

Organization Development: Acting as One with the Business – Best Practices at Chevron Corporation

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Abstract

Organization Development (OD) efforts are often conceptualized and implemented in terms of *projects* within specific business units, departments, or some other slice of organizations. While such projects do generate value from these efforts and their accomplishments, this article proposes that, and seeks to demonstrate how, the value of OD efforts to organizations can be substantially enhanced by both OD teams and business units within organizations, thinking and operating as *one – one team, one organization, one relationship.*

Introduction

Keeping up with changes in business environments, market conditions, and customer preferences, at a pace that will not jeopardize profitability can be a challenge. This can be particularly so when dealing with organizations that are large and have long histories, as the process of achieving this outcome can be complex. A Chevron global petroleum product marketing organization of approximately a thousand employees with hubs in London, Singapore, Houston, and San Ramon faced just this situation.

The Case

Gone were the days when just long-term relationships and volume would sustain this autonomous business unit. Although the company had strong customer satisfaction ratings and significant long-term sales contracts, the current company financial performance had unacceptable return on capital employed (ROCE). Contracts and operational efficiencies had to be reconsidered so that alongside relationships, and customer satisfaction, profitability could also be moved to center stage. The President of the business unit identified and committed to fundamental changes in strategy for the business unit;

which required significant shifts in decision making, external customer relationships, and increased performance accountability by all members of the organization.

The urgency for change was triggered by his commitment to the Corporation to take the business unit from the red into the black in a very short timeframe. He promised profitability of a specified sum within the span of two years; an unlikely feat, according to many. What he and his business unit accomplished stunned onlookers. They made twice the promised amount, in almost half the time! How did they do it?

Starting at the Top and Cascading to the Next Level

Some of the cornerstones of success were the President's visionary leadership style, his absolute commitment to empowerment (Nadler, 1998), and his courage to work in partnership with the OD team, trusting that they would enable him to implement his vision. He started by recognizing the need to engage his immediate leadership team. The team needed to strongly support the new strategies and work together more as one team even though it meant significant changes to some of their roles and paradigms. The management team itself was spread across three continents: North America, Europe, and Asia; as were the thousand or so employees that made up this business unit. The Global Workforce Development Team, which is the OD team at Chevron, was organized to work well with this distributed leadership team, as it was geographically dispersed too, in locations that matched the business unit. Together, the consultants provided a seamless global OD service to this business unit. For instance, the original agreement to engage in work was undertaken in London between the President of the business unit and the OD Regional Manager who was based there. However, most of the leadership team was in the United States of America (U.S.A.), so the diagnostic interviews were carried out in three locations there. Interview questions were designed to test

for leadership alignment to the strategic direction, the overall competence and confidence to achieve the desired results, the level of awareness and readiness to seize the opportunity, and the motivation and commitment to action.

Alongside this, an OD member from California partnered with OD members from London to assist with the structural re-design of part of the business unit to support the new strategies. Subsequent to the analysis of the interviews with the leadership team, the OD team in California in conjunction with the President in London designed a leadership team meeting which was facilitated in California. The leadership team then invited the extended leadership team of over a hundred people worldwide to California, to join them in their compelling vision. The overall objectives of the two-day event were to strengthen the commitment of all leaders to the new global strategies and to build relationships between all of the extended leadership team members. Also, the event was intended to obtain leader contribution to the engagement plan and to acknowledge examples of extraordinary successes.

This two day event which was one piece of several in the overall relationship between the OD team and this business unit is one that we would like to expand on. The first day revolved around World Café styled dialogue sessions between the leadership and extended leadership teams addressing questions such as 'What would make a powerful difference going forward?', 'What fundamental matters need to be addressed?', 'How will this impact each of our groups?', and 'What will we need to do to respond?' The intention behind using a café style set-up was to create an informal atmosphere as an aid to encouraging candid conversations across the leadership levels, functions, and regions. Together, participants could see how they were all critical to making a difference to their business unit.

Day two focused on leadership behaviors. The leadership team had a conversation amongst themselves in a *fishbowl* set-up with their extended team literally observing them converse about what behaviors in the organization needed to stop and why, what behaviors needed to start and why, and what behaviors they and the extended leadership team as change agents needed to assume going forward. They spoke candidly about the role they were playing in the current state, and committed to two significant changes moving forward: They would individually and collectively hold themselves accountable for higher standards of leadership behaviors, and stay focused on a strategic, rather than a tactical level. In other words, they would make a difference to their business unit through leadership rather than functional skills.

