Systems and Procedures are needed but Desired Behaviour is necessary when implementing Asset Management

Jan Mens (Bsc)

Partner and General Manager of IES Asset Management, a Dutch consultancy specialized in Asset Management. Jan is working as an Asset Management consultant, IAM-endorsed assessor and trainer, coach and mediator.
The last 7 years he was involved in Asset Management implementation projects within infrastructure and public transport.
Contact: Reeuwijkse Poort 301 NL-2811 NV Reeuwijk, The Netherlands
jan.mens@iesbv.nl +31182399530

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Abstract

This article is about the implementation of asset management in various semi-public governmental organizations in the Netherlands. Often implementation of asset management is about setting up EAMS[1] along with drafting processes and RACI[2] tables. Neglecting the effect implementing asset management on human behaviour when could lead to failure of these implementations. This article examines the managerial influence on employee behavior and the role management plays in this process.

1. Introduction

Implementing asset management often starts with implementing an EAMS. After having used the system for a while employees might complain about the user friendliness of the system, maintenance engineers about the lack of useful data in the system and management about the lack of management information. However competencies and behavior of management and employees are often to blame. Implementing asset management is more than buying a system and writing procedures. Implementing asset management requires other competencies and behavior of management and employees.

In every organization there is a culture. You cannot see or hear it. Culture can be expressed in implicit and explicit rules of conduct. Every person in the organization, management included, is part of that culture. With change management you can change that culture. This culture change begins when management starts to behave in a different way. Management has to realize that they are part of the old culture too and they have to change first in order to start the culture change. Practical experience from organizations within infrastructure and public transport in The Netherlands has taught that employees are not depending on management for their daily working requirements. Their supervisor and colleagues are far more important in this respect. This raises the question, what is the influence of management on the organizational culture and behavior of its employees?

2. Culture

Culture is not tangible. Culture includes the following topics:
- Culture is something that is shared by people;
- Culture is "worn" by people;
- Culture is learned;
- Culture is not immediately visible nor can it be easily influenced;
- Culture has a durable and stable character and is difficult to influence.

Culture is reflected in rituals, symbols and heroes. There is no single definition of culture, but we can associate topics, behavior, leadership and corporate identity. Behavior is about how people interact, about leadership and how management go along with their employees. Corporate identity says something about what the company stands for in terms of vision, mission, ideas, values etc.
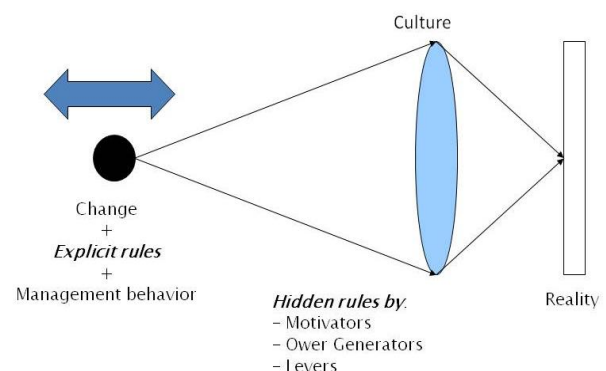

Figure 2.1
Figure 2.1 shows the change mechanisms appear for employees 'hidden rules' and management 'explicit rules'. The 'hidden rules' are divided into
- Motivators, what is important for the employee;

- Power generators, who is important for the employee;
- Levers, mechanism which the employee uses in order to ensure that he gets what he wants.

Practice shows over a total of four different organizations within the (semi) public government organizations that in general the following hidden rules apply:

Motivators

- Job security, higher salary than elsewhere;
- Respect of colleagues on a daily basis;
- Self-development opportunities within the organization;
- Freedom of action in the daily routine.

Power generators

- Management once a year for your job and salary during the evaluation. With a good evaluation you get recognition and the assurance that you remain employed;
- Colleagues for respect and encouragement on a daily basis;
- Management to ensure self-development within the organization;

Levers

- No explicit rules (social behavior) gives freedom of action;
- Professionalism. Doing a good (technical) job gets respect;
- Personal persuasion gives power;
- Relationships, reputation and exchange gives freedom of action and makes work easy;
- Involvement gives respect;
- Flexibility gives freedom of action;
- Loyalty gives respect.

Organizations also have 'explicit rules';

- Don't be a trouble maker. Don't bother management;
- Staff departments prescribe mandatory line management;
- Language at high level of abstraction;
- Others have done it. I'm ok you're not;
- We think that we know what is good for the customer;
- In case of budget cuts, maintenance is the first in line;
- Conflicts within the organization are managed via top management;
- Management is never in the workplace;
- The work council and unions determine what will happen.

