

Q&A With Ken McGuire, AME Board Member

McGuire: As manufacturing companies continue to try to compete globally, the number one issue of complexity has to do with technology. There was a time when you hired people to run machines, and it was self-evident how those machines were to be run. Nobody was going to be able to run it without some skill, but the skill levels didn't go into computer programming, or get into the kind of PLC controls that are put into equipment now. In the old days, when the machines were a bit smaller and slower — a bit less complex — you could play a hunch and still get through the equipment. Today, the precise levels of operating equipment have changed to where machine operators need to have some computer skill, if not to program the machines, at least to run the programs that someone else programmed.

That level of complexity in technology extends to products. Products, at one time, were not nearly as demanding on the people that produce them as they are now. Today, people want [their products] now, perfect, and free. The instantaneous response that has to be developed for the manufacturing operation — with a level of quality that is exceeding anything that is known in the past — has to be done at a lower cost than in the past.

Technologically, we have equipment that is assisting us to do that kind of thing, but the complexity it takes to know all of the different kinds of things in that complex technological spectrum is something that most managers just don't have the capability for.

IMPO: You mention creativity as being an important trait for future CEOs. What would you define as creativity? Is it the ability to come up with new ideas, or communicate effectively with employees?

McGuire: It's all of those, and more. The creativity — or innovation — that a CEO needs to command is how to lead a large organization into areas they don't personally understand themselves. They need to be able to challenge the people that are working for them to master skills that they personally don't possess. What you can do is have a very diverse workforce, in terms of its specialties and skills, and still unify the purpose they're working towards. Leaders need to be innovative in terms of reframing the picture that people see, so that the objectives they're trying to meet are clear to the people in the organization in a way that is different from common sense.

Conventional wisdom won't swing it any more. It needs to go way beyond conventional wisdom, and start becoming an elevated sense of purpose that can be communicated broadly and also deeply into the organization.

IMPO: Those working in manufacturing, even today, seem to look down on

creativity as unnecessary in their industry. What is your take on that?

McGuire: Today's manufacturing company — if you want to talk about managing knowledge workers, because that's what today's manufacturing executive has to do — has to be able to lead the knowledge workers they have groomed and bred inside the organization. That takes a pretty special person. Today's knowledge worker is somebody who can run the kinds of equipment we have — Somebody who can not only fix an air conditioner, but also produce one, because you have to have skills in hydraulics, and electronics, and mechanics. That's a knowledge worker. That's what manufacturing has turned into.

The old cliché was that if you were able to dominate the situation and command certain disciplines to adhere to, you could get away with it, and that would be good management. That's not good leadership. Good leadership now — because it's so complex — says that you need to be able to navigate in different cultures. You have to navigate a workforce that is diverse. You have to navigate technologies that are confusing and sophisticated. Those are the traits that CEOs in manufacturing companies have to have.

Creativity — or innovation, which is almost the other side of creativity — is not something that strikes me as being one of the “old” traits for manufacturing CEOs. But certainly the ones that are succeeding today, in global economies, with supply chains that extend around the world, with cultures that have to be understood and developed into something that fits their company — that's creativity, in my mind.

A CEO needs to be creative in the way in which he takes the people of his organization and arranges them so that they can communicate swiftly and effectively, respond to customers instantaneously, and produce precise outcomes with routine effort. That's creativity.

IMPO: Why does AME think of management of people — as opposed to an emphasis on technology — as being the way of the future?

McGuire: Mainly because there are no individuals in an organization that are smart enough, have enough time, and have had enough experience to do it all themselves. Manufacturing, especially in a more “flat” environment, has to not only take the flatness for granted, but they need to find a way to be fleet about it. And to do it seamlessly. In order to do that, they're going to have to make everybody in the organization smarter. So they're going to have to manage knowledge workers by giving them more knowledge, and then challenge them by making sure the processes they're all going for are somewhat seamless and at the same objectives.

No manufacturing organization can be run by a single individual. It just doesn't work that way. Leaders need to know that. The problem we were trying to overcome is that managers are so often so smart at some of the techniques and some of the tools, that they always want to do it themselves. And what we specifically need to ingrain in good leaders is how to get other people to do it just as well as they could.

IMPO: What spurred the creation of the Leadership Development for the

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Innovative Enterprise program with Arizona State University, and what do you hope it will accomplish?

McGuire: One of the hot issues that keeps coming up is that we are unable to find leaders in our organizations to whom we can turn over responsibility. We're talking about a baby boomer generation that's reaching retirement age soon, and they would like to develop a succession plan, and when they look into plans, they find good managers, but they don't find leaders. These managers have been so busy and so tasked doing the jobs they've been doing, that they haven't had the chance to learn how to lead, and the way they think they need to learn is to get exposure to other leaderships, other organizations, and ideas outside of the technical jargon they're locked-in to, and get into a jargon of CEO-talk.

[People] were saying, "We have terrific managers that we don't think are ready to lead, and we would like to develop these people into better leaders."

We said that if you send someone to this leadership course, its imperative that the support people, and the support system they go back to, has a part in helping this individual come and select the right thing to bring back as a change. So we did an up-front assessment of each of the companies that brought somebody. We spent a day-and-a-half with their company, and the top five or six people that support the person coming, and we interviewed them on an assessment tool that ran through 30-some capabilities and 15-some behaviors. We looked at the gap — which is the difference between where they said they currently were, and where they wanted to be in two years — and then we asked, on those gaps, what would be the most valuable one if they got it. And then we said, "Now I want to know the value of you getting there."

They heard some very powerful speakers during the four sessions, who presented ideas that were challenging. Maybe they were provocative, but in no way were they prescriptive. Now you take a smart group of people who knows all of those things and they can go back to their organizations and do something culturally profound.

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