The fishbowl technique is used to help people understand issues through other people's perspectives, even

when they may not have been part of the discussion, as it provides an opportunity to listen to the different perspectives considered. In the words of an OD team member in California, the fishbowl set-up in this instance modeled "democracy, inclusion, and participation"; values that the leadership team wanted to live by, going forward. Their direct reports observed them demonstrate the very values they spoke about while conversing with each other, through this technique. Dialogue was unscripted, and being this vulnerable was uncomfortable for most of them. Their efforts however, were validated by an even more senior leader who happened to walk into the room unexpectedly while their dialogue was in progress. "A big part of leadership is being uncomfortable.... It's not always having all the answers," he said, encouraging them "and it's still being able to go out to your people and inspire action and ensure you've got alignment and deal with their anxiety without reflecting your own anxiety back to people."

This two-day meeting ended with every individual reflecting on what he or she would do to make a difference. With support from the OD Team, participants developed brief speeches unique to them, but based on a common guide so as to ensure a consistent message across all locations. They practiced these speeches with support from colleagues through feedback and idea-sharing. They also drew up individual plans of how they would communicate with and engage all of the individuals within their extended teams. All made promises to themselves and each other about what they would do differently, which they added to a *Wall of Fame*. The "Wall of Fame" was an intervention in which the leadership members publicly declare and commit to achieving specific extraordinary results in front of the leader membership by writing it, and signing it on a wall for all to see. It requires authenticity and is the public face of the leader's integrity. It is later shared throughout the organization as a poster session.

Getting the Nuts and Bolts in Place

The extended leadership team left for their home locations invigorated, ready to put what they had decided, into action. Some required support from regional members of the global OD team, and more detailed, local work plans were developed. There was a call for communication between dispersed members of a team to be improved in Singapore. In the UK, change management support was needed. In Hong Kong, a sub-group got together to share best practices and agree on how to work together more effectively despite their geographic dispersion. In the U.S., leadership groups got together to create business plans based on accomplishments, initiatives, challenges, synergistic opportunities, and performance metrics. Leaders were supported through coaching by the OD team at various points along the

way, at worldwide locations. Large group interventions were conducted in support of employee engagement and empowerment. Action plans were developed with roles, responsibilities, and accountabilities clarified. Dialogues occurred with a focus on specific behaviors needed for successful strategy implementation.

All these additional support mechanisms provided the glue that kept the cascading changes to ever growing numbers of people within the organization, intact. In practical terms, what this business unit accomplished was not just instituting a new way of being. In the words of the President of this unit, "We were doing two jobs! We were running the business and we were turning around the business... There was such a huge effort going in last year to change the business; and while we were making that change in the business, we didn't take our eye off the ball and we executed the business at the same time. So, [it's] really quite remarkable, what we did in terms of success."

All of this work occurred in an emergent fashion. Unlike approaches that attempt to gain absolute clarity on the project scope, key objectives, tangible results, and deliverables of the entire 'project' right at the outset, the success of this engagement grew and evolved based on the outcomes of ongoing interactions this business unit had with the global OD team. It evolved more along the lines of the *complexity approach* described by Shaw (2002) wherein interventionists use and capitalize on the creative possibilities that emerge from the uncertainty of evolving events. While each event had its own clear scope, objectives, and deliverables, subsequent events were only requested after leaders experienced the impact and influence of the previous events. This trust in *going with the flow* versus having a clear *front-to-back* project plan occurred as a result of the leadership team's firm belief that leading an engaged workforce would directly lead to meeting their financial goal within the set timeframe. The leaders found that many specific methods of achieving commitment to the new strategy came from the engaged participants and were different from what would have been deployed if it were centrally controlled by the project team.

Maximizing Learning and Performance to Improve Organizational Effectiveness

This business unit's financial turnaround was so successful that it was integrated into two other linked business units, maximizing efficiencies and creating synergy simultaneously. Senior leadership took strong notice and gave direct recognition to the turnaround success. They charged key members of this leadership team to apply the same organic learning (Wheatley, 1992; Vaill, 1995) approach to this higher-level business integration project. Work on this effort is still ongoing, but to put it in the

words of a manager from San Ramon, California, "The most important thing is that the ideas are laid, the resources *will* be provided, and the empowerment is there for us to succeed again."

