EVERYTHING WILL BE ALRIGHT, WON'T IT?

Or The Organic Organisation

By Derek Park | Oil & Gas IQ

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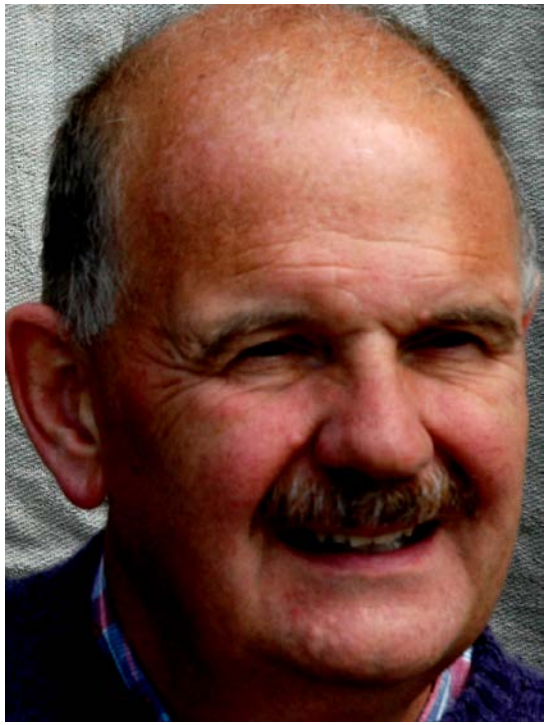
OR THE ORGANIC ORGANISATION

At the end of last year I published an in-depth study called ***'Never Say Never Again'*** , in which I looked at the history of offshore disasters. History often seems to repeat itself, and I wanted to see if we really were learning the lessons taught to us by tragedy.



In the face of catastrophe, we tighten our procedures, review our designs, improve our maintenance and launch any number of safety initiatives, yet we still seem vulnerable to the foibles of one man, in the middle of the night who feels the need to *'take a chance to get the job done'.*

This eBook examines why that happens, and looks at how our organisations could protect themselves.

If **Never Say Never Again** was the "what", "where" and "when", then this piece is the remedy to the "how" and "why".

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PART I: EVERYTHING WILL BE ALRIGHT, WON'T IT?

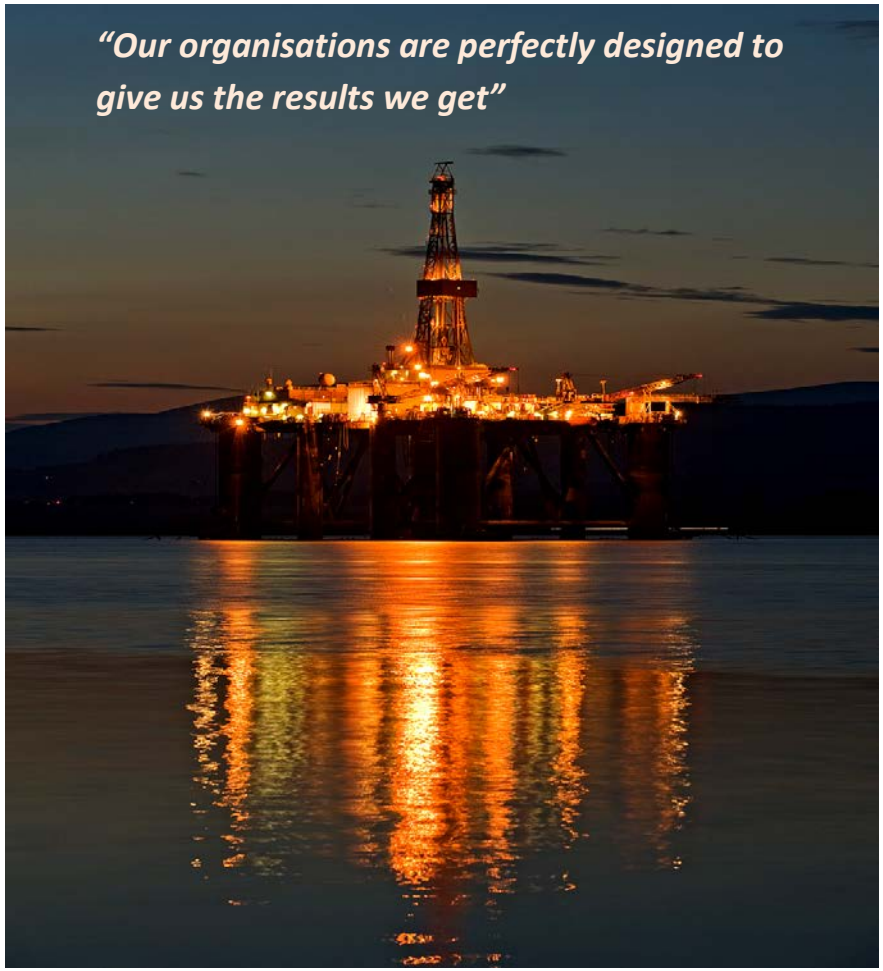
Once we have fixed the 'mechanical' problems and completed the 'actions to prevent recurrence' what do we do next? Should the rest of us be worried about an incident that has happened elsewhere? Can we be sure that every one of *our* people, every minute if the day, will do the right things and not be tempted to take that chance just to get the job done?