Management who wants to change the culture will have to look at motivators for the employees, how to assure employees that they get what they want (levers) and who to use to assure that they get what they want (power generators). Management has no direct impact on the daily work. Those who do are direct colleagues and the colleagues of the operational department. If management wishes to change the culture, role behavior and leadership can only be used as a change mechanism.

3. Behaviour

Behavior refers to the actions or reactions of an object or an organism, usually in respect to surroundings. Behaviour may be revealed as consciously or unconsciously, openly or secretly, and voluntary or involuntary. The behavior is determined by the endocrine system (production of hormones) and the nervous system. The complexity of the behavior of an organism is related to the complexity of its nervous system. Generally, organisms with complex nervous systems, such as humans, have a greater capacity to learn new responses and thus adjust their behavior. It requires, however, a learning curve. People learn by repetition. It requires a lot from the change agent which in many cases will be management. However, management is also part of the same culture as its employees and will therefore first have to change before the employees will change. In order to change behaviour it is necessary to make behavior tangible. This can be done in by defining competencies. By defining competencies the organization is able to secure the corporate identity within the behavior of its employees. This can easily be done by defining three competencies that are applicable for all employees. These competencies are also the source for determining the desired new leadership profile for management. The competencies will be defined for each function to indicate the specific desired behavior for each function. When changing the behavior the Triad model from Posiesz has proved to be very useful. According to this model, behavior is determined by three factors:

- Motivation: the degree to which a person wishes to achieve a goal, or has an interested in displaying behavior X
- Capacity: the degree to which the person has its own quality, skills or tools to conduct X to display.
- Opportunity: the extent to which the person is located outside conditions promoting or inhibiting effect on behavior X.

By linking the three factors to the three competencies, which apply to all employees, a practical model arises. See figure 3.

Core Competences	
Motivation	The degree to which a person wishes to achieve a goal, or is interested in displaying behavior X
Capacity	The degree to which the person has on its own quality, skills or tools to conduct X to display
Opportunity	The extent to which the person is located outside conditions promoting or inhibiting effect on behavior X.

Figure 3

Management plays an important role in setting up the right preconditions. They will no doubt set up the objective of the department which is based on the corporate objectives set by higher management. Furthermore, collaboration between different departments plays a role (opportunity). In the process of asset owner, asset manager, service provider and implementation, it is important that the chain allows the employee to exhibit different behavior. Every person in the chain is important. When one person in the chain does not show the right behaviour, the chain is broken. Management is

the linking pin in chain performance. This brings us to the role of the manager as a change agent.

4. Role of the manager

A precondition for the employee to show different behaviour is the manager. This implies a conflicting role for the manager. The manager will continuously switch between different roles: the leader, manager and coach. As a leader, he is the visionary, is way ahead and will inspire and motivate his employees. As a manager he is focused on results, appeals to people and acts decisively. As a coach, he supports his employees.
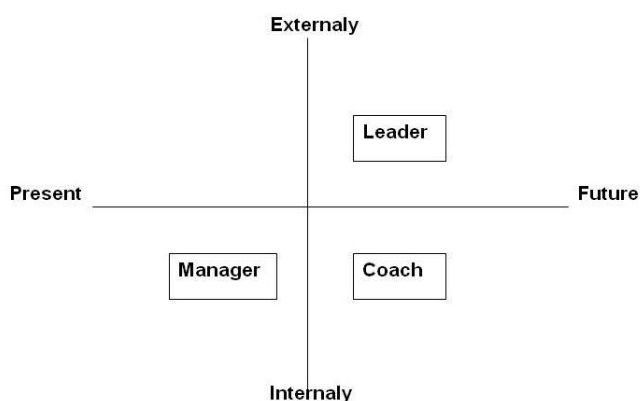

Figure 3.0
Figure 3.0, shows the three roles on the axes; externally and internally the organization and the present and the future. Many managers fit the role of 'manager' and 'leader' but lack skills to be a good coach. Coaching also requires time and may therefore clash with the other roles as these are also time consuming and have a higher priority. In practice the role of coach is insufficiently fulfilled. However, as previously stated, it is a learning process. Coaching is crucial, but then coaching from a result-oriented environment. The results need to have a link with the change objectives and the personal objectives and set out in time. This is usually best done by the manager himself and not by an external coach. The manager as role model in the change process can lead in the learning process. However, the manager needs to show the skill of a leader and coach.
This requires a transition for many managers which has been shaped in figure 3.1.

