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**HR LEADING THROUGH LEAN MANAGEMENT AND  
CUSTOMER CENTRICITY AT TELENOR SHARED SERVICES**

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***Abstract***

Lean management and service centricity work in coherence and augment the impact of one another as the ultimate objective of both approaches is processes efficiency, improved services and hence satisfied customers. The focus of this study is to evaluate lean management practices and service centricity in Telenor Shared Services and to analyze the role of HR as a business partner in actively supporting and enforcing lean practices and service centricity across the organization. The method used for this study is case-study research therefore the empirical part of study was carried out by doing in depth semi structured interviews with managerial and operational level personnel. This study discusses the benefits that are gained using these philosophies so as to infer for the organization itself and other relevant stakeholders the significance and practicality of lean and service centricity. This is the first study in Pakistan which discusses the practical implementation of these practices in a case study company. Lean and customer centricity both focus towards service mindedness so when we look at the situation of telecom industry in Pakistan, especially with the arrival of 3G and 4G in near future, SDL and lean will have an important part to play in any Telecom corporation.

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**Keywords:** Lean management, Service centricity, Process efficiency, Waste elimination, HR business partner.

## **1. Introduction**

Organizations, all over the world are facing tough competition in meeting customers' demands to the fullest provided the minimum cost and time potential. Quick response and delivering product/service to the customer on time is not just sufficient for businesses to survive these days. Rather businesses strive for competitive edge by achieving the least possible cycle time coupled with reduced cost as compared to that of competitors. For this reason most of the organizations nowadays are resorting towards more simplified cost and time efficient operating styles. One of those many styles is lean management, a mechanism which abhors waste and provides excellence through satisfying customer needs by continuous improvement and efficiency (Womack & Jones, 2005) Lean organizations thrive at value creation for its customers by making its processes cost and time savvy, and hence efficient. Customer centricity or service mindedness is a philosophy closely linked to lean management or in other words it is the new face of lean philosophy in services industry. Process are made efficient through lean management resulting in delivery of improved services to the customer hence maximizing service quality and customer satisfaction (Cotte, et al., 2015; Womack & Jones, 2015).

Many organizations fail in the journey of lean implementation because they are unable to apply lean in a holistic manner, they focus specifically on application of lean tools and overlook the essence of underlying philosophy. Lean is not just a mere operating or production style but it is a way of thinking, a mindsetmind-set and a set of management practices which help an organization transform to deliver the best (Bhasin & Burcher, 2006) Lean needs a proper thinking mechanism, management system, leadership and commitment in order to bring about a lean transformation in any organization. Lean if not implemented with proper guidance, can lead to dissatisfied customers and demotivated employees. The philosophical aspect can be better understood if we study its implementation in services industry because there lean is not just about application of tools to bring efficiency but a cultural shift of an organization towards people and process efficiency which eventually leads to service mindedness and customer satisfaction (Halling & Renström, 2011)

HR can play a vital role in lean and service centric transformation of an organization. It can do so by nurturing a culture that is based on lean and service mindedness and adapts these philosophies as a way of bringing about change and continuous improvement. Such a culture continuously involves employees in the change process, rightly guides them about the significance of these practices and creates a learning environment where success is evident through outcomes (Tracey & Flinchbaugh, 2006). HR has basically two roles to play here, firstly understanding the rationale behind these practices and secondly enabling all functions of the organization to learn and adopt it. HR has the power to improve the entire value chain process throughout the organization using lean management and service centric practices by acting as a change agent. Training and coaching employees about these practices and linking career growth and incentives to their performance in the process of transformation can help HR play this role (Ulrich, 1998).

## **2. Problem Statement**

### **2.1. What is lean?**

Research shows that there is no standardized definition of lean, reason being that lean practices are constantly evolving, and every organization adapt it according to its own requirements and business

conditions. In most cases lean is defined in operational terms which does not convey its' holistic picture (Pettersen, 2009) Lean as defined by Liker is "a philosophy that when implemented reduces the time from customer order to delivery by eliminating sources of waste in the production flow" (Womack & Jones, 2005

### **2.1.1. Lean in services industry**

If we take lean in service industry context, Sarkar (2009) defined lean on a strategic level i.e. "Lean is an improvement philosophy that targets to improve the performance of a business system by focusing on elements that do not add value. It is about creating an agile engine, which helps an organization weather the storm of competition". While on a tactical basis, lean is defined as "A process optimization methodology that focuses on improving the effectiveness and efficiency of a process by eliminating activities that do not add value to the customers and the product. It manifests itself in the form of reduction in cycle time, touch times and lead times" (Sarkar, 2009)

Lean practices can not only be utilized in manufacturing but also in services industry. A proponent of emerging idea of lean implementation in services Sarkar (2008) suggests that lean can be applied wherever this is a business system which is generally made up of people which include employees and shareholders, and resources, processes, strategy customer and the product/service the business is offering.

### **2.1.2. Service Dominant Logic and Service Centricity**

When talking about lean application particularly in services industry there is one fundamental foundation and highly relevant concept that cannot be overlooked, which is Service Dominant Logic (SDL). This idea was coined by Stephen Vargo and Robert Lusch in an article named "Evolving to a New Dominant Logic for Marketing". Service dominant logic proposes a shift from the traditional goods driven market to a service driven market. The idea is that services play a universal role not only in firms but also in the economy and have proven to be far better frame of references than goods for devising an effective management philosophy for future (Lusch & Vargo, 2008)

Aitken, Ballantyne, Osborne, & Williams (2006) argue that SDL enables the firm to make a relationship with customer through co-creation and sharing of knowledge, skills and resources hence enhancing customer value. The entire focus of SDL is to make this experience the best possible and for that to happen processes need to be well established, effective and continuously updated. There is no room for error in an interaction process like this therefore, innovation in resources, knowledge and skills is the key to maximize customer satisfaction. Moreover, SDL helps a firm adapt to the surrounding environment and develop a learning culture where continuous improvement is the fundamental strategic objective for survival and growth.