Surely all our audits, processes and procedures will protect us? We have roles and responsibilities defined, with people trained and assessed, so what more can we do? Do we just cling on and hope nothing goes wrong. Surely it won't happen to us! Lightning never strikes twice.

We could, of course, spend millions on consultants and huge, disruptive top down change. But what if the remedies were already well known to us, by the grassroots boots-on-the-ground guys that run our installations day to day? Would we still want to spend a fortune whilst all this local knowledge was ignored?

It has been said[1] that in many organisations, 'failure to listen is manifest and that knowledge carries no greater weight than opinion'.

So are we capable of using this localised knowledge? We should understand that there is no mystery or inevitability about how our organisations function. W E Deming[2] said that 'Our organisations are perfectly designed to give us the results we get'. If they don't work properly it is because of how we have let them develop, not because of some mystical force outside our control.



So how do we know what sort of organisation we have? Are we capable of changing into something better or are we a rabbit caught in the headlights? When we see organisations struggling to change it is often for these reasons:

'Lack of resource' is seen as an excuse for doing nothing. There is a feeling that that 'we can't afford to change'. Change is seen as something inevitably expensive and disruptive and certainly something we cannot do for ourselves. Ironically, at the time when change is needed most, organisations frequently dillydally because they 'can't stomach the cost'.

They dumb down and make things worse. Managers may perhaps start telling people to 'get on with the job and not bother me with your smart ideas for improvement' rather than face up to legitimate grievances.

Things get done in spite of, not because of, the systems and procedures. There is a tacit understanding that the rules have to be bent to get things done.

There is a general move towards commoditisation of jobs and functions. This is too big a topic to address here, but suffice to say that people hired by the hour to do narrowly defined tasks, are unlikely to make a contribution to improving the operation. Anyone would do well to read Upton Sinclair's *The Flivver King* to see the archetype of the commoditisation of work as it unfolded in Ford's America.

In a nutshell, our organisations need to be able to absorb variety, whether that involves dealing with an emergency or taking an everyday opportunity to do things better. Sometimes we are so hidebound that even if we spot a threat or an opportunity we are unable to respond.

Like life itself, industry is in a constant state of flux. Wouldn't it be good if our organisations could evolve and adapt continuously and fluidly in response to inevitably changing priorities?

PART II: OUR PEOPLE - OUR MOST IMPORTANT ASSET

That organisations should become dysfunctional and unwieldy as they grow is not inevitable. Neither does instituting change have to be horrendously expensive. Wouldn't it be perfect if we could change our organisation at little cost, using people who know exactly where all the problems are and how to fix them?

