

APPROACHING ASSET MANAGEMENT AS A CULTURE PHENOMENON

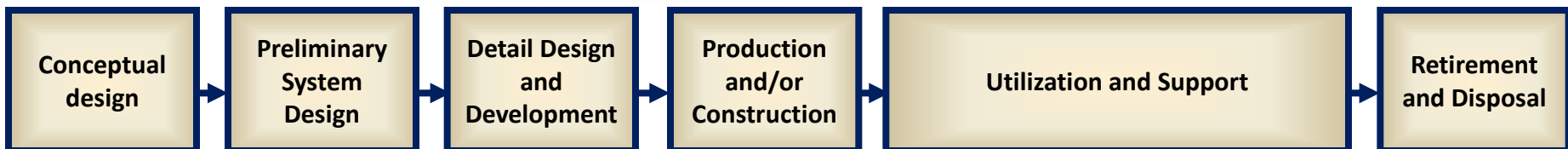
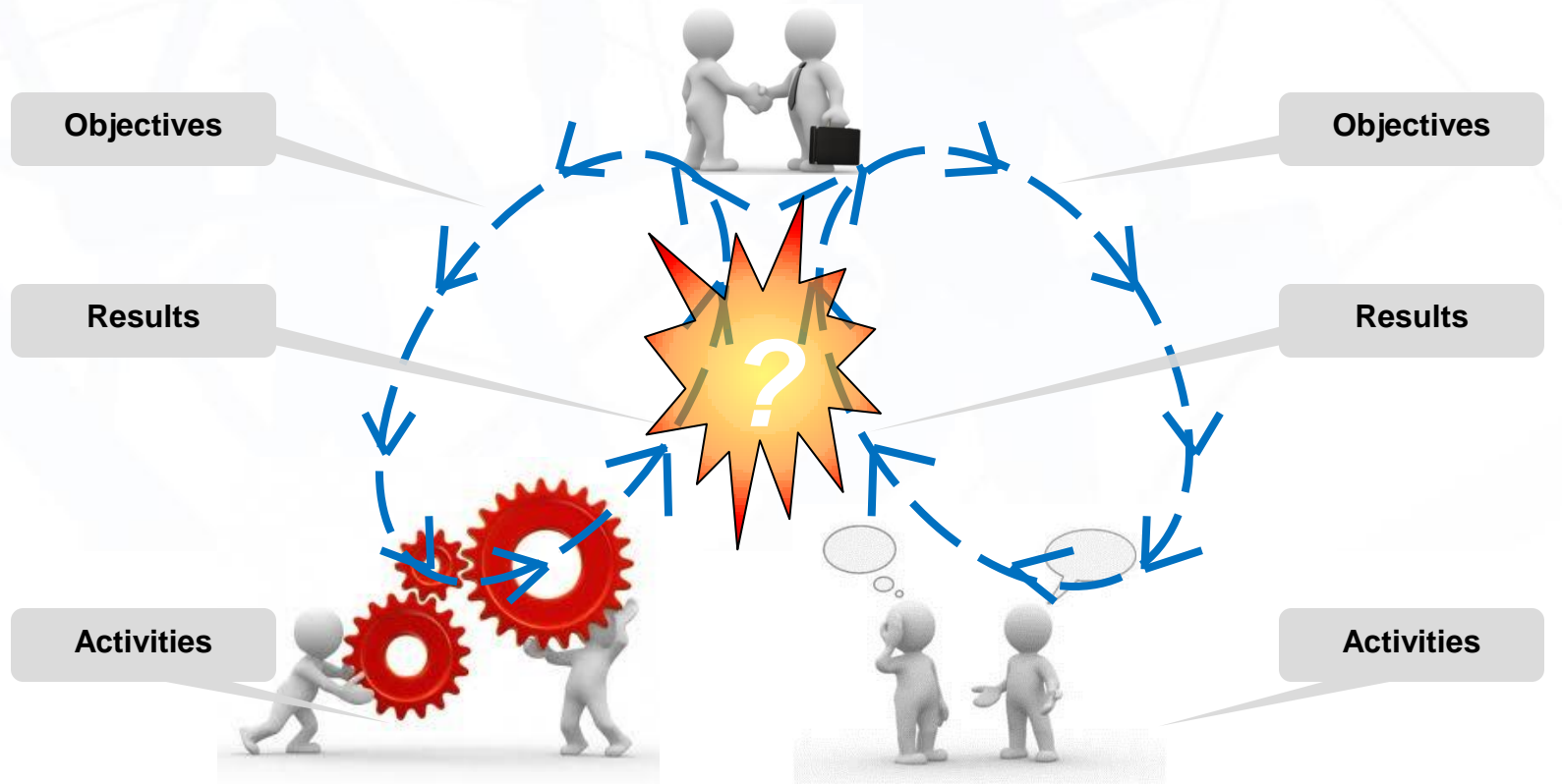
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Dissertation Presentation

Robert van Grunsven

Asset management dilemma's

Issues that lead to decreased effectiveness due to competing values of organizational groups



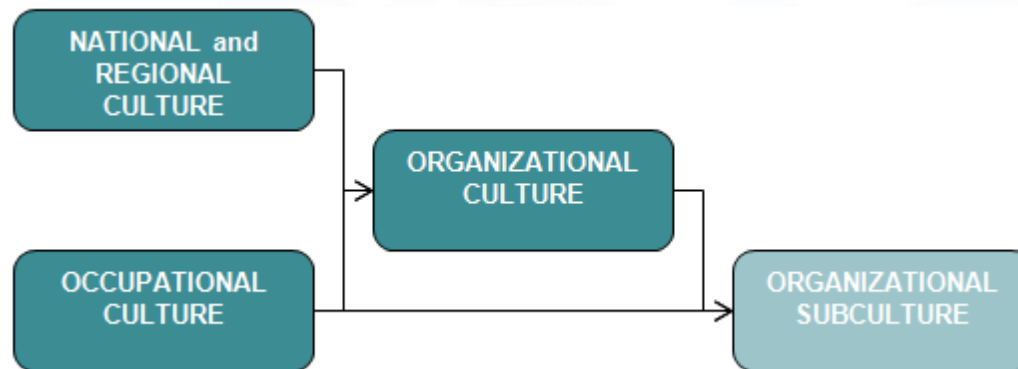
Organizational sub cultures

Are these dilemmas culture clashes?