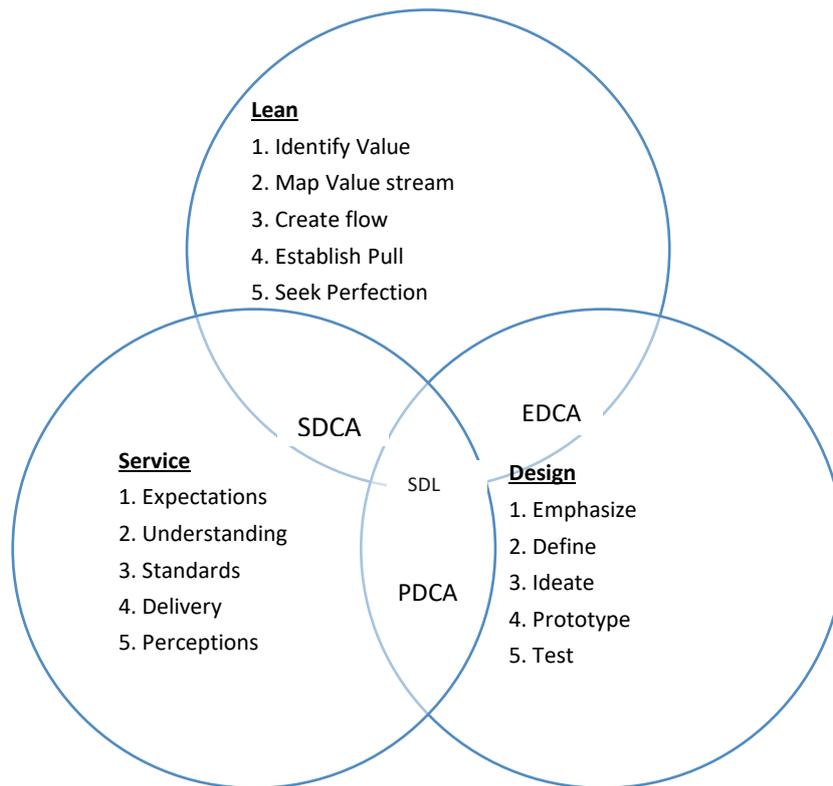
### **2.1.3. Lean management and service centricity**

Dager (2012) believes that lean can serve as a knowledge creation platform for the implementation of service dominant logic. The primary objective of both processes is value creation and customer satisfaction and both cannot be applied as mere process but should be adopted as a management philosophy and needs a learning culture to grow and nourish. These two philosophies complement each other because the prime focus is to attain customer value and experience.

Value propositions are designed keeping in consideration the consumer's requirements. There are three main processes namely SDCA (Standardize, Do, Check, Act), PDCA (Plan, Do, Check, Act) and EDCA (Explore, Do, Check, Act) that lean follows to deliver value propositions. SDCA is the very first step where a tactical team works with the customers who require a standardized service. Second being PDCA which is linked to continuous improvement of the process where a problem solving team work with consumer. This may require alterations or updating the processes which is dully fulfilled so as to satisfy the end user. Lastly, EDCA relates to exploring new ideas and opportunities for customers who look for novel and progressive approaches.

Lean thinking complement service dominant logic in quite a few ways. It determines the value of any operand resource by the value assigned by user, value propositions are made through SDCA, PDCA and EDCA, process flow is designed keeping in view the customer's preferences, alterations are made as specified by client and also continuous improvements are made part of the system in order to achieve excellence and perfection.

In continuance to this linkage between lean thinking and services dominant logic, Dager (2012) suggested a new trilogy by the name of Lean Service Design. Lean Service Design is based on the idea that delivering the final product/service to consumer leads to disapprovals and rejections from their side which may be a result of some errors in the designing or absence of some features that customer wanted, or it can be one of the many reasons that were not forecasted but caused service/product failure. All these can problems can be solved through the implementation of lean service design which enables the provider and user to co-create from the very first beginning thus making it a value experience for both parties. This changes the way of thinking and mindset of organization because now demand is created through services. Lean acts as the process enabler in every business system. Using its three processes (SDCA, PDCA, EDCA) in combination with Service and design leads to desired outcomes of service centric business model as shown in the figure below;



**Figure 01.** Service Centric Business Model

In this trilogy, lean using its tactical, problem solving and creative team acts as the process improvement and waste removal tool both in services and designing of services. It works with services so as to identify standards, expectations and delivery of services. On the other hand, it has more of an exploratory role to play when operating with design aspect where main focus is on innovation and bigger and better opportunities. Lastly service and design also keep a one to one correspondence so as to ensure where they stand, what are the expectations of customer and how they can deliver the best possible service. For this to happen, if provider think in terms of value in use rather than mere service benefits and believes concept development followed by prototype testing with the user.

## **2.2. Lean management tools:**

Several models have been suggested by different researchers particularly focusing on lean practices in service industry. One of the most widely used model is the lean six sigma which is all about getting rapid results for better strategic planning and satisfied customers. George (2003) defines lean six sigma as “a business improvement methodology that maximizes shareholder value by achieving the fastest rate of improvement in customer satisfaction, cost, quality, process speed, and invested capital”. Lean six sigma is a blend of lean thinking and six sigma which was designed to reduce the shortcomings of each practice and to make them work coherently for creating bigger and better synergies and substantial improvements in processes.