The good news is that we can. Once we realise that our people and the knowledge that they have are the ingredient missing from our improved organisation. Our people are, without question, our best asset and hold the keys to getting things right.

We should build on the fact that most people want to work hard and are happy to work even harder if they think they can make a difference. They know how to improve the way their 'work works', but in the current economic climate staff are less likely to be involved in the decision-making process because we routinely overlook the contribution our people can make.

When we talk to anyone working on the front line of an organisation they tell of numerous "defects known only to them but which, crucially, they could fix if only they had the authority to do so."

We are not only talking here about the leaky valve or the squeaky bearing, but about anything which gets in the way of business. *In other words anything that erodes value, reduces production, compromises HSE, or creates waste.* These are the things that 'get us' when it comes to major incidents. If we don't get them first we remain vulnerable. Audits, investigations and recommendations will deal with most but not all, and it only takes one to slip through to plant the seeds of disaster.

This approach doesn't just benefit safety; the collective business value of getting these things fixed can often outstrip the potential value of major capital developments. Every organisation has its 'big projects' (shown in red in fig. 1) which are managed and monitored to ensure that their value is captured.

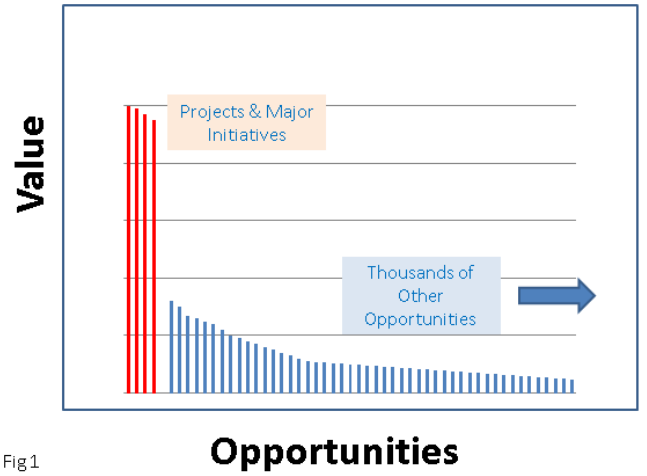


Fig 1

But what about the other jobs, shown in blue? These are the defects known only to the workforce. Strikingly, their collective value represents a bigger return than the major jobs.

PART III: STARTING TO CHANGE

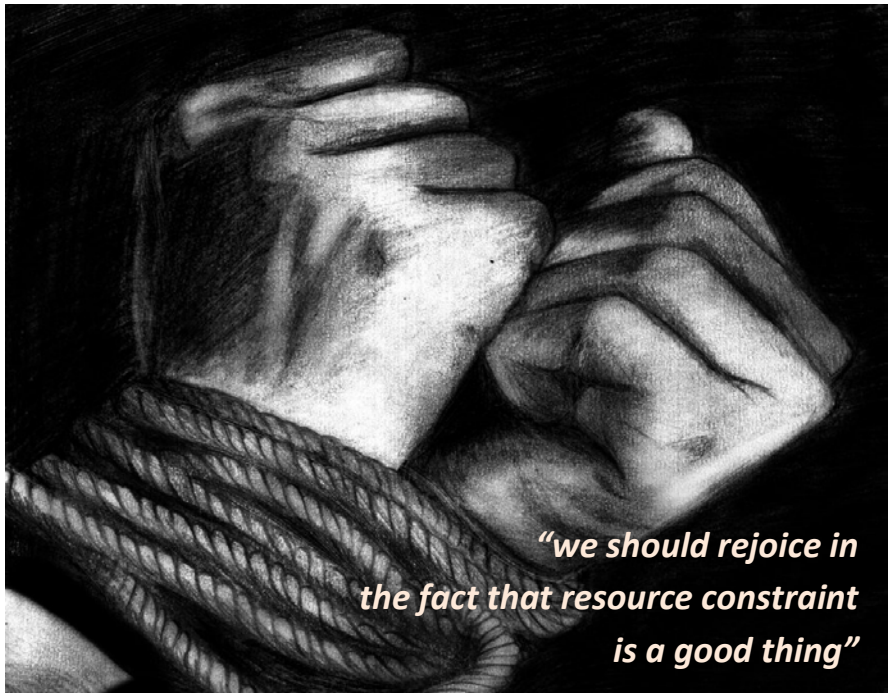
Some defects do get fixed because otherwise the organisation wouldn't function. But most are ignored and, even if this doesn't lead to an incident, we still trash a big slice of value. To realise this value we must release the potential in our people to sort things out. That is all down to management creating the right environment to allow change to happen. So how do we create an organisation that can heal and improve itself; an *organic organisation*?

