the HR unit are the top management, the middle management and in principle all employees of the organization. It might also be external customers, as in present case ITI administration and potential future employees.

For present study Recruitment and Induction process of ITI graduates has been critically evaluated, outcomes analyzed and for eliminating waste from the process Lean thinking approach has been applied through HR.

Existing Process Evaluation

Industry have their manpower requirements for ITI graduates. Accordingly, campus were arranged in ITIs. HR from industry along with application blank, visits ITI. Collect data and conduct interviews. Selected trainees asked to contact company after declaration of their examination results. The case with ITI Parbhani is that, in the year 2010. 40 candidates from Automobile trade Joined Fiat Motors Ranjangaon near Pune. However, out of these 40 recruits only 13 were continued with the Job. 27 candidates left the job within 08 days to 03 months period.

This retention percentage forced HR to exercise campus again and again. Which adds cost to whole process.

To find root cause of this situation HR and ITI administration have a brainstorming session. Outcome of the session is as follows :

- 1) Candidates of 14 years of age or higher are eligible to seek admission in ITI. Therefore, average age of ITI recruitee is below 20 years.
- 2) Most of the ITI graduates from rural background. Also their economical, family social and educational condition is weak. They do not have any career planning ideas.

- 3) In the ITI curriculum 70% of the training period is allotted to practical training and the rest to subjects relating to Trade theory, workshop calculation and science/ Engineering Drawing and Employability skills. This shows that no input regarding workplace etiquettes and Job responsibility.

Lean thinking approach development

As first two issues are not in preview of either HR or ITI administration. It was decided to apply Lean approach to Curriculum issue.

Curriculum of ITI doesn't have inputs about making attitudes and mindset of trainees to become responsive and productive employee.

Hence, to build mindset of ITI trainees, additional learning needs in the form of 20 HR "Life Enrichment Program" has been devised jointly by HR and ITI administrators.

It is also decided that this newly designed program has to be delivered with true spirit to ITI trainees at both ends. i.e. at Institute level before recruitment and at Industry Level as an induction program through HR. For 2011 year batch of ITI trainee this program has been given.

Life Enrichment program

Central idea of this programme is that, "to sensitize trainees as well as instructors and other stakeholders about rights, liberties and responsibilities". Objective of the program is to make ITI trainees not only good workmen's but also responsible citizens. Rationale of the program is occupational skills known as hard skills has been taught and practiced during course duration of ITI. Soft skills along with additional learning needs proved to be more important on a long term basis, than hard skills:

Contents of the program are:

- i) Constitutional duties of citizens.
 - ii) Discipline, morale, ethics, values.
 - iii) India's rich heritage.
 - iv) Case study of Japanese work culture.
 - v) SWOT analysis.
 - vi) Role of an ITI trainee.
 - vii) Safety at workplace, home and at road.
 - viii) Importance of etiquettes in life.
 - ix) Team work
 - x) Energy and Environment
 - xi) Health is wealth
 - xii) Life long learning and lifetime employment.
- These contents are delivered with the help of audio-visual aids.

Results are encouraging

This Lean HR approach delivers encouraging results. In the year 2011, 70 ITI graduates offered Job out of them 57 had retained their job.

During 2012, 50 ITI graduates offered job out of them 45 were continued on the Job.

In the recruitment campus of 2013, 40 ITI graduates offered Job and 39 of them retained to their Job.

Due to the change in the mindsets their over all performance at work also get improved. Thus, Lean thinking approach adopted by HR makes lot of difference. Five Pillars of Lean HR approach are as follows :

**Conclusion:**

A major challenge for all organizations is to improve efficiency and to ensure continuous improvement. For the HR department this is a double challenge as the HR department itself should meet the requirements of the organizations it serves in an efficient way, and the HR department should be an active partner in promoting and training improvement actions in relation to main tasks of the organization.

Lean thinking and practice leads to capacity development in HRM. Present study shows that Lean thinking approach to HR process it well coordinated and implemented with proper mechanism for implementation then message understood by the employees as something of value that can make a difference.

Recommendations:

- 1) Lean is based on simple and easily understandable principles and tools that can give quick results in HR function.
- 2) Requires openness, creativity and willingness to change among HR personnels.
- 3) Requires good management & follow up by HR department.
- 4) Introduction of Lean in HR requires the heavy involvement of the HR unit together with other internal & external experts.
- 5) Top management must understand Framework & philosophy of Lean and ensure proper backing to act according to Lean thinking.

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