### **2.3. Lean philosophy Vs Lean toolbox**

Lean implementation is largely dependent on lean thinking of the organization. Some organizations take it as a toolkit for a certain project with a definite time limit while others adopt it as a philosophy and take it as an ongoing developmental process. Lean implementation is hence highly influenced by organization's interpretation of lean. When taken as a set of tools for bringing about change, the impact is not substantial and enduring. Whereas when lean is embraced as an ideology, there is a visible paradigm shift not only in processes but in organizational culture and behaviors. It is also suggested that in most cases initially lean is implemented as a toolkit for development in certain project but gradually with the passage of time when management develops a better understanding of the process, it is applied to every process of the organization which may include cultural orientation, coaching, communication and other issues related to management modus operandi. This is when an organization becomes a lean organization and every employee fully owns it (Halling & Renström, 2011)

### **2.4. HR's role in Lean and service centric organization journey**

When we talk about successful implementation of lean, the role of management cannot be overlooked. Some researchers concluded in their study that eventually it's the people that make lean happen, simply implementing lean tools and processes is not enough. If you want your organization to fully own the lean way of working, management has to show staunch commitment and belief in the philosophy first. It needs to comprehend the true meaning of lean, learn how it works and apply it to the function itself, only then it can coach the true essence of lean tools and practices to its people (Halling & Renström, 2011)

Ulrich (1998) believes that organizational excellence can never be achieved without the efforts and involvement of HR. But for that to happen, it is very important the HR is more than just a traditional administration function in the organization. It should be known by its outcomes, and the value it delivers to customers and employees. HR should be made responsible to help achieve organizational excellence and meet competitive challenges such as globalization, profitability, technology, intellectual capital and change management. HR as a business partner can accomplish these goals by acting as a versatile function. It can work at developing four essential responsibilities which can value driven function; these four roles include HR as a strategic partner, employee champion, change agent and administrative expert.

### **2.5. Critical Success Factors**

Vermaak (2008) suggests that there are two facets to the success factors ascribed to lean; the people or the soft side and the process or hard side. People's aspect is linked to issues that influence the whole process directly or indirectly which may include mindset and aptitude of people operating, leadership, commitment, skills and involvement. Whereas the process feature is more related to the operations and activities that result in yielding increased value. Smoothing over the transitional period is never easy and that purpose should be served not only by focusing on people's side but a combination of hard/process and soft/people's factors. Process related factors form the foundation for bringing in the change, these include lean as a strategic driver, stability of the system, lean promotion office, lean toolbox and lean as an integrated approach

## **2.6. Barriers**

Formulating a strategy for implementing lean practices is important but how a company adapts the strategy according to the circumstances and current needs during the implementation phase is a matter of due significance. There is always a probability of resistance to change by different elements while implementing lean. These barriers are lack of commitment to the lean objectives occurring due to non-involvement or communication gap, resistance to lean transformation or absence of willingness to learn new practices. Existence of any of these can hinder successful lean implementation which can only be resolved if HR takes in the charge and take corrective actions immediately (Halling & Renström, 2011)

## **3. Research Questions**

1. How is Telenor Shared Services implementing lean management practices and service centrality in its processes and organizational culture?
2. Evaluate the role of HR as a business partner in actively supporting and enforcing lean practices and service centrality across the organization.
3. What are the benefits, critical success factors and barriers associated with lean and service centrality?

## **4. Purpose of the Study**

Successful leadership and an efficient HR function act as a backbone in the success of these two practices in any organization to help it create customer value. Keeping this as the backdrop, this project will aim to analyze the role of HR business partner in creating a culture of lean and service centric mindedness across the whole organization.

## **5. Research Methods**

### **5.1. Research Methodology**

This study is carried out using the qualitative research methodology based on single case study. The company chosen for this particular study is “Telenor Shared Services”.

### **5.2. Data collection**

Secondary data was gathered through e-books, articles, journals, reports, working papers and past thesis projects. Since the research method used for this paper is case-study based therefore the empirical part of study was carried out by doing in depth semi structured 10-12 interviews mainly with managerial level personnel and 10 operational level employees, company web-page and series of informal discussions with the HR generalist at Telenor Shared Services (TSS). Convenience sampling was used to collect data as it is better suited to qualitative analysis. Managers were chosen from different hierarchical levels of the organization i.e. top and middle level, ensuring that they represent large majority of employees. The idea was to get detailed interviews from people who are actually involved in the implementation of these philosophies in organizational culture which were mainly managers and officers. In order to get a viewpoint of operational level employees, HR generalist suggested to take their interviews but in a slightly different

manner. A brief background to the topic and explanation with every question was given which helped them better understand and respond. Interviews of operational level employees were also conducted to get their view on these two philosophies. Interviews were noted down with the permission of interviewees and later transcribed for analysis.

In addition to that, a series of four informal sessions (8 hours in total) were conducted with the HR Generalist at TSS before and after the interviews were conducted. These sessions helped in getting an insight into the overall organizational culture and practices of TSS and an in depth understanding the role of HR as a business partner in making these processes successful.

## **6. Findings**

### **6.1. Case Company: Telenor Shared Services (TSS)**

Telenor Shared Services (TSS) Pakistan is basically an offshore shared service center of Telenor Group for its Norwegian shared services center and other business units. It was founded in 2009 and has coverage in almost fifteen countries and seventy companies. TSS provide non-core services which include finance, HR, IT development and support services, accounting and finance service operations, customer management services. The main objective of Telenor group for starting TSS was to achieve excellence in its operations through improving processes, eliminating the non-value adding services, reducing manual and time consuming business processes and reducing cost. Telenor has its shared service centers in Oslo, Bodø, Kristiansand, Aalborg and Islamabad.

The reason for choosing Telenor Shared Services (TSS) as the case study company for this particular research is that lean management and customer centricity are the building blocks of this particular unit of Telenor. There are a handful of service organizations in Pakistan that are solely built on the ideology of lean management and service centricity and TSS is one as claimed by the pioneers of this organization.

### **6.2. Lean management and SDL/customer centricity at Telenor Shared Services**

It is evident from the results that if TSS not lean in its operations it cannot survive. It does not only follow the lean principles of cost, time and resource efficiency but also comply the fundamental premises of service dominant logic which is the building block of service centricity. TSS offers customized services to all the fifteen countries which are its customers, in turn getting appreciation from all of them. TSS management believe in the fact that you need to shape your preferences and procedure according to the needs of customer and that is what makes an organization successful. People at TSS take pride in being a part of a customer centric organization as it is one of the core missions of their organization which they have successfully accomplished.