We certainly don't need to spend months on end churning out analysis, conducting surveys, making lists and covering conference rooms with brown paper process maps. Remember that people already know where the problems are, so we must develop organisations able to deal with these problems as routine business. Given an overarching strategy, front line operations must be able to reset the daily priorities to cope with things as they arise.

At the outset it is essential to kill the 'lack of resource' excuse. Rather we should rejoice in the fact that resource constraint *is a good thing*.

Taiichi Ohno, the man who revolutionised Toyota, realised that plants built under severe resource constraint are the most innovative, with learning and development built in. Our current economic restraints should be seen as an opportunity to develop the most efficient organisation possible and exploit to the maximum the rich skills and knowledge of our people.

When times are tough is when we most need to embrace change, and the notion that 'we can't afford to change' is nonsense; this type of change pays for itself. But remember that we don't want change for the sake of it, we want improvement. Too often change programmes amount to doing less of the wrong thing rather than more of the right thing. The key to doing the right thing is to involve the people and design change 'bottom up'.



PART IV: BUILDING THE ORGANIC ORGANISATION

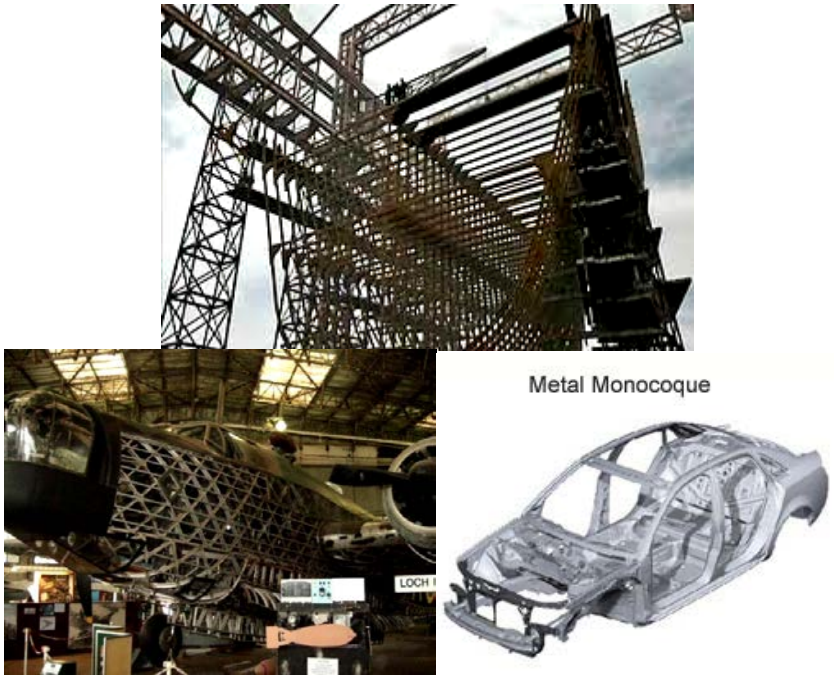
We know that change is needed but what should we actually do? How do we develop organisations that are not only capable of doing everyday tasks but are also capable of eliminating defects as they arise?

Most organisations represent themselves on a spindly organogram with formal reporting lines and boundaries. We develop procedures and support systems, such as IT and procurement, based on this rigid framework. Finally, we hang our people on the hooks and leave them to get on with it. This gets spiced up occasionally with away days and other 'team building' events but on the whole that is it. We never examine the way the work works!

