ABSTRACT
Sustainable improvement is a key aim in UK Industrial-Military, availability contracts. How might an environment be built where military and industrial staff jointly pursue improvement as normal behavior? This paper explores the role of values, objectives and incentives in supporting improvement behaviors and practices in a mixed cultural setting.

Keywords: Military, Availability, Improvement

INTRODUCTION
The first priority for the partners engaged in an availability contract is to achieve contract performance – higher platform availability than previously and at lower net cost to the Defence partner. In the next stage, and over a much longer period, the partnership aims to benefit through “Gain/Share” agreements that share the benefits of lower costs between the partners and the industrial supply chain.

In order to introduce sustainable improvement into a partnered, support availability contract some understanding of how so-called “high performance” companies achieve and improve their performance may be particularly relevant. This paper begins with a preliminary examination of a set of high performance companies and draws preliminary lessons and potential research areas for partnered UK Air Defence availability contracts.

HIGH PERFORMANCE ORGANIZATIONS
Organizations that perform consistently better than their competitors over a 20 to 40 year period are not hard to find [3]. What is more difficult to find are persuasive and holistic explanations of how such performance is generated. The practices of these organizations are usually described, consultants and academics help other companies adopt these practices, but the performance of the imitator, though improved in many instances, fails to reach that of the original. Why is this, is it lack of experience, is something missing from the recipe, is there something about the original that is very difficult to imitate? Indeed is the underlying assumption that a formula for success exists a fallacy [10]?

These questions prompted desk research on three “high performance” companies [8] – Lincoln Electric, Toyota [2] [6] [16] – [19], & Southwest Airlines [1] [4] [5] [7] [14], which aimed to identify why these companies adopted the practices that they did, looking for a level below or above their practices for a more generic explanation. The provisional data from that study showed that:
All companies began in and continued to operate in a growing market: air passenger miles, vehicle miles and for Lincoln Electric, welding miles.

They all had clear operational objectives that were widely understood in the context of their markets and could be used to guide individual work and its improvement.

These companies shared three particular beliefs (or values). The first a very high regard for employees; the second taking a long-term view of their business; an third a financially conservative, organic growth strategy. Indeed all have various forms of a no lay-off policy.

One practice, their approach to recruitment and induction of new staff was comparable across these companies. These processes were detailed and suggested each company sought particular qualities in its recruits.

Their operational practices, however, were very different – this should be no surprise since each faced a quite different coordination task set by their market and their competitive stance. For example the coordination of fast aircraft turnaround to achieve on time performance and low costs without losing baggage versus the coordination of mass manufacture to produce high conformance quality and reducing costs.

However, each company’s practices were mutually supportive, strongly aligned with their values, coherent with their competitive focus as represented by their operational objectives, and thus designed to align staff behavior to the achievement of those objectives.

Figure 1 illustrates the connections between an organization’s values, competitive focus and practices.
While the practices of an organization can be imitated, imitating the values of that organization present an enormous challenge. Given most organizations will not attempt this and others who do will almost certainly fail, there will not be a neat match between imported practices and the imitator’s values. For this reason the effectiveness of the imitated practice will be reduced and its sustainability over time may be in doubt as practices more in line with the imitator’s values emerge. The general point suggested by this study was that high performance was unlikely to emerge in an organization where practices did not match the organization’s values. This is not to say any set of values could give rise to high performance, the preliminary model only asserts the importance of a long term view, conservative financing and a respect for people (albeit from a small sample). The model also asserts that a market with long term growth and clearly articulated competitive stance and objectives are also important.

**IMPLICATIONS FOR PARTNERED SUPPORT ORGANIZATIONS**

Prior to a contract the support organization has been controlled by the Defence organization, with practices and behaviors generated from the values of the Services and composed totally of Royal Air Force/ Ministry of Defence (RAF/MOD) staff. These practices and values are oriented to provide defensive capability – providing aircraft availability at lower costs has not been the critical yardstick for this organization. Partnerships with industry have been seen to be the mechanism for introducing new practices and behaviors oriented to availability improvement and financial effectiveness. The new organization will be more effective since the contract is struck on just those metrics. Currently it can be observed that partnered support organizations in the Air sector are composed of a large rotating force of RAF/MOD personnel from the original support organization; a significant proportion of contract technicians brought in by the Industrial Partner plus the Industrial partner’s directly employed personnel, who are potentially located at two or more sites as well as the point of service delivery. These constituencies report to and are rewarded by different employers and have their own very different reward and incentive systems. These are very different organizations to SWAL or Toyota, where incentives and reward systems are coordinated by a single employer. Indeed it is likely that RAF/MOD personnel will retain the very same values and behaviors of the original support organization if new expectations are not set out, justified and supported.

It is not suggested that individuals have their values turned upside down, what is suggested is that as they enter the hangar door as part of the partnered support organization there is a common view across all constituencies of what behavior is expected and an acceptance of what operational aims are to be achieved.

It is suggested that for Partnered support organizations in UK Defence availability contracts, achieving sustainable levels of improvement, will depend on appropriate behaviors which will require attention to that new organization’s, values, particularly in terms of respect for people and long term orientation, and its operational objectives. The appropriate value set is very likely to be an amalgam of the all the partner’s values. Such contracts are usually long-term and the long-term aim of the organization may well be to win the next contract or to see the platform through to its eventual demise.
The new organization is also likely to need to adapt its practices to reflect those values, support those objectives and thereby become more mutually supportive. Inevitably it is the Industrial partner that will have to make most of the running in this endeavour, given the conservative nature of the partner. It may be essential that progress is made in this way for to achieve acceptable levels of improvement (let alone ‘High Performance”) in such a multi-cultural context considerable effort in drawing the constituencies together may be necessary.

RESEARCH OPPORTUNITIES
This preliminary work has identified unusual aspects of UK Air sector partnered support organizations that suggest fruitful research opportunities in investigating:

- the processes through which Industrial companies influence the values and behaviors of the multicultural support organizations they have little choice but to lead
- the nature of the changes in values and behaviors
- the speed of change achieved

The success with which Industrial partners influence their military partners and the organizational capabilities thus generated may prove to be a significant source of competitive advantage.
References