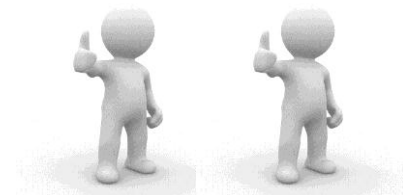
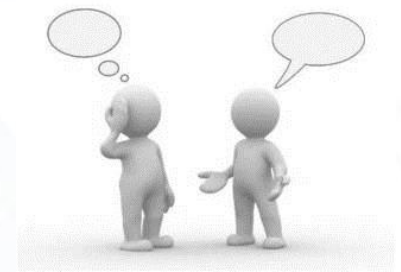
Three generic subcultures:

- Executive culture
- Engineering/ development culture
- Operator culture

Each with their own assumptions

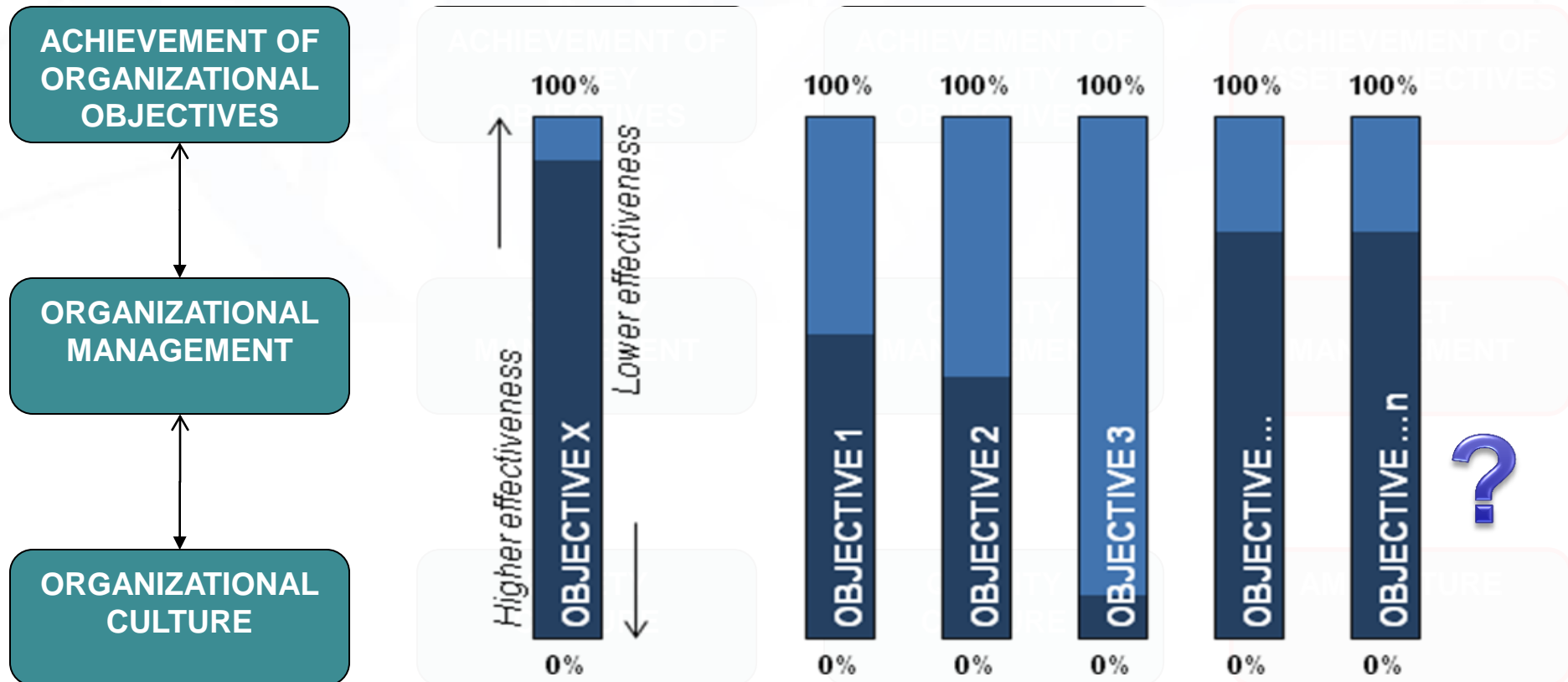


All three are needed to be effective!



Reasoning

- Organizational culture influences the achievement of organizational objectives
- Organizational culture also has an effect on the degree to which organizational objectives are achieved



Quality management and Culture

What culture change can cause in terms of the achievement of objectives...