We often talk about 'teamwork' and concentrate on building the *team* (for example, paint balling and abseiling away days!). But while we concentrate on the team, we ignore the *work* itself. And that is where the answers lie: in how *'work actually works'.*

We need to capitalise on the fact our organisations are not rigid. Is it a bad thing when we bend the rules to get things done, or is it just our organisations flexing and doing things differently in response to a changing set of demands? Organisations are living things and if we exploit this responsibly instead of trying to hold things rigid, then we can transcend our current performance.

I am reminded of how mechanical structures have developed over the years. Ships, cars and aircraft all began life as a load bearing frame with a skin on top.



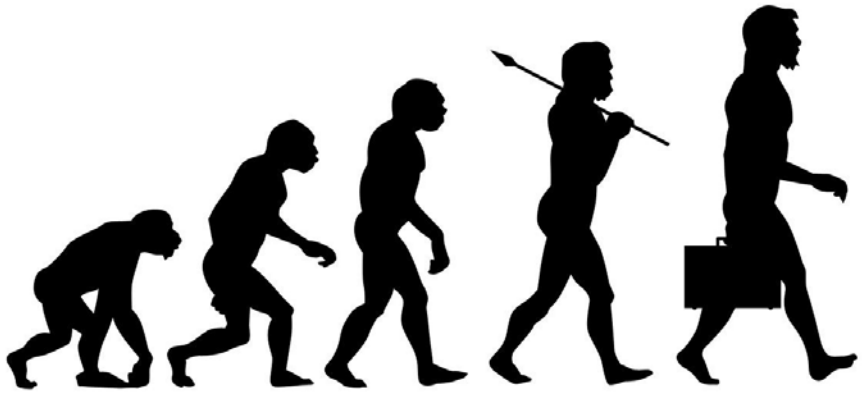
We don't build like that anymore because (apart from being inefficient to construct) one small structural failure often heralds the failure of the whole thing.

Modern structures are often based on monocoque principles with the load spread throughout and where a failure in one area is rarely catastrophic.

Our business structures can develop in a similar way if we pay less attention to formal frameworks, and allow them to adapt to take the strain of the work we are trying to do. Put another way, organisations should be able to adapt to suit the business rather than the business being hemmed in by the organisation.

We already do this when covering for those on sick leave or dealing with major breakdowns. But if we could make this behaviour the rule rather than the exception, there would be huge benefits for the organisation:

Strength would be inbuilt. The organisation could take considerable damage and no single failure would be catastrophic.



"Organisations should be able to adapt to suit the business rather than the business being hemmed in by the organisation."

It is **autotherapeutic**: with the ability to 'self-heal' in the face of staff changes and workforce attrition. If a key member drops out then those remaining will find a solution by shouldering the burden themselves or by co-opting a colleague. Similarly, the organisation could survive a change in higher management because it is less dependent on a continual trickle down feed of instructions from above.

It would have an inbuilt immunity against 'attack', such as late changes of plan, unforeseen failures and other emergencies because adaptability is its very nature. *In many incidents, including Piper Alpha and Macondo, the inability of the teams to cope with a late change of plan was a tipping point.*

It is ***autogenetic***: self-developing with different people bringing or learning different skills as required.

We must get things right today, tomorrow and every day and need this flexibility to be able to respond to the operational demands of the moment.

When I was working offshore, it struck me one day that our job as a management team was not actually to manage a group of wells, a production plant and the rest, but rather to manage a series of critical mini-projects that individually came together to give us the outcome that we wanted.

Examples could be 'get a wire-line unit on board', 'get a well hooked up' or 'get a separator recertified' etc.. The key features of these mini-projects were that:

Each had the potential to stop us delivering our plan if not done properly. Each demanded a variety of skills and interventions from the different departments.

We realised that the best way to tackle these jobs was to form cross-functional, ad hoc, mini-project teams, mentally risk assessing all possibilities and working across organisational silos. Crucially, the team would disband once the job was done so that a different team could be formed to tackle the next mini-project.