To start off with, respondents were asked about their basic understanding of lean management and how do they perceive the idea of service dominant logic and customer centricity. Responses obtained for the lean management concept were quite stimulating as it is one of the core philosophies that drives Telenor's operations but the most interesting factor is that each respondent defined lean management in context to his respective department's operations. When asked about this concept, the HR generalist mentioned that lean is all about change and improvements, making processes efficient, simple and easy to yield the best possible results. It helps an organization to get rid of unnecessary steps, focus on the value

adding services and make the best out of them. Most importantly, it ensures customer satisfaction and staying one step ahead of the competition. Another very interesting response was obtained from a communication department personnel said:

*“Lean can be defined in two words i.e. **Resource Optimization**”.*

It can be inferred from this term that it’s all about how well you manage your resources and how you bring improvements in your processes to make them more efficient. Also it is evident through secondary research, lean implies “the lesser, the better”. This pertains to all kinds of resources, be it cost, human capital or time.

Most of the respondents from accounting and finance department had a similar idea of lean philosophy. For them, lean is all about process efficiency. It is a way of identifying loopholes, making the processes smooth by removing the unnecessary steps; it saves time, cost and resources. They stated that it can also be defined as a management technique to remove the non-value adding activities and to bring efficiency in the processes. Such as when a process is executed in stepwise manner, the redundant steps are eliminated.

Waste removal is definitely one aspect that can be termed as the key advantage of lean management philosophy. Every department has its own wastes and methods to eliminate those. But commonly wastes are delay, unclear communication, opportunity cost to win or retain customers, inflexibility to customer demand. Lean helps in overcoming delays and attain resource and cost efficiency. It also aids clarity of processes, the easier they are the better understood by the customer. In order to avoid in-efficiencies and time wastage, a buffer is always kept for mistakes and headcounts. For instance, if ten people are required to do a certain task, twelve will be assigned so as to allow maximum buffer in case of any resource filling or time shortage. Also, there are continuous process improvement initiative programs which basically identify loopholes by concentrating on the processes, if something is making the process difficult, it is eliminated. All these activities help in making customers the first priority.

Likewise 10% improvement has to be made every year and along with a 10% reduction in inefficiencies and waste. This is an important milestone in Telenor’s yearly targets because if lean philosophy and SDL are used in a proper manner they can help remove a number of wastes such as it;

- Aids in reducing bureaucracy
- Runs processes fast
- Due to less levels in processes, makes pinpointing easy where the problem lies
- Makes the resolution fast, enabling quick response to customer

On the contrary if the philosophies are not managed appropriately, they can lead to;

- Excessive workload
- Higher cost
- Higher dissatisfaction of the customers
- Lower morale of the employees

Leadership has a dynamic role to play in lean management and the very fact was justified by a respondents from IT department. He claimed that if your leadership is lean then automatically you, your processes, your operations and your goals will also become lean. From this statement, it can be inferred that lean has a trickledown effect and without the leadership support, it definitely cannot happen. Also, it

is dependent upon the management how it instills the concept of lean in the workforce as it is only productive when you practice it, mere trainings are not enough.

In an organization like Telenor Shared Services, which is based upon the ideology of continuous improvement, process efficacy and customer centricity, lean management is a constituent ingredient in its routine operations.

Followed by the concept of lean, the idea of service dominant logic/service centricity was investigated to analyze whether Telenor is service centric in its operations or not. Initially most of the respondents were unaware of SDL and service centricity but when they were given a brief background to the two concepts, it was found out that service centricity is basically customer centricity to them and it is the core mission of their organization i.e. **“To be a customer centric organization”**. Customer centricity is one of the building blocks of service dominant logic and even being unaware of the concept, SDL is followed by the organization in its true spirit.

Service centricity is an essential component of Telenor’s operating philosophy and it has been fully integrated in its culture and values. Values such as being respectful to the needs of customers and stakeholders, openness to new ideas, initiatives and cultural inspirations is how Telenor incorporates SDL philosophy in its culture.

At Telenor, the first priority of every employee is customer satisfaction. It’s their belief that customers are always the co-creator of service/value, they are there to help them by making value propositions and eventually it’s only the customer who can determine the value of services. Thus, service centricity is definitely a driving force behind TSS success. When asked about the concept of service centricity at TSS, the HR generalist mentioned;

*“SDL is something that we practice every day, it’s actually what drives our business”*.

Another respondent supported this argument by replying that;

*“Service centricity is definitely one aspect of our business that cannot be ignored because this is the reason for our survival and key to growth and moving forward”*.

Service centricity is more of a mindset and you need to develop that in your people by constantly reminding them what is our ultimate goal and how should we keep our focus centered towards our customers. For this purpose, TSS management designed a three point strategy which constituted of the following three points;

1.Customer centricity was made part of TSS’s corporate strategy.

2.It was also made a part of TSS’s values.

3.There were a number of brainstorming sessions, campaigns and other programs designed to emphasize on the importance of customers and to further strengthen the customer centricity mindset at TSS.

Telenor has always inculcated a sense a responsibility in its employees for the customers. It has worked towards developing a culture where continuous improvement is the key to survival and growth of organization. Frequent sessions, trainings and workshops are part of the management’s effort towards becoming a customer centric organization.

In a services industry importance of a customer cannot be overlooked because ultimately it’s the customer who assigns value to a certain service. People belonging to different departments perceive SDL in their own ways depending upon the nature of their operations. A vast majority of employees believe that

it is an essential component of their culture and they practice it in all their activities whereas there is another group which is of the view that SDL/service centricity is developed by the leadership drive.

This fact can also be supported by findings of literature review which showed that for an organization to be lean and customer centric, it is very important that your leadership is customer centric. If leadership as a firm believes in the philosophy and will to guide its people in the right direction, it can take everyone on board and sell the idea. To make this idea work with the business, organization need to lead this from the top, rest follow.

