

Reliably Dealing with the Unexpected Across the Organization

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Reports indicate that managers spend upwards of 65% of their time “fire-fighting” or dealing with unexpected events, issues, or problems in the workplace. According to Roger Bohn at Harvard Business Review, “fire-fighting is one of the most serious problems facing many managers of complex, change-driven processes”.

How much time are you spending on “fire-fighting”? What about your team? Do you really understand the cost of this high frequency and non-value added activity? Are you tired of running around on the proverbial “hamster wheel”?

Perhaps it is time to implement a Highly Reliable Organization (HRO). Why? Because “Fire-fighting” is dramatically reduced when organizations learn to minimize these unexpected events and become more reliable as an organization. Time wasting behaviors are eliminated and unexpected events are minimized in healthy organizations as they move

forward in their journey to become a HRO. Most people immediately think of mechanical availability when they hear the word “reliability” and fail to apply it to the business as a whole. When I talk about HRO, I am referring to the whole organization.

Most simply, a HRO is an organization that “has created the ability to minimize the impact of unexpected or unplanned events”. **Do you realize how valuable Organizational Reliability is to your stakeholders?** HRO’s not only deliver more consistently and efficiently to their customers, they are healthier

and more functional than their non-HRO competitors. HRO success is contingent upon organizational health. You will not achieve high reliability with an unhealthy, unresponsive organization.

Transforming to a HRO is not without its barriers and pitfalls. You must be willing to pre-emptively and transparently address the barriers. Your ability and commitment to address these barriers throughout the journey will set you on the path to success. As a leader you must be willing to establish the vision, set your ego aside, communicate clearly and often,

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show the organization how this time is different, remove the unimportant tasks, role model the behaviors, provide the training, time and resources and implement accurate measurements and targets.

Highly Reliable Organizational Status can not be achieved without also addressing Organizational Health (OH). Organizational Health is the softer side of the business that is frequently discounted because it is “too difficult” to achieve and even more difficult to measure. It takes a long time. It is hard. According to McKinsey and Company, “Organizational Health” is the ultimate competitive advantage (June 2011). Organizational health is “the ability of your organization to align, execute, and renew itself faster than your competitors can”. Healthy organizations are learning, agile organizations that can adjust to current stimuli and have a future focus which changes over time.

While Organizational Health is difficult to measure, there are strong positive correlations between organizational health and organizational performance. Organizationally healthy companies are more likely to have an above-median EBITDA and 1.5 times more likely to have above-median growth in net income to sales (McKinsey, Organizational Health, June 2011). As an example, an oil company in the McKinsey study, “organizational health accounted for 54% of the variation in the performance of a group of refineries”.

Do you believe that your organization has the necessary elements to make lasting change happen? Are you willing to perform the required legwork for achieving the desired results? Have you or your organization previously attempted initiatives similar to this type of endeavor and not achieved the targeted

vision and results?

Research has shown that change efforts suffer because of lack of sponsorship and direction, poor planning, inadequate resources and capabilities, etc. However more importantly, successful change and transformation efforts are accomplished by focusing on **organizational health AND performance**. They cannot be accomplished separately or in silos. They must be executed in concert with one another to achieve the desired long-term, sustainable outcomes.

Becoming an HRO/HO is a highly structured process that requires strong project management and your full support. You have to be clear on where you want to go and why you need to go there. You will need to be flexible and supportive. You must provide the time, resources and training necessary for success.

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None of this is easy and all of this requires a significant amount of commitment, resource, time, thought and effort. The benefits of becoming a HR/HO are rich and will set you apart from your competitors. You will see improved safety performance, reduced production failures, increased equipment availability, decreased cycle times, reduced employee turnover, improved EBITDA, higher net sales and enhanced customer satisfaction.

You understand what it takes and still believe that organizational reliability is necessary for your organization to reach its strategic, operational and financial goals. In order to know for sure, the answers to these questions will help to determine if now is the right time to make it happen:

- *Are we the best we can be?*
- *Do we have an organization-wide sense of susceptibility to the unexpected?*
- *Does everyone feel accountable for reliability?*
- *Are our leaders paying as much attention to managing unexpected events, as they are to achieving formal organizational goals?*
- *Do people at all levels of our organization value quality?*
- *Have we identified how our activities could potentially harm our organization, employees, customers, other stakeholders, and the environment at large?*
- *Do we pay attention to when and why our employees, customers, or other stakeholders might feel angry or disenfranchised with us?*
- *Do we have widespread agreement amongst the organization's members on what shouldn't go wrong?*

If you answered “no” to most of the questions then your organization needs to address its health and reliability. You are likely struggling to meet customer requirements, engage employees and achieve

Synovum Helps You Tackle Key Challenges

- ▶ Base-lining the organizational position and cultural norms & barriers to transformation
- ▶ Creating awareness & commitment across the leadership team needed to address organizational reliability
- ▶ Mentoring leadership and employee based teams to ensure a shared vision and the ability to execute
- ▶ Communicating plans through awareness campaigns to support organizational reliability transformation

Do you want to **determine your organization's readiness and capacity for change?**

Do you want to **engage your employees** in solutions that will delight your customers?

Want to find out more about how Synovum can help your organization become a **highly reliable and healthy organization?**

For more information, let's talk it through with a no obligation video conference call or a meeting with one of our executive partners. Email: info@synovum.com to arrange a call.



Synovum is a transformative operational consulting boutique focused on working hand-in-hand with clients to rapidly deliver sustainable results. We work with executive leaders in the Chemical, Energy, and Natural Resource industries to help make informed decisions, convert those decisions to actions, and deliver the targeted success desired. The result is a powerful process that enables Senior Executives to solve their toughest business challenges with innovation, impact, and integrity.

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