Coaching manager	Traditional manager
•Support and give positive feedback	•Negative feedback
•By asking, listening and summarize	•Telling
•Argued actions	•Solutions with a vision
•Positive view on humanity 'we can do this'	•Negative view on humanity 'wrong again'
•Set things in perspective	•Own solution is always better than the own of the employee
•Common problem solving	•I have my problems and have yours
•Common responsibility	•Responsibility by one person
•Celebrate success and award success to other employees	•My success is not your success
•Proactive with a look to the future	•Reactive

Figure 3.1
The manager as a coach is necessary since every change project will evoke "resistance". When the manager acts as a traditionally manager it will heighten the resistance. The resistance will continue at best (too) long and remains in the worst case, making the change fail. Resistance in a change

process is a positive sign. It is a form of mourning over the good old way of working, talking and doing the daily routine. Practice shows that, if you notice the emotion and show an interest in the person who has the emotion there will be an earlier commitment in the change process.
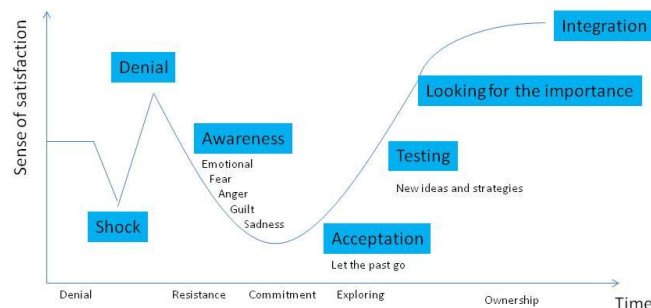

Figure 3.2
Figure 3.2 shows the stages of the resistor. It is important to recognize the different phases.
To recognize resistance the manager needs to know more about its appearance. This will help the manager to act effectively. Resistance is often unconscious resistance and is linked to the change in an individual's personality. Resistance is contradictory in the following ways;
- It is s necessary 'treatment' to mourn over the past in the change process;
- Brings back the baseline (homeostasis).

The resistance is there for a reason. Often the employee is lacking confidence, trust and information on the change process.
Terms that belongs to resistance and which can be picked up by the manager:
- Can we do this?
- Dare I do this?
- Do I believe in the change?
- Do I have enough confidence in management?

The manager can only discover this by standing in contact with his team. Communication is key here, together with visual presence on the work floor.
From experience, resistance can be recognized in comments from the work floor. Examples of these comments are shown in figure 3.3

Recognize resistance
1. Start discussions on the approach
2. Discussion on the theory behind the change
3. In denial of the necessity change
4. Keep asking on details and more explanation
5. Keep complaining about very small details
6. Telling that the plan is completely unrealistic
7. The moment of implementation is not right
8. Asking for a thorough investigation before starting
9. Ignoring the whole plan
10. There is no time to handle the work accompanying the change
11. Keeping being confused even after a long time
12. Anger, outrage, victimizing

Figure 3.3
The manager who receives these signals will have to talk to his employees to determine the source of resistance.
Examples of resistance that are most common are:
- Fear, which is a purely individual aspect;

- To set his own interests above the interests of the organization;
- Lack of understanding of their own blocking beliefs and motivations.

The solution to the resistance thus shown is coaching by the manager. This is a purely individual problem that the manager as coach has to handle.
Another form of resistance is reluctance. This is a very negative form that is sucking energy from the change process. Signs of reluctance:
- The employee focuses his energy on others;
- Stems from distrust towards management;
- Insufficient information on why, principles and alternatives for the employee's own position.

The solution to reluctance is supply more information about the process and specifically the position of the employee in the change process. What are the options for the employee?
Opposition
- They see no need to change;
- The opposition is focused on the content or the approach of the change process.

The solution to this type of resistance is to supply the employee with different viewpoints to the change process. This will help them to get an insight view on the why, how and what of the change process.
Resistance also has different appearance forms. These are: open opposition, not overt sabotage and unconscious and not outright defiance. Each form has its own characteristics and approach.
Overt resistance is openly and therefore negotiable. The solution is change the mindset of the employee and therefore requires communication.
Non-overt sabotage is a conscious choice based on fear. It is difficult to address the employee for the manager (not overt). Employees say yes but are not acting on it. The solution is to talk about their fear during coaching.
Unconscious and non-overt resistance is a passive form of resistance ("oh no, not again a change process"). The solution is to foist a problem on the employee during coaching.
When the manager wants to start coaching it is important that there is a common view on leadership in the organization. Everybody has his own style but the style should be based on the same principles. This will help to facilitate the change process in the chain of asset owner, asset manager and service provider in the organization. The above makes it clear that a unified leadership style is necessary in the chain. To establish coaching, leadership is essential.