### **6.3. Lean philosophy Vs Lean toolbox**

Telenor has a long history of constant innovations and process improvements which leads us to the conclusion that this organization has a lean mindset which is also manifested through the response results. As for the application of lean philosophy and lean toolbox, most of the respondents had a similar view; it is used as both, toolbox and philosophy. They explained that when taken in philosophical terms, change and continuous improvement are part of Telenor's culture and they are used in small inefficiencies related to everyday tasks. Whereas on the other hand when dealing with project and major inefficiency issues, different lean tools are used to make the processes lean.

As evident through secondary research, lean in services industry may or may not use all of manufacturing related lean tools and techniques instead it should be dealt as a learning phenomenon which is applicable to any business process to integrate, people and processes. In support of this argument HR generalist at TSS stated that:

*“Our product is intangible i.e. Telenor is a service organization and lean as management tool is more applicable to manufacturing corporations but there is a lean mindset/tools which is part of its business process. In terms of the service mindedness, Telenor is very much lean as it continuously strive at becoming resource and process efficient. Telenor has been using some of lean tools in performance improvement programs very extensively, one of them being lean six sigma which is a very popular and widely used concept here”.*

For lean management to work in an organizational setup, one aspect that cannot be ignored is the knowledge and understanding of leadership regarding lean and its relevant tools; if there is lack of goal clarity and management is unable to deliver the true meaning of lean to the operational level employees then such a practice can never be productive. Furthermore, one of the project managers claimed that:

*“It is used as a cost reduction method only by those who know and actually understand this concept”.*

So it is unwise to believe that certain tools or techniques can change the way an organization works, as for this to happen, high level of commitment is required from the leadership as well as from the operational level people who actually execute the processes.

### **6.4. Lean management tools**

Lean is part of Telenor's culture and KPIs (Key Performance Indicators). It is taken more as a learning phenomenon than a set of tools used to make cost reduction and saving time. Although there are no defined models implemented here for lean but it is evident through responses that TSS has integrated

lean philosophy in its culture by linking it up with the application of certain tools and techniques which assists in making the process lean. Every department has its own set of tools depending upon the nature of its operations but most extensively used in TSS is lean six sigma. Moreover process mapping, Net Promoto Score (NPS), Oracle, quality checks, master data management and a number of other tools are used for process efficiency.

**Six sigma** is the most extensively used tool in all departments at TSS and various trainings are conducted for its effective application throughout the organization. It's a process improvement model which helps in getting rapid results for better strategic planning and satisfied customers. Also it evaluates what is the current performance, what is the customer demand, what kind of process improvement is required and what measures should be taken to get that level of performance. Six sigma is an emerging quality management methodology used at Telenor used for different purposes such as reducing cost, cycle time and increasing customer satisfaction and profitability.

Every department uses its own set of six sigma tools and techniques depending upon the requirements of its processes. A large number of employees particularly managers have six sigma certifications and they aim to get even higher rankings in future. Most of the process analysts are green belt certified and there are almost 20-30 yellow belt certified people in accounting and finance department. There is also a fully functional lean six sigma office at TSS which works on six sigma operations, trainings and other related issues.

## **6.5. Role of HR as a Business Partner**

For shared service organizations, HRBP has to be a truly effective operator. At TSS, HR as a business partner is responsible for the overall organizational designing, structuring and providing strategic support. It plays four key roles as an enabling factor in lean and service centricity i.e. strategic advisor, change agent, employee champion and administrative expert.

### **6.5.1. Strategic Advisor**

HR generalist highlighted the role of HR as strategic advisor and mentioned that HR assists management in strategy formulation and identifying what sort of changes are required in organizational architecture to support strategy implementation. Moreover, whatever products or services TSS design for the customer, HR's role is to support the execution at every stage of the process where there are lean structures.

### **6.5.2. Employee Champion**

As an employee champion, HR continuously makes efforts to empower the employees through training, sharing ideas and engaging them at every level. At TSS there is a 3E learning model which is a systematic development methodology for its employees. 3E constitutes of Education (training), exposure (job rotation etc.) and experience (whatever you do). Among these methods, 90% of development comprises of exposure and experience. Training is definitely very important but that is temporary and is only useful when coupled with experience which leads to development, a continuous process. HR as a

business partner tries to follow this model to enhance employees' performance because it is very well suited to the employees and customers.

### **6.5.3. Change Agent**

HR as a change agent has been very proactive in organization wide awareness of changes and their worth to the business. It works at developing that through customer service trainings, lean six sigma trainings and performance improvement methods, all targeted towards achieving excellence. When people are engaged in the change process, given trainings and appreciated on their performance, there is definitely improved output and growth of organization along with the growth of its people.

HR strategies create a significant impact on organizational performance and customer centricity. By the use of methods like lean and SDL, organization is able to remove inefficiencies including delay, unclear communication and dissatisfied customers. It helps in developing lean mindset, an open environment with a clear information system and freedom of expression. HR is really prompt in arranging presentations regarding strategic changes in company. By and large, it has a very strong impact on organization wide transformations be it lean or service centricity.

### **6.5.4. Administrative Expert**

When we talk about HRBP's role in administration it is more of an expert role rather than administrator role. Basically HR Telenor Pakistan and HR Norway are handling the administrative role here at TSS which is responsible for all kinds of administrative issues including communication, providing resources, trainings and development of employees, performance evaluations, bonuses, salaries, increments, compensation packages and other related matters. HRBP at TSS overlooks these issues as an expert and provides support in execution. A few of these roles are discussed as follows;

#### **6.5.4.1. Communication**

When we talk about communication, HR has played a pivotal role. It enables a single point of contact for all the departments and eases up communication to the best possible. Messaging is better aligned and hence improved coordination. HR supports inter organizational communication, report generation to all concerned bodies, resolving employee related and interdepartmental issues. In short HR keeps everybody aware of all happenings in the organization.

