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You have probably heard the phrase, “the soft stuff is the hard stuff,” meaning that the tools and techniques are actually easier to do than the “softer” issues, like leadership, alignment, teamwork and managing cultural change. Consider, for example, the finding of a Harvard Business Review study of some 200 management tools, such as total quality management (TQM), enterprise resource planning (ERP), etc., used in 160 companies over a five-year period.

“Most of the management tools and techniques we studied had no direct causal relationship to superior business performance.”

Supporting this conclusion are various reports that indicate the more popular tools and techniques do not have a very high success rate. For example, Bob Williamson, an industry expert in total productive maintenance (TPM), estimates that some 60 percent of TPM programs fail after three years of effort and 98 percent of 5S programs in the U.S. over the past 15 years have failed.

Furthermore, Jeffrey Liker, an industry expert in lean manufacturing, estimates that less than one percent of U.S. companies are effectively applying lean principles. Reliability expert Tom Dabbs states that some 70 percent of
manufacturers have tried to apply some form of lean manufacturing, but of those, only two percent were satisfied with the results and nearly two-thirds saw no improvement.

Also, Neil Bloom, an industry expert in reliability-centered maintenance (RCM), estimates that over 90 percent of all RCM programs initiated are never successfully implemented. Uptime Publisher Terrence O’Hanlon says his surveys indicate that more than 60 percent of manufacturing organizations have doubts regarding their root cause analysis efforts as they relate to management buy-in, implementation of recommendations, triggers for doing the analysis, program structure and communication of results.

Most of these tools have been around for decades, are well understood and have adequate resources for developing and implementing them, either through external consultants or internal experts. So, what’s the problem?

THE SOFT STUFF

Observations over the years have shown that the very few companies that have had the greatest success in improving reliability and operational excellence have been those that effectively addressed issues around leadership, or more accurately, sponsorship, as well as alignment of the organization, teamwork, including cross-functional teams as needed, and certainly not least, managing cultural change.

In most all other companies, any number of technically-oriented programs (e.g., tools and techniques) start, have some initial success and then fade away. This usually occurs for various reasons – the “champion” leaves; the manager driving the program moves on; new senior corporate management comes in with new ideas about how things should be; the union leadership refuses to go along; only three or four percent of the workforce participates in solving specific problems, leaving the other 96 percent to wonder, “What are those guys doing? That doesn’t help me;” or other less common issues.

So, what’s missing? It’s usually issues related to leadership/sponsorship, alignment of the organization, teamwork within and across organizational boundaries and managing cultural change. And, it begins with leadership creating the environment for assuring alignment, teamwork and cultural change. The soft stuff really is the hard stuff.

LEADERSHIP

What is leadership? I have read several books on the concept of leadership. My personal definition of leadership is:

“The ability to inspire ordinary people to consistently perform at an extraordinary level.”

Ordinary people is not meant in any pejorative sense, but rather putting really good systems in place that allow people to thrive, along with the company.

Winston Ledet provides a simpler and direct explanation of this principle in his model for leadership. He defines a leader as anyone who has followers. Leadership floats to the person best qualified to eliminate the source of any defect, that is, the nature of the work determines who is in the lead position. In his model, rank is not equal to expertise, so the lead position can come from the top or bottom depending on the situation and is found in a relationship of leaders.

In general, Ledet says there are three types of leaders:

1. Executive leaders provide vision and resources;
2. Operational leaders provide time for workers to improve;
3. Network leaders, most often found on the shop floor, provide the ideas for improvement.

With this approach, you also get better alignment, since executive leaders provide the vision and resources, and operational leaders the time, but the shop floor is actually providing most of the ideas for improvement. They’re engaged and have a sense of purpose and ownership. It’s a well-known fact that if you want to understand problems with the work, ask the workers and get them involved in making things better. This also addresses the issue of teamwork and cultural change.

Moreover, it extends the concept of leadership to sponsorship. Too many leaders make pronouncements about some major initiative, appoint someone to “lead” it, and then walk away, expecting it to happen. This is not leadership, or sponsorship, but rather it is merely permission, and generally does not work. Ledet’s model explains more fully the concept of sponsorship and active engagement in driving any initiative until it is embedded in the organization.

With this in mind, here are more specifics on how to better align an organization, get better teamwork and manage cultural change.

ALIGNMENT

According to a survey by Harris Interactive, Inc.:

- 37 percent of employees had a clear understanding of what the organization was trying to achieve;
- 20 percent were enthusiastic about organizational goals;
- 20 percent of employees saw a clear connection between their tasks and organizational goals;
- 15 percent of employees felt the organization enabled them to achieve their goals;
- 15 percent of workers felt they were in a high trust environment;
- 10 percent felt their organization held people accountable;
- 13 percent felt there was a highly trusted, highly cooperative working relationship with other groups or departments.

Consider the consequences of this survey if you were a coach and your team’s athletes felt this way. The consequences would be similar in any company.

According to organizational development expert Edgar Schein, the process of organizing creates naturally competing groups – shifts, plants, divisions, etc. More importantly, as task interdependence increases, teamwork and collaboration become increasingly critical for organizational effectiveness (e.g., production and maintenance, between shifts, between marketing and manufacturing). Overcoming this tendency to compete requires the creation of superordinate goals that take priority over group interests. As such, leaders must constantly remind people to focus on the higher level goals and to think at a systems level. In other words, don’t optimize at the suboptimal level in your little silo. Instead, ask, “What effect will this have on the system?”

And finally, performance measures must include shared measures between “competing” groups and partnership agreements that assure collaboration.

TEAMWORK

When task interdependence is high, such as between production and maintenance, cross-functional teams are often essential. In that context, effective teamwork requires that:

- Teams have a clear purpose and direction aligning business interests and individual interests;
- Boundaries for the team assignments are given, but there is self-determination within those boundaries, with an understanding that a common business purpose must produce results;
- Openness and cooperation are stated expectations.
MANAGING CULTURAL CHANGE

First, it's important to understand that managing cultural change is an ongoing effort, not something you do once and it's done. It requires continuous effort. An effective model for managing cultural change is provided in Figure 1.

The heart of this model is engaging all employees in the change process. Many claim that, “People don’t want to change.” Actually, they do, but only:

• IF given compelling reasons for change;
• IF there’s something in it for them, for example, a more secure future, better pay or rewards, less stress and hassle, or less personal risk or fewer injuries;
• IF they participate in creating the changes, giving them a sense of ownership, purpose and control. To support this, you must set up routine, periodic, structured improvement time, such as small action teams; train and apply the appropriate tools for their needs; remove the obstacles from their success; routinely solicit and act on their ideas for improvement; and show gratitude and appreciation for their contribution.

All three IFs must be met to align employees' personal interests with the company's interests. As Margaret Wheatley, management consultant and organizational behavior expert, said: “People own what they create.” You must help your employees create by giving them a sense of purpose, control and ownership!

CONCLUSION

For the greatest success in reliability and operational excellence, executive sponsorship is essential. Remember, simple permission is not sponsorship or leadership! Active engagement by the leadership is essential. You must also have a good production and maintenance partnership, among others, which includes clear goals and expectations that are reasonably achievable. To support this partnership, there must be shared key performance indicators (KPIs) for reliability and business results in the annual management appraisal and bonus system. And finally, and as important as all the rest, you must have a shop floor engagement process for defect elimination, including a support structure, the use of cross-functional teams and routine, structured improvement time.

This way of thinking will help you better manage the soft stuff. It’s the hard stuff!

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