

# *Human Resources A BPMS Application*

# *Background*

- The Leadership team has identified that development of a High Performance Work Force is critical to the strategic direction of the company
- The Human Resources department has been challenged with leading the effort
- Recently there have been overtime issues with continuous budget overruns and absenteeism issues
- Efforts to work with the labor union had not generated any tangible benefits, causing short duration fixes
- Management considered radical cuts to force the issue, potentially causing a strike
  - The labor union had instituted many strikes in the past for compensation issues

# Weighting of Customers

Importance	Member 1	Member 2	Member 3	Member 4	Total
Shareholders	5	7	6	9	27
<b>Management</b>	7	10	5	9	<b>31</b>
<b>Employees</b>	10	8	10	7	<b>35</b>
<b>Union</b>	8	7	10	7	<b>32</b>
Manufacturing (Plants)	5	10	7	8	30
Production Planning	5	9	5	9	28
<b>Executive Board</b>	10	8	7	10	<b>35</b>

# *Customer Needs Identification*

- Business Needs
  - Lower overall labor costs
  - Maintain productivity and output
- Labor Union Needs
  - Higher, consistent pay for laborers
  - Consideration for laborer personal issues

# Customer Impact Evaluation

Rating of Customer Importance	8	10	6	7	Weighted Importance	Ranked Impact
	Management	Employees	Union	Executive Board		
Customer Needs	Impact Ratings					
Overtime cost control	9	9	3	9	243	100
Maintained productivity / output	9	3	3	9	183	75
Stable labor relations	9	9	3	9	243	100
Low absenteeism	9	3	9	3	177	73
Predictable production rates	9	1	3	3	121	50
Increased profits	3	3	3	9	135	56
Support of new product development	9	3	3	9	183	75
Stable quality	9	3	3	9	183	75
Flexible work environment	3	9	9	3	189	78
Secure employment	3	9	9	3	189	78
Sensitivity to personal issues	3	9	9	3	189	78

# Value Profile Analysis

Critical Value Attributes	Importance (1-100)	% Importance	Performance Ratings (1-10)				Weighted Ratings		GAP (You vs. Value Leader)
			You	Outsource Service	Division B	Benchmark	You	Value Leader	
Overtime cost control	100	14%	3	8	7	8	0.4	1.1	-0.7
Maintained productivity / output	75	10%	7	5	7	6	0.7	0.7	0.0
Stable labor relations	100	14%	4	5	8	9	0.5	1.2	-0.7
Low absenteeism	73	10%	5	6	7	8	0.5	0.8	-0.3
Support of new product development	75	10%	8	3	4	6	0.8	0.8	0.0
Stable quality	75	10%	7	5	8	9	0.7	0.9	-0.2
Flexible work environment	78	11%	4	3	6	7	0.4	0.7	-0.3
Secure employment	78	11%	8	5	8	8	0.9	0.9	0.0
Sensitivity to personal issues	78	11%	6	2	7	8	0.6	0.9	-0.2
	<b>732</b>	<b>100%</b>	<b>52</b>	<b>42</b>	<b>62</b>	<b>69</b>	<b>3.0</b>	<b>4.7</b>	<b>-1.7</b>

# *Value Chain Map*

- The processes supporting overtime approval were mapped to determine the areas to be addressed
- The main activities / steps that were evaluated included:
  - Production labor planning and scheduling process
  - Overtime Request and Approval process
  - Personal time-off request process
  - Unscheduled maintenance support personnel requisition
- All processes were mapped for connection points (interrelationships) and for functional responsibility (departmental activities)

# *Gap Analysis*

- Metrics were established as follows:
  - \$ in Overtime
    - % Scheduled
    - % Unscheduled
  - Absenteeism (% workforce with unplanned absence)
  - Production Output (MT / person / day)
  - % Hours Off (# hours off / 168 hrs. / week)



# *Project Selection*

- Upon review of the impact for each mapped process, the business team selected to evaluate and improve Overtime Request process
- Data were reviewed for the preceding quarter to establish a baseline and the gap in performance expectations
- The Cost Gap was US\$1,229,000 per year