There are regular meet up sessions and systematic communication mechanisms which keep people well informed and connected. Townhall/ division meetings are conducted on a regular basis to communicate with all employees and get their feedback and queries on work related issues. In addition to that, emails, meetings, memos, newsletters and dashboards are some other ways of communication that are used to keep all employees up to date.

TSS has an open culture e.g. it introduced the hot desk concept which is very unique, people can sit anywhere they want, and sitting together facilitates open discussions, flow of ideas and a casual work environment. There is no card system here, people are recognized by the kind of work they do. It has a very lenient policy for work from home.

Moreover, HR is also responsible for giving orientations to new hires, looking after grievance issues, evaluating performance appraisals and giving feedback to employees. Routine tasks include data processing, monitoring, scheduling interviews and meetings, preparing templates for job descriptions and other related issues.

#### ***6.5.4.2. Providing resources***

Likewise in recruitment, HR is involved in leading workforce planning; hire leaders for leadership roles who can drive change and who can bring about service mindedness in organizational culture. HR plays a central role in evaluating candidates with the right potential and hiring resources that are fit to the demands of organization, leaders who can lead the force towards customer centricity.

Moreover, there is a combinations of permanent and contractual employees at TSS and it's the responsibility of HR to keep a right balance between the two. According to the changing trends, organizations tend to opt for contractual hires but that also leads to higher risk of people leaving the organization at any point in time. Hence, HR also maintains a pool of back up resources in case of any urgent needs.

HR also arranges for consultants and auditors from international firms. All the trainings, seminars, workshops, interactive sessions and other activities are arranged by HR.

#### ***6.5.4.3. Training and development of employees***

When people are trained for a particular task and they work on projects to apply that knowledge and learning, there are more chances of their development and enhanced performance. At Telenor, such trainings have helped people in learning, growing and developing a mindset of lean management and customer centricity.

HR enables such a culture where employees can perform efficiently and nurture their skills .As a reward, HR facilitates them with tangible and intangible resources. They are provided with laptops, phones, sim cards, airtime and many other incentives for their efficient performance and decision making. They are also given benefits and rewards based on their performance in order to keep them satisfied and motivated.

### **6.6. Benefits of Lean management and service centricity**

Lean and service philosophy has helped TSS in bringing in more business and gaining more workload. In the first few years of its operations, TSS had direct link with Telenor Norway which was one of its customer but also acted as a liaison between TSS Pakistan and customer units in other counties. Over a period of time TSS made its communication processes lean with its customer and now it has a direct contact with all the customer's management and operations. Initially work was done according to their given SOPs and once a relation of trust was built with them, they really appreciated the work and encouraged TSS to give value propositions to them for customized services.

Lean and service philosophy has given a tremendous improvement experience to the organization. There has been remarkable improvements in speed of service delivery. These practices have enabled processes efficiency, better resources utilization and save time from non-value adding so as to utilize on value enhancing services.

There are a number of other advantages of these two concepts as pin pointed by respondents. Service delivery manager highlighted the benefits they achieved by adopting and service centric practices. Firstly, executive sponsorship has been gained which support in work that is done in a lean mindset. Secondly, there is now a proper measuring systems which evaluate the output and not people. Thirdly, there are annual goals for employees and in turn for the organization to pursue certifications in lean. This not only help them grow professionally but also assist us in achieving our goals like operational excellence and keeping head count at a number. TSS has always tried to keep its output measurable and for that it uses SMART goal principle i.e. goals should be specific, measurable, attainable, relevant and time bound.

TSS's business has grown tremendously in the past few years and that is mainly because of its organizational philosophy. It has received many awards for being the best service provider. Also, employees are encouraged for taking initiatives and given awards for their outstanding performance. An increased customer base and appreciation from customers keeps the employees motivated to perform better. So it's a combination of benefits that are interlinked.

## **6.7. Critical success factors**

The success of lean philosophy and service mindedness is reliant on both people and process related factors.

### **6.7.1. Soft/Process related factors**

#### **6.7.1.1. Mindset and attitude of employees**

Firstly if we talk about the soft or people related factors, mindset and attitude of employees are extremely important. HR generalist explained that unless you don't instill these traits you cannot expect to achieve customer centricity. In certain cases, this mindset already exists but off coarse then there are cases it needs to be developed.

Catering to the need of customers and giving them a positive response add a lot of value to the customer experience. For instance, sometimes employees have to work on off days too for international clients because it might not be their off day in their part of the world and being service providers employees have to be there whenever their customer need them. This is only when you have the right attitude and a customer oriented mindset.

#### **6.7.1.2. Leadership role**

Secondly, leadership's role is of great value here because any such change or initiative is usually driven from the top. Having a sound knowledge of lean and customer centricity is imperative in order for it to work. Leadership and the people should have a mindset for adopting such a culture and acceptance of change is another very vital ingredient in such transitions. Simply put, buy in of the organizations, especially by the foot soldiers (lower and middle management) is what makes these two dynamic philosophies effective. Change is driven from top and if leaders do not own the philosophy they are going to implement, they cannot expect the employees to produce good results using those.

### **6.7.1.3. Employees' commitment, skills and involvement**

Thirdly, employees' commitment with the organization's overall direction and values is also of great significance but commitment is not really an issue at TSS because it has always been fortunate in terms of having committed workforce.

Last but not the least, skills/capabilities is another factor in this overall list. It is definitely an important aspect when we sort of prioritize it. If somebody doesn't have the right skills, he won't be of any good to the organization so such people are hired who are a perfect fit for the organization.

Ultimately the way you communicate with your customers and the kind of relationship you have with them are very important in making a strong customer base and that can only be made possible if you have a committed workforce.

### **6.7.2. Hard/ process related factors**

#### **6.7.2.1. Lean as a strategic driver**

Hard or process related factors mainly comprises of the role of HR as business partner. TSS has BPI (business process improvement) departments everywhere which act as strategic drivers and help in continuous improvement of the processes throughout the organization.