None of this was done formally, but with a good crew and enlightened management, it just became the way things were. We had developed an 'organic organisation' which was able to adapt continually and respond to the critical need of the moment.

Establishing this type of organisational behaviour is a bit like oiling a clock. A small drop of oil on one part will eventually find its way to all the others. We do not advocate 'big bang' launches for this type of change but rather a steady transformation, starting small and with lots of coaching. We certainly don't need endless weeks of analysis to find an appropriate jump off point! But it is not good enough to achieve results once; it must become routine and, through routine, second nature.

The potential benefits of the organic organisation are even greater in projects where work is done across a contractual boundary. Too often those on different sides turn on each other, rather than working together to achieve the common goals of the project.

Organic organisations are not internally competitive. They work together to get the job done and the benefits of working together across contractual boundaries are well-documented. We should treat customers in the same way, looking to sell them something that they want, not something *we* think they might want.

For more on this see Are Our Contracting Relationships All That They Might Be?

PART V: THE ROLE OF THE MANAGER

So given all these potential benefits, how can managers help to grow the organic organisation? An operation doesn't have to be that complex before it becomes too big for any one manager to be an expert.

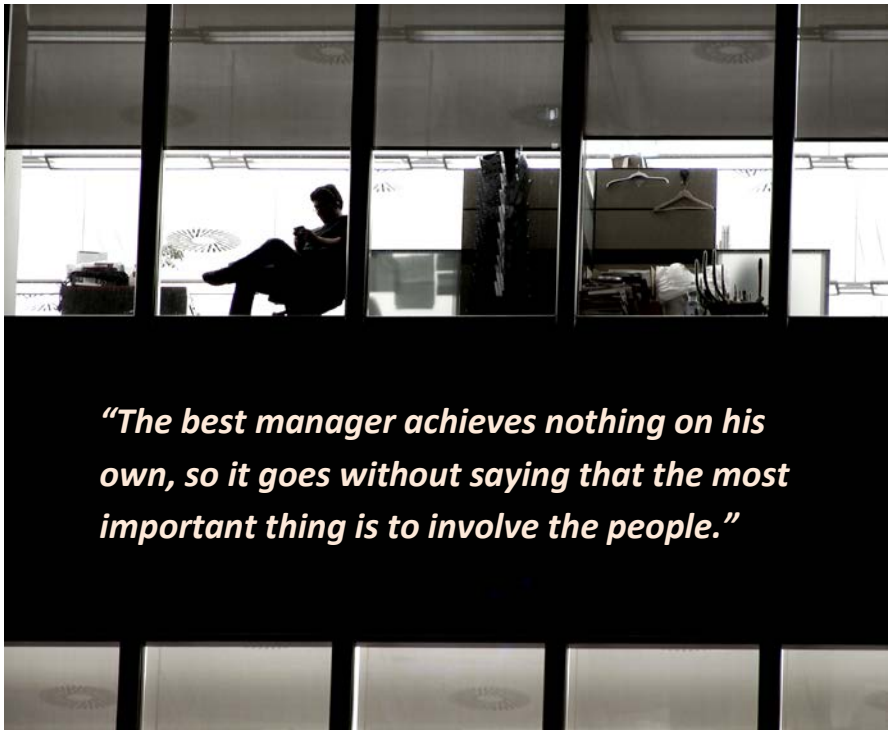
The best manager achieves nothing on his own, so it goes without saying that the most important thing is to involve the people. But we are not just talking about suggestion schemes. Psychologist and originator of **motivation-hygiene theory,** Frederick Herzberg, said: 'if you want people to do a good job, give them a good job to do'. Below are ten pointers for managers to take into consideration:

i) The organic organisation is not some 'touchy feely' new idea but a hard-headed management style.

ii) It is important to remove any threat towards those who say 'there is a different way of doing this'. The 'comply or get out' management style will kill an organic organisation. Managers who rely on this style lack vision and alternative ideas.