Comparison item	GM Fremont Plant 1982	GM NUMMI Plant 1986
Employees	5000	2500
Absenteeism	20%	2%
Unresolved Grievances	2000	0
Total Annual Grievances	5000	2
Wildcat Strikes	3-4	0
Assembly Cost per Car	30% over Japanese	Same as Japanese
Productivity	Worst in GM	Double GM Average
Quality	Worst in GM	Best in GM

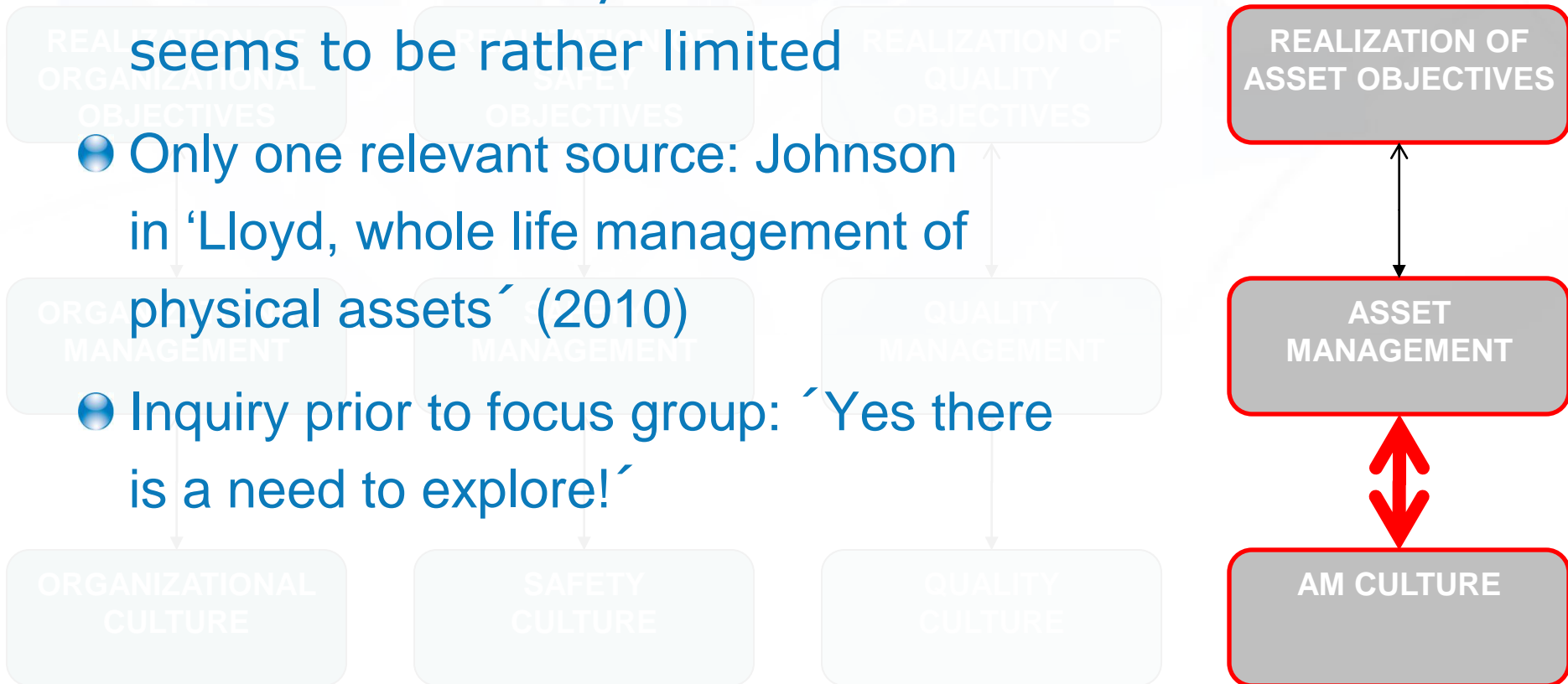
The research opportunity

Research results regarding the culture aspect of asset management:

- amount of directly accessible sources seems to be rather limited

- Only one relevant source: Johnson in 'Lloyd, whole life management of physical assets' (2010)

- Inquiry prior to focus group: 'Yes there is a need to explore!'



Research question and objectives

- Main research question:

Which characteristics of organizational culture influence the achievement of asset management objectives and how can these be assessed?

Scope: What culture is, not change, Netherlands

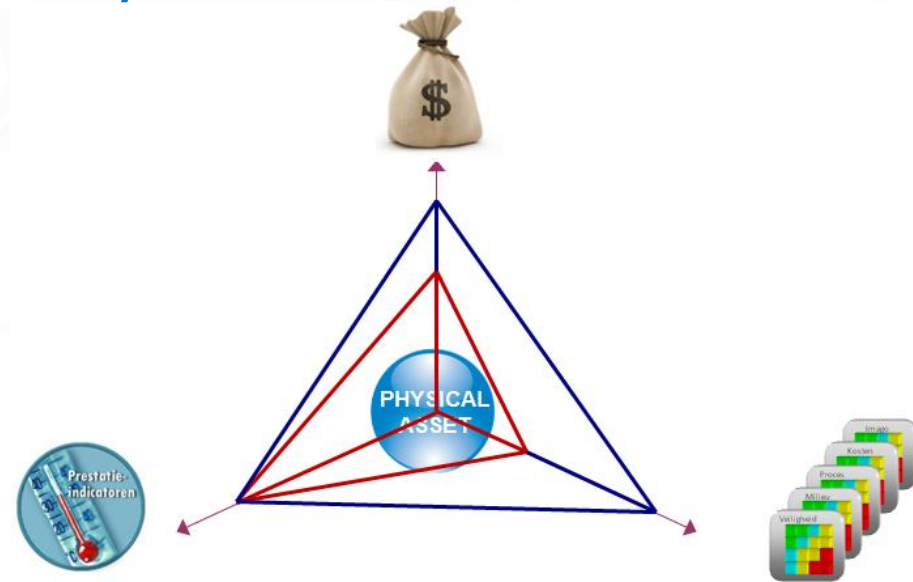
- Research objectives:

1. To identify the features of asset management objectives
2. To describe in which way culture influences objectives in an organizational context
3. To identify the characteristics of organizational culture that influence the achievement of asset management objectives
4. To develop an approach to assess organizational culture characteristics in an asset management context

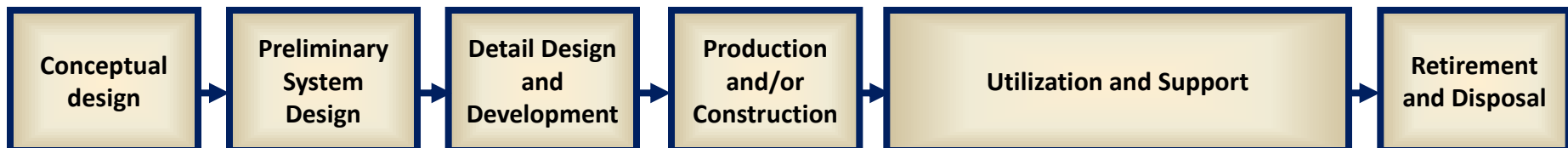
Typical features of asset management objectives

● Related to Cost- Effectiveness and Value Realization over Asset Life Cycle:

- Performance
- Risk
- Cost



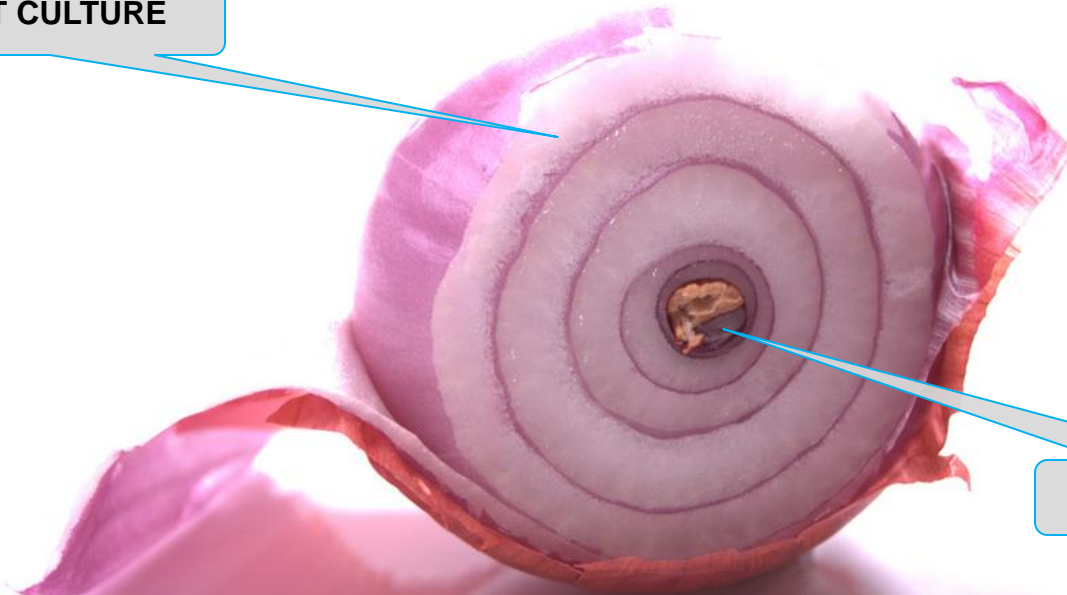
● Related to: Asset Management Processes