5. Vision to establish leadership

What is leadership? A definition of leadership is: intentionally directing *behavior* and *inspiring* others to a *jointly* set goal. Significant components of leadership are therefore about behavior, inspired and shared goals. Important is also to base the vision on leadership on the following components: the vision and mission of the company and an environmental analysis. The environmental analysis should have the following aspects:
- What are the trends in social context of the organization?
- Who are the actors?
- What are the company values?
- Which company value is connected to which actor?

Based on the need for change, the company values and the environmental analysis leadership roles can be determined:
- Is there a need to change, in which department and what is the priority?
- What is necessary: a status quo or a change agent?
- Is there a need to merge departments which have cultural differences? What are the cultural differences?
- What are the required roles of the manager by the department: a change agent, task-oriented leader, manager, coach or a people-oriented leader.

The above requires an organizational strategic plan which indicates the change. This plan together with the core competencies is in most organizations available. If the strategic plan is available it requires only determination of the roles of the manager. It has already been pointed out that the influence of a manager is limited. Figure 5.0 indicates the steps that are picked up from practical experience in the organizations earlier mentioned.
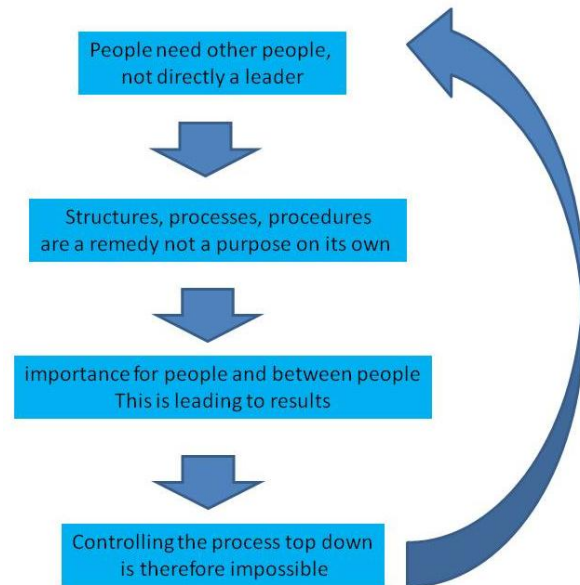

Figure 5.0

An important aspect in these steps is: 'importance for people and between people'. This makes leadership more about 'who you are' than 'what you do'. Therefore it is not about managing, but about realizing *who you are* and whether you are acting, or whether you are allowing yourself to act beyond your own core values. Therefore, leadership is about having a vision, show exemplary behavior, walk as you talk, show perseverance power, show empathy by having empathy. "My door is always open" is insufficient. To lower the threshold the manager must stand on the other side; then there is no threshold. This often requires intensive coaching of management teams and training/coaching of the individual

manager. Reflection and self-reflection are necessary to make this development possible.

As indicated earlier, the implementation of asset management implies change management. Adjusting the culture is an important part. The manager is part of that culture. The manager manages a group that has its own dynamics within that culture. The manager is also a part of that dynamic. Stogdill (1948-1970) states the behavior of a leader as:

- Representation: speaks and acts as representative of the group;
- Reconciliation: reconcile conflicting demands and reduces disorder in the group;
- Persuasion: know an efficient way to argue and persuade;
- Provide structure, by clearly defining his or her own role and letting followers know what is expected from them;
- Tolerates freedom, indicates followers to give pace to act;
- Role retention: actively exercises leadership;
- Understanding: has an eye for the welfare of his followers;
- Result oriented, give direction on good results;
- Having a view on the future, knows what the outcome of the processes should be;
- Integration by promoting the new culture and resolving conflicts between group members;
- Orientation on the top, by maintaining good relationships with superiors.

Stogdill endorses the above combined with behavior, results orientation, persistence, empathy, conflict skills and organizational awareness. The manager will have to stand well in touch with his group. However, the manager cannot do it alone. Followers are needed in the group on the work floor to give the change a daily boost. When implementing asset management you should create small teams which will act as culture carrier. The team members need to have necessary skills as: personal leadership, the ability to handle resistance, persistence power, have a vision. The teams are needed for at least 7 years, are standing in the heart of the organization, should have the freedom to act (within a fixed framework) and should report to the highest level in the organization. This process also has pitfalls:

- Quitting with the teams too soon. Studies on human behavior show that behaviour is only effectively implemented after 5 years. We need to incorporate the new behavior in our brains;
- The right skills in the team are not present;
- From above impose who is doing what and when the team has to act. There is no trust and therefore the freedom is being curtailed by the top management.