iii) Not every procedure should be hard and fast, but some 'core' things should be. Are we really up for change? How many of the 'rules' are we allowed to break?'

iv) Improvement can't be designed offline by a change team and then 'rolled out' across the organisation. Involvement of frontline people is fundamental.



v) This is a total programme not just a spare time activity. Support for the frontline from all levels of management is vital. Sharing success stories, use of websites and social networking are good methods for showing support and creating momentum.

vi) Improvement always starts with getting the right knowledge. Our people know where the problems are but managers usually do not. They need a process that continually taps into this knowledge.

vii) The 'not invented here syndrome' can be a blocker to cheap and effective change. We need to encourage staff to adopt tried and tested solutions from elsewhere. Award the best prize to the *second* person who adopts a good idea! Stealing is a virtue!

viii) 'No gain without pain' is nonsense. Easily achievable and elegant solutions are common and should not be discarded as soft options.

ix) Locally produced 'bottom up' plans are essential. These must reflect overall strategy but the detail should be locally produced and not a cascade of some distant high level plan.

x) *A manager who doesn't involve staff in decision making is failing to exploit the potential value of the organisation.*

See How Can We Better Include People In Our Decision Making?

In ***'Never Say Never Again'*** we saw how often an individual can miss a vital opportunity to nip a hazard in the bud.

So we need to establish cultures where people are allowed and encouraged to do the right thing, and feel confident in their own knowledge and in their authority to manage the unforeseen.

We should specifically be aware that:

- Staff often feel that managers don't listen to them.
- People feel good once they feel they are becoming more effective.
- Targets often mean little to staff. Why would we want to set additional targets if we knew people were capable and authorised to 'do the right thing' all the time?
- Staff assessment should focus on how people are working to understand and improve the work they are doing.

"Easily achievable and elegant solutions are common and should not be discarded as soft options."

PART VI: HOW WILL WE KNOW WHEN WE ARE GETTING THERE?

The simple answer is: by listening.

You will start to hear conversations characterised by 'we' rather than 'they'. 'We are doing this' rather than *'they are doing this to us'*.

I once managed a major North Sea shutdown on two almost identical platforms. One operations crew talked in terms of 'we are shutting down and we will work with the shutdown teams because they are here to help us'.

The other platform talked about 'they are shutting us down' and resented the contract teams because 'they will be a nuisance'. Guess which shutdown came in two days early and which one a week late?

The advantages of the *Organic Organisation* are immense. Given that we must work within an overall business strategy and keep our technical integrity, allowing our people to develop and adapt their everyday work processes offers huge opportunities.

In some cases, it may offer the only hope of capturing improvements which are needed to deliver a long-term sustainable future for the organisations in question.

The bottom line is this: ***Don't let anyone tell you that in business we must choose between reliability, cost savings and safety. If we develop our organisations properly all three will be innate as a matter of course.***

ABOUT THE AUTHOR

Derek Park has 35 years experience of operational and organisational management in the oil, process and utilities industries. A chartered mechanical engineer, he spent time as a construction and commissioning manager on major offshore projects and was later an OIM in the North Sea. He has also managed operations on major pipelines and at onshore petrochemical facilities. During this time he realised that whilst the actions of people are key to the performance of any organisation, this is often not fully appreciated by managers and management systems.

He is a creator and developer of effective organisations and is driven by a belief that too many people spend too much of their time working on things that simply make no difference. He works directly with front line staff and advocates a 'bottom up' approach to transformation, complementary to the usual structural techniques. He specialises in engaging people in the change process, recognising that sustainable cultural change can only happen when people are prepared to take personal responsibility for transformation process itself.

Derek now works as an independent consultant and you can learn more about him at www.OpsIntegrity.com

REFERENCES

1. John Seddon. 'Systems Thinking In the Public Sector', Triarchy Press 2008

2. W Edwards Deming. 'The New Economics', Massachusetts Institute of Technology 1994.

NEVER SAY NEVER AGAI N

Read the original report **"Never Say Never Again"**

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