How culture influences organizational objectives

Culture is multi layered

EXPLICIT CULTURE



IMPLICIT CULTURE

How culture influences organizational objectives

Schein's Three Layer Model of Culture

● 1: **Artifacts and manifestations**

- Observable structures and processes
- Observable behaviour

● 2: **Espoused values and beliefs**

- Ideals, goals, values and aspirations
- Ideologies and rationalisations

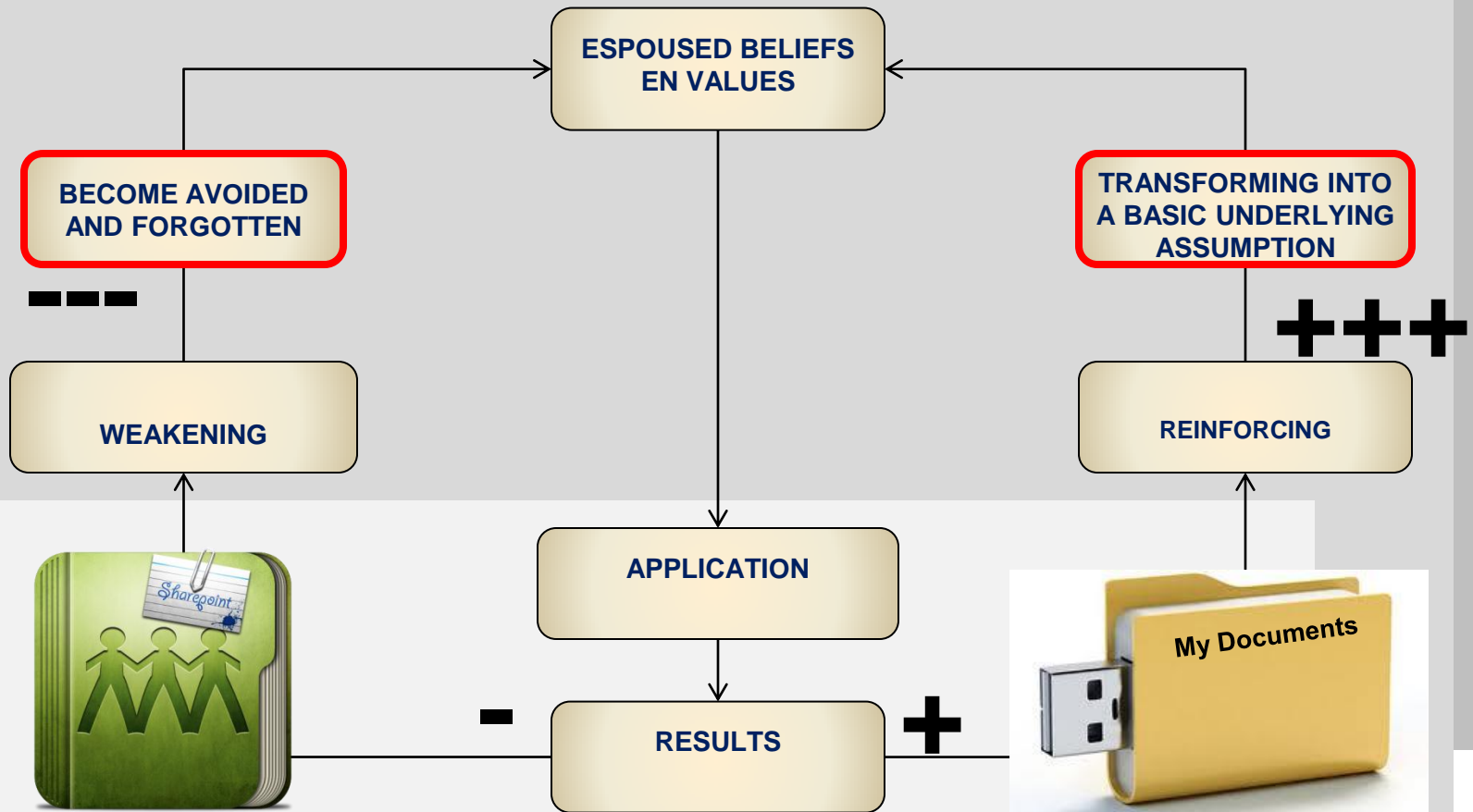
● 3: **Basic underlying assumptions**

- Unconscious taken for granted values and beliefs nonnegotiable for the group
- Determine feelings and behaviour

How culture influences organizational objectives

DEEPEST LEVEL: BASIC UNDERLYING ASSUMPTIONS

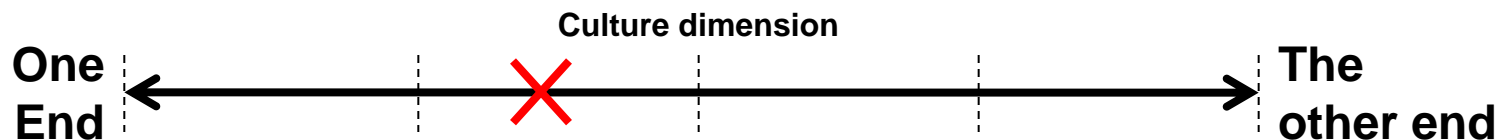
INTERMEDIATE LEVEL: ESPOUSED BELIEFS AND VALUES