It is good to realize that in this process there will be much fuss. Fuss has to do with the resistance and the emotion that accompany it. This process can easily lead to conflicts. Conflicts are addressing the personal interest of individuals. Everyone has their own interests and these may conflict with the interests of the change. Interests can be divided into, corresponding, contradictory and compatible interest. Corresponding interests cause no problems. A contradictory interest is not soluble and can end up in 'we agree to disagree '. Compatible interests give room for negotiation and can lead to corresponding interests. The manager will have to talk with the employee to understand the real reason of these interests. This is a dedicated process. A general rule, do not act in such a way that you will regret it later. To hurt someone is simple and this will make it more complex than it already is.

6. Communication

An essential part of change management is communication. It is good to realize that there never will be sufficient communication. To give communicate direction it is advisable to draw up a communication plan. Components of this plan include:

- What is the purpose of communication? The target groups should do something else in attitude and behavior and which organization objective will benefit from this behavior;
- What is the communication strategy? The strategy can be divided into a push and a pull mechanism. Which target groups and or meetings are benefiting from the PULL (get information from the group) and PUSH (give information to the group) strategy;
- The specific message for each group;
- How do we measure the communication's effectiveness? This can be done during meetings or by an employee who carries out some research.

It is important to carry out this plan disciplined. Consider creating small groups for communication. In large gatherings only a push strategy is possible. It is then practically impossible to get into contact with the group. In small groups, people are easier to approach and they feel safer to ask questions. From experience it appears that groups of up to 8 people are effective.

Case

An organization in public transport has started the implementation of asset management. The motivation to implement asset management is that the organization is not able to control budget cuts on maintenance and to make clear what risks are generated by the budget cuts. On top of that the public authorities are asking more transparency in performance and costs. There is an EAMS implemented but the system is not set up right and therefore not fully operational. The decision is made to re-implement the EAMS.

Implementing asset management is a bottom up process. There is no visible asset owner in the organization. Management is focused on a full range of project which are set up. These projects are very technical and urgent: being in control of TCO[3] and LCC[4], setting up preventive maintenance

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[3] Total Cost of Ownership

and inspection plans, compliance with renewed railway regulations, contract management and setting up a (management) reporting system. None of the projects are related to human factors. The implementation of the EAMS is based on the current way of working. Processes are set up with teams which represent the whole organization.

What's wrong in this picture? Management is ignoring that implementing asset management is a change process and human factors are crucial in this process. They are doers, not thinkers. The basics of the plan are perfect, however the way they are managing it is not effective. The EAMS is being set up on the working process they are using now, but implementing asset management requires in many cases setting up a totally new working process. What they need to do first is drawing up processes based on the roles and principles of asset management. With these principles and roles you have a more stable footing for the implementation of the EAMS. On top of that, employees can be appointed in their new roles. The asset managers and service providers are the first followers in the daily routine. Training will be necessary for the new asset managers and service providers together with the employees. At the same time, management is defining their vision on leadership and the competencies are defined for each function in the new processes. If necessary the management team is trained in leadership and coaching.

Now we can start with the project as defined earlier. Teams with a broad representation of the organization are working on the EAMS project and are reporting to management. Asset managers and service providers, being the first followers, are playing a crucial role in the project. Communication is done on the basis of a communication plan. A new meeting structure is set up to support the new processes. In this way, management is in control and is able to focus on the change process and influencing the board of directors in defining the asset owner role.

This is how the plan was written. In real life the whole plan is meeting resistance. Employees do not have enough confidence in management and having doubts that they have sufficient skills for the new behaviour. Management is flooded with the day to day business. They find it hard to keep focus on the change process. Management is complaining about the lack of support from the supporting departments as HRM. Management feels pressure and in the management team the necessary collaboration is in danger. This is a great danger for the change process. Decisions are deferred and model behaviour by management is not visible. The supporters of the change process, asset managers, service providers are having a hard time without the help of its management. Management is trapped in its pitfall of having not enough attention for its employees. The turning point can be more time for coaching, stick to the long term vision and plan. Show confidence in the change process and its objectives. Don't fight the emotions but deal with them

This is just a small example how it works in practice. The above takes a total of more than a year to set up and is asking a lot of attention of management. It is not an easy process.

Conclusion

- Never forget the human factors when implementing asset management.
- Take time for the change process: between 5 and 7 years.
- Leadership by management, but also by the first followers of the change, is crucial.
- Every manager should be a coaching manager.
- Participatory management can be very helpful in the change process.
- There will be a lot of hassle and fuss in the organization. Enjoy it!
- Communication is crucial and should never be under estimated.
- Employees will be confused about their roles. Drawing up processes with a RACI[5] table will help them.
- Employees are able to do more than you can imagine!

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