

Viewpoint: Aligning The Right People For Profitability

Written by Jeff Shiver, CMRP, CPMM, Managing Principal, People and Processes, Inc.
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Jeff Shiver, CMRP, CPMM, Managing Principal, People and Processes, Inc. Studies have shown that many organizations suffer from a self-induced failure rate upwards of 70% in equipment reliability processes and practices. These failures result from sources such as operator error, management, purchasing and maintenance methods, to name a few. More rarely considered as a reason for failure is organizational alignment and structure—yet it can have significant financial and functional impact. This is especially true when Maintenance and Operations are decentralized and using high-performance team concepts with little or no direct supervision, and no real centralized support functions such as Planning and Scheduling.

While many manufacturing organizations abandoned the high-performance team concept over 15 years ago, not everyone followed suit. Some organizations in the last few years have chosen to revisit and pursue the concept with the great intent of empowering people down to the lowest levels. The few supervisors who remain in the organization become "coaches" since it is the team that now makes the decisions. Often, the reality is that the response time for making significant decisions slows greatly. Consider that one high-performing team organization worked with a consultant for over a year with weekly meetings just to determine (via a voting process) if they were going to plan and schedule maintenance activities.

Although there are advantages to the high-performance team concept, the disadvantages for the Maintenance group and—ultimately—for the organization as a whole, outweigh them. Consider the fact that teams don't like to share 'parts' of people, especially craftspeople. Because craftspeople never work in other areas, they have no knowledge of 'site' or other area equipment. Because the 'team lead' responsibilities change every day or week, there is no continuity in direction other than getting product out the door. Loss of direct supervision skilled in maintenance is one of the first casualties. This is quickly followed by the loss of Maintenance Planning and Scheduling with the focus on production goals of the craftspeople. In light of no planned work and no preventive maintenance, equipment reliability suffers. Costs go up. Since we can't use the craftspeople across different areas, we must staff shutdowns and other activities with contractors. Craftspeople living the cycle of reactive chaos become

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disenfranchised and leave the organization. As equipment reliability falls, so does the profitability due to increased downtime and ensuing loss of capacity.

Setting up the right organizational alignment to thrive and profit starts with educating leadership. A proactive team culture requires effective Maintenance Planning and Scheduling; knowledgeable and dedicated craftspeople that have direct supervision (ideally with craft skills); a Maintenance Engineering (not Project Engineering) function; and a partnership with other stakeholders such as Operations. When these functions are properly staffed and supported with mutually beneficial partnerships, you are well on the way to creating a winning team that balances empowerment with profitability.

As a long-time maintenance practitioner and now as managing principal of People and Processes, Inc., based in Yulee, FL, Jeff Shiver has educated and assisted hundreds of people and numerous organizations in implementing Best Practices for Maintenance and Operations. E-mail: jshiver@peopleandprocesses.com

The opinions expressed in this Viewpoint section are those of the author, and don't necessarily reflect those of the staff and management of MAINTENANCE TECHNOLOGY magazine.