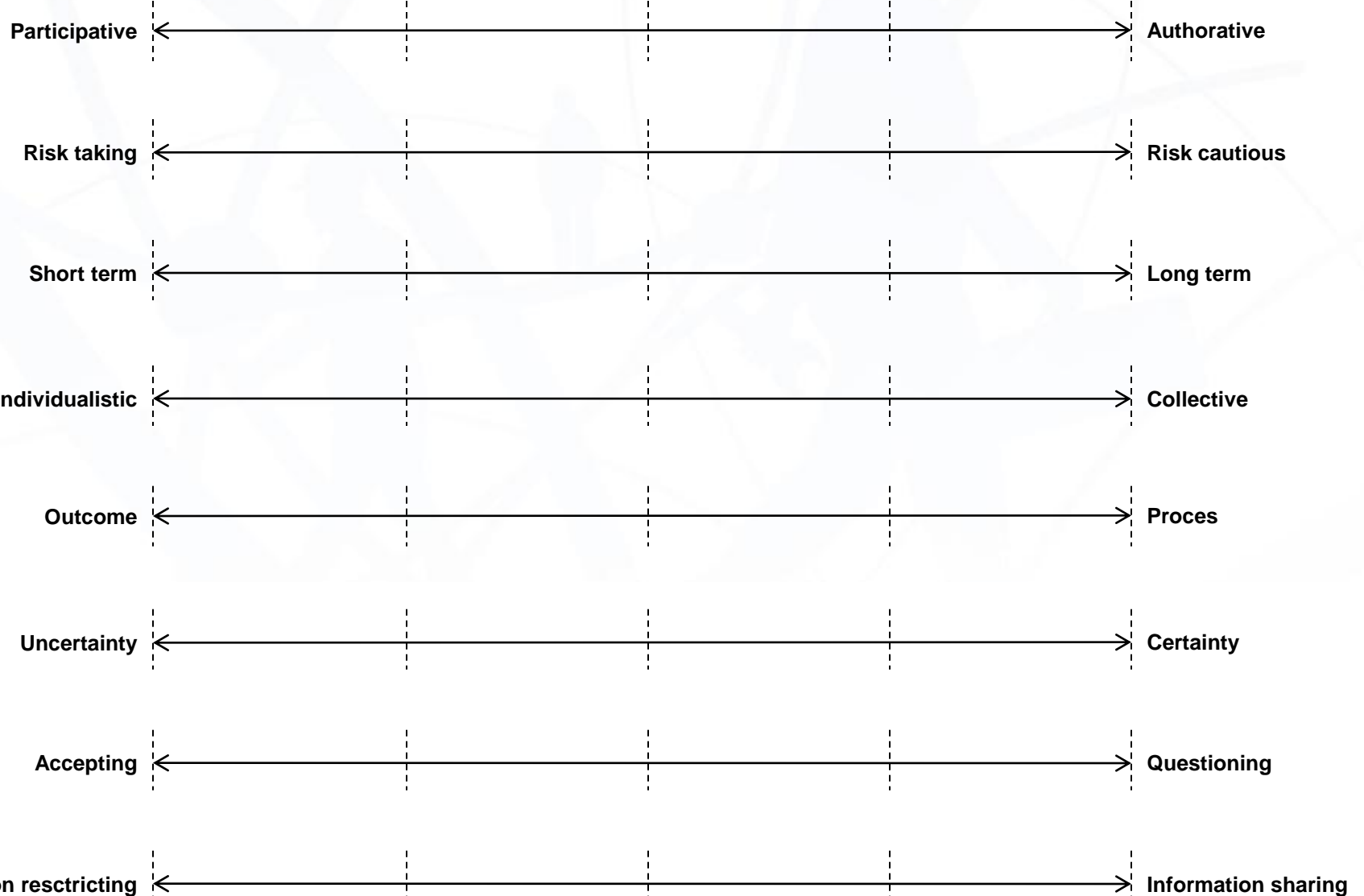
MOST ACCESSIBLE LEVEL: ARTEFACTS

Organizational culture characteristics

- Basic underlying assumptions can be expressed in culture dimensions
- **Culture dimensions: Cluster of oposite values**
- Bipolar continuum with outer limits
- Cross indicates position of assumptions
- Hundreds of dimensions have been identified



Asset management Organizational culture characteristics: Johnson



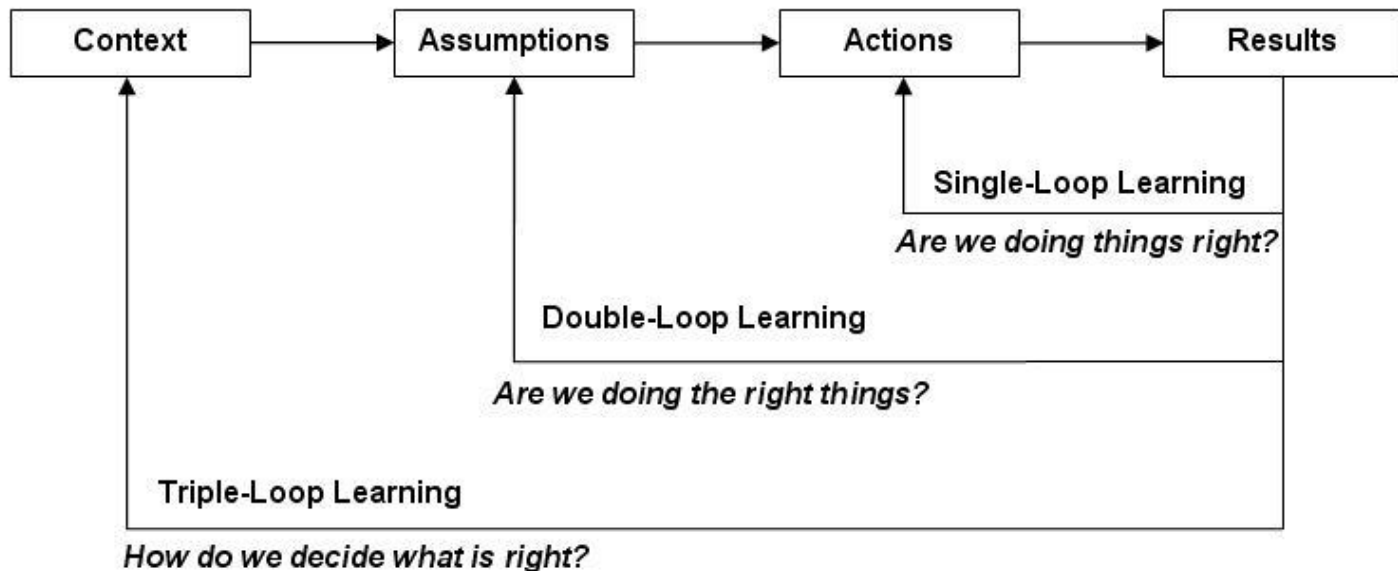
Assessment of organizational culture

- Assessment: Exploratory rather than explanatory nature
- Much theory and many approaches available for general organizational culture
- Approach determined by purpose of research