#### **6.7.2.2. Stability of the system**

In case of falling revenues, companies start laying off people which is not always sufficient because that won't solve problems. The way to deal with such situations is to act lean, make the hierarchies flat and be time, cost and resource efficient and this is what TSS does. It believes in keeping harmony between all its elements. Communication, quality of services, leadership and change management process are a few factors which are important in keeping the system stable. Change is only good when it's gradual, involves people and their feedback.

#### **6.7.2.3. Lean toolbox**

Every department use different kind of tools depending upon the nature of its operations. But overall lean is used more as a philosophy and for when we talk about the practicality of that philosophy, multiple tools do the work. When asked about this, HR generalist commented;

*"We do use lean and SDL tools to some extent and more in their philosophical meaning. In short, the sort of nomenclature used at Telenor is purely service centric and to achieve excellence we make use of philosophies such as lean and SDL".*

#### **6.7.2.4. Lean six sigma promotion office**

There is no lean promotion office but there is a fully functional office for lean six sigma which works on lean six sigma operations, trainings and other related issues.

#### **6.7.2.5. lean as an integrated approach**

Most of the respondents answered that at the end of the day, what matters most is customer's happiness and satisfaction; if customer is happy that is the ultimate success every company wishes for. No

matter how efficient your processes are, how lean your thinking is, if they are not capable enough of fulfilling your customer needs, you should probably figure out where you are wrong. In telecommunication business, performance is judged by the customer's contentment with delivered services, so that needs to be fulfilled at any cost. In order to gauge customer's feedback, TSS conducts regular customer service index (CSI) surveys in which customer feedback are recorded to measure their level of satisfaction with the service.

#### **6.7.2.6. Barriers**

Most of the people at TSS believe that they are the leanest unit in Telenor group and they are not facing any kind of barriers but still there are certain factors that hinder the process of creating a lean and service centric culture.

Telenor shared services (TSS) faced a lot of challenges when it first planned on making its processes lean. It was a young team, practices were old as passed on from Telenor Pakistan and there was also a geographical split. Change management played a significant role at that point in time. Management set up teams, trained them in six sigma which led to process improvements.

#### **6.7.3. Cost Vs Benefit**

In an ideal world lean does help in eliminating waste but not really in the real world. There are a lot of factors that need to be given consideration when designing processes such as quantity, service, availability, risk. Many of the factors are not in control of the department that's running the process. For instance, design department might design a process that provides cost efficiency but when it goes to risk management department for further processing, they might not approve of it. Reason being that from their perspective it's not a feasible plan, company may not be able to generate enough returns from this cost cutting. A project manager further explained this by saying;

*"If you target for 100% efficacy you'll end up getting a 60 or 65% because of influence the uncontrollable factors. At times you need to re-look at risk profit to make it more customer centric".*

Hence if you are making your processes efficient you need to evaluate the cost versus benefit or the revenue benefit in terms of customer services.

##### **6.7.3.1. Bureaucratic /hierarchical issues**

Bureaucratic/ hierarchical issues can be regarded as barriers in small pockets of the organization but once again service mindset and the cultural positivity has helped overcome those with the lean and service mindset and now TSS has a culture free of any kind of politics.

##### **6.7.3.2. Resistance from customer**

Organization has to adapt its processes to the customer needs. In some cases there is lack of support from customer's side to make alterations in the processes. Sometimes service providers try to get lean by simplifying processes but customers just negate the idea and they have to do work the lengthier and costly way. One of the respondents from F&A explained it through an example; we have a verification software

that can easily do the working on soft copies but our customers want the hard copies so we have to do it their way. It increases the workload and then also requires most time, cost and human resource.

Also, in some cases the nature of customer requirement does not allow to make radical changes to processes, cost and time efficiency become difficult in such situations. Moreover, many a times there are ambiguities in customer demand. People change their requirements during the process and they want those changes whether feasible or not. Lack of customer involvement is also a barrier at times. In that case definitely application of any the two would be of no use. Without them being involved, you would not know whether you are meeting or exceeding your customer demands or not.

#### **6.7.3.3. Resistance from employees**

Respondents were of the view that lack of understanding of the logic behind bringing in changes to processes sometimes lead to resistance from employees and poor performance. Whenever a new method or module is introduced, it should be implemented in a systematic manner, employees should be well trained and they should know the rationale behind it only then they will be able to yield better results.

#### **6.7.3.4. Coordination issues**

In cases where different teams from different units are working together conflict of interest may occur. When multiple teams are involved in a task, complexity occurs and lack of coordination results in inefficiency of the process. In such circumstances, strong commitment of leadership is required, if there is effective coordination among the team and they are brought on a common ground, there would be more unanimity among stakeholders involved and hence better focus on collective performance goals.

#### **6.7.3.5. Workload**

Definitely bringing in new processes and practices add workload which sometimes becomes a barrier. All these activities require time and they cannot happen overnight, consistency and continuous innovation is the key to service centricity.

#### **6.7.3.6. Regulatory Issues**

Organization has to see concerns of regulatory authorities and their policies too. A number of times what may seem a very cost and time efficient model to the organization might not be a feasible project for the regulatory bodies and without their approval it cannot move ahead. Respondents claimed that there are a lot of things that they cannot do practically or process plans that they cannot carry out either because of its less revenue worth or because of security reasons. Sometimes regulatory authorities have issues with the changings in processes and sometimes even the customer is not comfortable with new processes so we have to do things their way because ultimately they are the end users.

## **7. Conclusion**

### **7.1. Conclusion**

Lean is a mindset that has to be embedded deep down in the values and culture of an organization for it to survive in today's continuously evolving world. Service mindedness is something that matters the

most in this particular journey. When you have better and delighted customers, you have passionate employees and vice versa. Whichever function it is, the ultimate output is dependent on customer satisfaction be it finance, IT, HR, product and service, or any other function because at the end of the day all your efforts and planning are centered towards making your customer happy, if that is accomplished, you're on the right track.