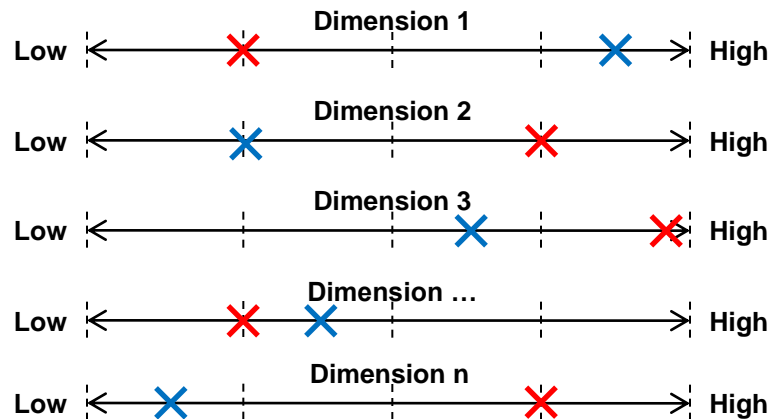
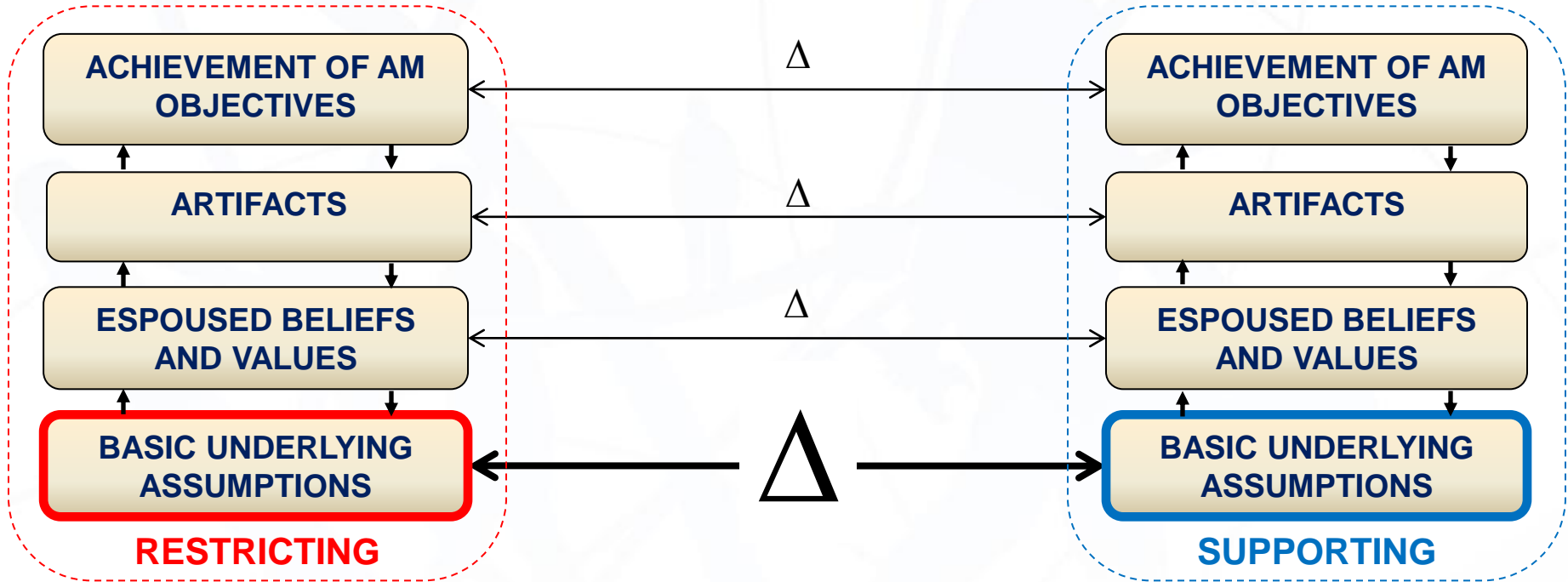
	Levels of researcher involvement	
Levels of subject involvement	Low to medium Quantitative	High Qualitative
<i>Minimal</i>	Demographics: Measurement of 'distal variables' (that what can actually be observed from a distance)	Ethnography: Participant observation; content analysis of stories, myths, rituals, symbols, other artifacts
<i>Partial</i>	Experimentation, questionnaires, ratings, objective test, scales	Educational interventions, projective tests; assessment centers; interviews
<i>Maximal</i>	Total quality tools such as quality control; action research, contract research	Clinical research; process consultation, organizational development

Assessment of organizational culture

- Addressing culture explicitly requires someone to address his/her own tacit assumptions in relation to those of others:
 - Dialogue
 - Second order learning
 - knowledge creation



Desk research: AM culture dimensions and positions



Desk research: AM culture dimensions and positions

Intensive search on culture dimensions:

- Cameron&Quinn
- **Schein**
- O' Donovan
- Trompenaars &Woolliams

Results:

- 80 Dimensions (Existing and new), and first thoughts on relevant dimensions and positions
- Failure: Addressing the relative strength of dimensions and positions
- Individual reality, not social reality, but based on external reality

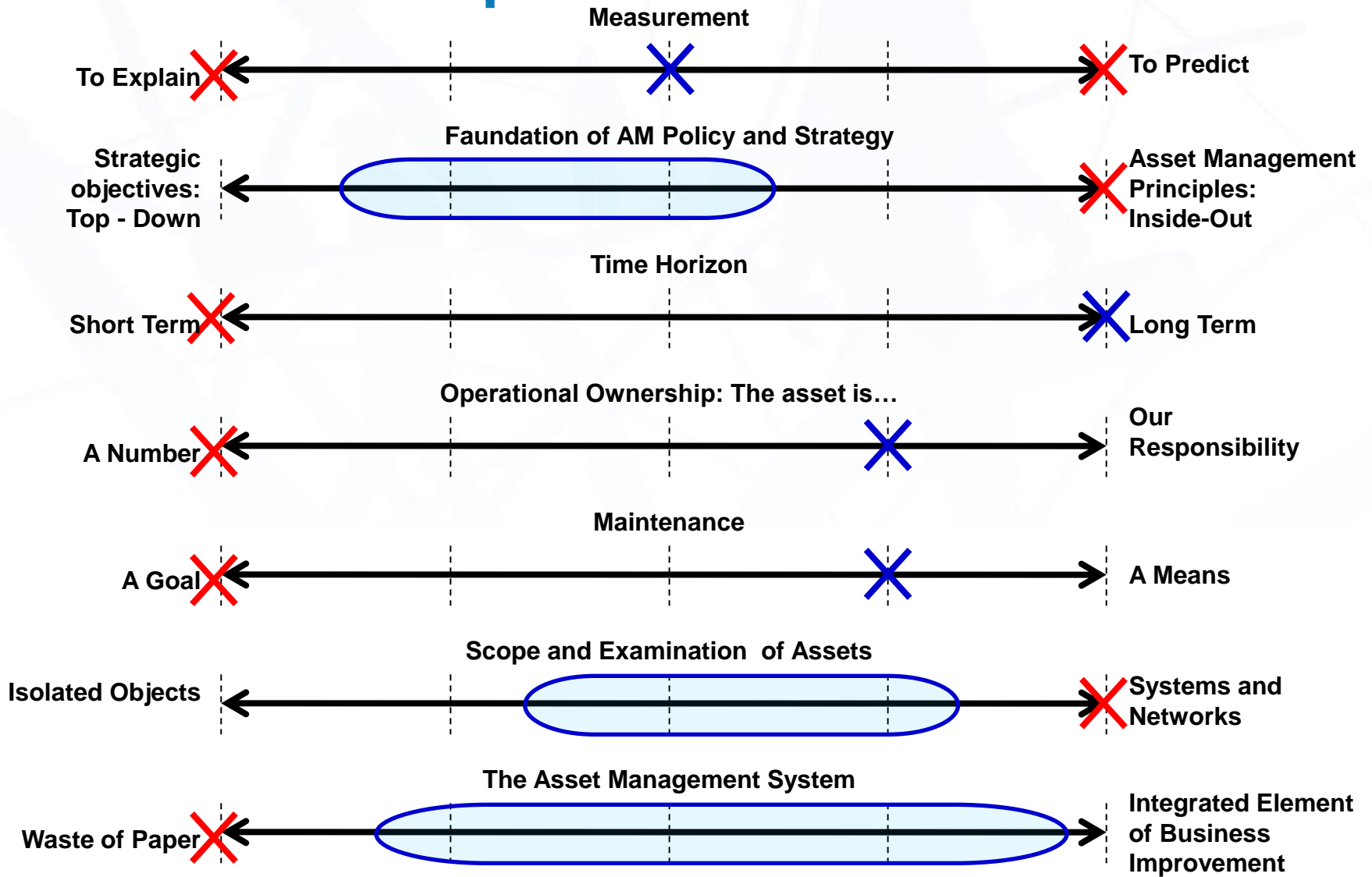
Focus Group: AM culture dimensions and positions

- Parallel focus group session
- Participants from different organizations and backgrounds for broad view:

Name	Organization	Role
Alkema, Bram	Enexis b.v.	Participant G1
Boon, H.E.	Provincie Noord-Holland	Participant G2
Daan, Lex	NVDO	Participant G1
Michel Kuijer	Copernicos	Participant G1
Dennis van der Plas	Heineken	Participant G1
Edgar Wienen	EON-BENELUX	Participant G2
Wouter van Vuuren	Waterschap Rivierenland	Participant G2
Jonneke Klomp	HHRL	Participant G2
Klaas-Jan de Hart	HHNK	Participant G2
Luc de Laat	CMS Asset Management	Participant G2
Jorien Enning	Jorien Enning Communicatie	Observer
Robert van Grunsven	CMS Asset Management	Facilitator G1
Marco Aberkrom	CMS Asset Management	Facilitator G2

Focus Group: AM culture dimensions and positions

Results Group 2



Conclusions

- **Obj1: *Features of asset management objectives***
 - Explored thoroughly enough in the context of this research: Qualitative
 - Not sharp enough for quantitative research
 - Current primary function is to create mindset for desk research and focus group
 - Features recognized in focus group

Conclusions

- **Obj2: *How organizational culture influences objectives***
 - Relationship between organizational culture and individual behavior (and performance)
 - Employee commitment, motivation and job satisfaction are important variables in embedded mechanism (indicators of performance)
 - They also seem to be important to express relative strength of assumptions and positions (demonstration?)
 - Before assessment: Check on AM objectives

Conclusions

- ***Obj3: (Asset management) Organizational culture characteristics***
 - Existing and new dimensions arguably have a relationship to the achievement of AM objectives: Eight seems to be rather limited
 - 'Socially validation' of dimensions and positions possible, but no 'one size fits all' culture profiles
 - The strength of the approach lies in the dialogue it facilitates (context specific)
 - Relative strength of assumptions and positions not explicated

Conclusions

- ***Obj4: Assessment of organizational culture***
 - ***Explorative nature of research and assessment:***
 - To explicate tacit assumptions requires participation of subjects
 - focus is on recognition, social validation and calibration of dimensions and positions
 - Requires structured, well prepared and well facilitated dialogue

Refelection on research idea

- Possibly one of the first researches performed in the Netherlands combining AM and dimensions and positions
- The unknown and open character of the research required an intensive literature search
- More social validation would have helped!
- **The power is in the approach itself**, not in its results: profiles of asset management supporting and restricting cultures
- **A foundation to build forwards on**

Recommendations

- From exploring to explaining
 - Social validation
 - Hypotheses and testing
 - But also directly to application!
- Set the context to one specific organization
- Assessment of the embedded mechanism
- From explaining to improving
- Integrate safety and quality culture practices

Q&A



Questions and Answers