The very first objective of this study was to study the lean management practices and service centricity concept at TSS. It is observed that these two philosophies are exceptionally important for Telenor shared services. TSS is based on the idea of process improvement, resource optimization and customer centricity which are attained using these vital ingredient in all the operations at TSS. Every department has incorporated these concepts in their operations in different ways but the ultimate goals are common i.e. improved services and customer satisfaction.

The concepts of Lean management and service centricity are co related. The more focused an organization is toward its customer, the more it strives to make its process lean and hence improved customer services. The way different departments at TSS use lean management practices in their operations depends on the nature of task and its time duration. When talking about projects, certain specific lean tools are used as per the requirement of project but in routine operations lean is more used a philosophy to continuously improve processes and services. At TSS, lean is more of a mindset and management is of the view that lean tools can only be effective if the philosophy is well embedded in the culture of organization. Leadership has played a vital role in making lean and service centricity possible and it's the attitude of management and passion of employees that has driven the organization towards lean mindedness.

Lean management and service centricity have been a source of waste elimination in TSS. Through the use of these concepts, it accomplishes the goal of 10% reduction in inefficiencies every year. Output is reduced bureaucracy, faster processes, less levels in processes and quicker response to customer.

HR and management has played an instrumental role in making these two successful at TSS. If it was not nurtured by management's support and HR initiatives, it wouldn't have been possible. HR is more of a strategic and tactical function at Telenor Shared Services which is primarily linked to its business partner role. It expedites the lean process by acting as a strategic advisor, employee champion, change agent and administrative expert. Hence, HR is facilitating employees by every means possible and bringing in cultural changes in a smooth and efficient manner.

Study shows that the success of these two philosophies is reliant upon both soft/people and hard/process related factors. People related factors have more impact as process can only be useful if the people operating them have faith in their underlying philosophy. Mere application of tools and techniques can only result in gaining temporary profits but if an organization wants a permanent growth trend in long run a lot of other factors are required. These factors include a lean and customer centric mindset and attitude of employees, leadership support and commitment of the workforce. All these factors along with a combination of process related factors make the lean and service centric journey successful.

Success doesn't come easy and so is the case with TSS. There are a lot of risk associated with making the process lean such as uncertainty regarding profits and response from customers. Sometimes even if management wants to make all its processes completely lean it cannot because it is bound to work according to the requirement of customers and also it has to abide by the rules of regulatory authorities. Moreover,

resistance from employees due to non-involvement and lack of guidance, increased workload as a result of changing processes and minor organizational politics cause hindrance at some levels but their impact is not significant.

Lean management and service centricity have benefited TSS in so many ways. Besides developing a learning culture in the organization, these practices have totally evolved the concept of shared services by continuous improvement and innovation. It has been able to attract more business from foreign business units and immense recognition for the services that are being delivered to them. Also, sponsorship of executive management, improved measuring systems and professional and personal growth of employees are some other benefits derived from the application of these philosophies.

## **7.2. Suggestions**

After analyzing the data collected from interviews and informal discussions, following suggestions can be given to the organization

### **7.2.1. Cost Benefit Analysis**

If a company wants to go lean or be totally customer centric, it should first weigh the reward with the cost. If revenue is greater than the cost, then it should go for it else it should not be preferred. Depending on the nature and size of business, you should know when you have enough resources that you can go lean. You should find the right balance between the cost of having the right people with required talent and competencies.

### **7.2.2. Relationship building with customers**

In today's world, it is very important to educate your customer about the new technologies, processes and efficient solutions. If they are aware of all these things, they are more acceptable to changes and taking risks. As TSS has a direct relation with its customers now, in situations where the customer is reluctant to changes in the processes, it can convince them for the changes that are made in the service design.

### **7.2.3. Equal learning opportunities for all employees**

There is a lot an organization can achieve from these two philosophies given the appropriate knowledge, skills and trainings, Lean six sigma trainings are very relevant in this regard but they should not be limited to the top and middle level management only. Such trainings should be given to lower level management too because it's the operational line which is doing most of the productive work and if they don't have the basic knowledge of these methods, then bringing change would be more challenging and time consuming.

### **7.2.4. Leadership role**

It is observed that most of the managers believe they are way too lean and they cannot improve any further as they are at the optimal level and going beyond that point may lead to diminishing trend and performance may get negatively affected. On the other side there are operational level employees who are totally unaware of lean philosophy and its true meaning. Reason being that despite performing all the lean

practices and being a part of the process they are not briefed about the philosophy behind those processes. It is the responsibility of leadership to guide the operational level employees regarding the underlying philosophies along with their pros and cons.

#### **7.2.5. Sharing of ideas**

There should be more brainstorming and informal sessions. There are dashboards in every department but they are not used in their true spirit. They should display process maps with the identified loopholes and it should be open to discussion. As for HR, it should arrange more team building activities, strategy related games, away days, cross departmental trainings and interactive sessions.

#### **7.2.6. Committed workforce**

If there are more permanent employees than contractual, employees will have more interest in their jobs and eventually they'll be more productive and take part in growth of organization. Contractual employees do not have very high level of commitment and there is a high risk of job switching associated with them and that affects their performance at work. New ideas only emerge where people are fully devoted to their organization and for that whole lot of commitment is required.

### **7.3. Future Implications for Telecom Industry**

Lean and customer centricity both focus towards service mindedness so when we look at the situation of telecom industry in Pakistan, especially with the arrival of 5G in near future, SDL and lean will have an important part to play in any Telecom corporation. Therefore we can positively say it definitely has future in the service industry or in other words the future of service industry is dependent on the adoption of modern techniques like lean and customer centricity.

### **7.4. Research Limitations**

This study is an empirical research purely based on the findings obtained from Case Study Company. Findings are specific to Telenor Shared Services and cannot be generalized to any other entity. However, findings can be improved by conducting further research on comparable companies within the telecom industry.

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