Vital Conditions for Success

All of the OD interventions discussed did not unfold entirely without event. The geographic spread of the leadership team for one, certainly called for a deep commitment on the part of the OD consultants to deliver a strong service irrespective of the circumstances. Opportunities for learning had to be capitalized on, even when events did not play out entirely according to plan. In one instance, the facilities team at a location set up the seating structure for an event incorrectly. The leadership team, who happened to go down to the room with the OD team the previous evening to rehearse, witnessed this and immediately leapt into corrective action, rearranging the furniture. After a short while, the OD consultants called a halt to this, and used this as an example to draw attention to a bigger issue. Their behavior, which was a clear demonstration of their commitment to doing whatever it took to succeed, was nonetheless useful in helping them reflect on *getting into the weeds* or being tactical – a behavior that they were attempting to change in the way they ran their business. A similar opportunity for reflection and modeling of behaviors that were important, presented itself on another day. On this occasion, the OD team had to make a quick decision about whether to be quiet and let the behavior of an individual who was modeling undesirable behaviors continue, or take action, risking their relationship with the individual, but doing what was best to support the development of the leadership team.

What did it take for the OD team and this business unit to co-create such a clear business success? The foundation was laid by the leader's fundamental understanding and insight into human behavior and its link to business results. It unfolded with his *forward looking* observation of what was occurring in the system, and linking the human and business aspects together to achieve business results. In other words, feedback from the system was not merely considered in terms of its past and present performance. It was viewed through a futuristic lens. He made a compelling case for "breaking things that don't appear to be broken" in order to ensure a competitive advantage. He stated, "As the world changes, business issues change, and things that have been successful in the past may be ineffective in the future. If we are forward-looking, we can change things now, before business results show us that they are broken." He took on this personal mission with total commitment; and recognizing the need to engage every employee in his unit, enlisted the support of the OD team. What made the OD Manager in London "proud was that the OD team

operated both locally and globally" at the same time. Interventions were designed for the cultures of their particular audiences. In the words of the Global OD Manager, "having an integrated regional structure for the OD team in combination with the leader's willingness to work creatively with us made it possible to support this global strategy seamlessly." This way of functioning demonstrated to the leadership team that which was lacking but necessary to their own operations. The extended leadership team and their staff in turn, engaged and committed to the new vision. Leader-led processes were put into place that engaged every individual company employee. Customers were tiered according to value generation, and results showed up in the bottom line.

According to the OD manager in California, "One of the keys to success was connecting to the business [through] our consultants' credibility with the business unit and the leaders. OD, communications, and business strategy linked strongly to achieve this result." This coming together of OD and business teams reflects what OD is all about according to Broom (2006). It is "collaborating with organization leaders and their groups to create systemic change on behalf of root-cause problem-solving toward improving productivity and employee satisfaction through improving the human processes through which they get their work done."

None of this happened in a vacuum however. Had a culture conducive to OD, leadership development, and employee empowerment not existed within Chevron, attempts such as these would not have had the environment so vital to support their success, even if the organization housed high quality leaders such as the President of this business unit. Similarly, had the business climate (Lawrence & Lorsch, 1969) not called for a dramatic shift in behavior, such a change might have taken substantially more effort to manage, and might not have been quite as successful. In this instance, information from the external environment was responded to, and feedback (Katz & Kahn, 1966) from the customers and bottom line used as a gauge for whether the business unit's response was moving them towards their desired goal.

Conclusion

If we sum up how this business success came about, it began with a visionary leader recognizing the need for significant change in a business climate that was calling for it. His request for support from the OD team was met by an appropriate match of the most senior consultants to this senior leadership team. Their knowledge of the unit's history and business enabled them to understand the client's business model and speak their language. A certain amount of trust came with the fact that they were part of the organization, and this was cemented by the competent services delivered.

The global OD resources that were deployed matched the needs, cultures, and dispersion of the global business unit. Focusing on each discrete piece of work with no distraction of having to search for more work enabled the consultants to give their best, and be truly present as events unfolded. In the words of the Regional Manager in California, the leaders of the business unit and the OD consultants were on "a strategic journey [together]. No one could have predicted where we'd end up. Most significantly, the leadership team knew how to work with us as well."

Finally, the culture co-created by the leaders and every Chevron employee in this business unit provided the vital organizational conditions necessary for such a turnaround to succeed. So also did the relationship between the OD consultants and the leadership team evolve past the constraints that role definitions of 'consultant' and 'client' can potentially put on interventions. Together, they co-created the conditions and relationship that helped each other succeed. The success of the business unit as well as of the global OD team in enabling the success of this independent operating company came about by thinking as one, implementing as one, both strategically and tactically, globally and regionally; and never losing sight that individual as the teams or business units might be, their greatness emerged through operating as one.

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Author's Reflection

I am the Manager, Global Organizational Learning and Development (GOLD) reporting to the General Manager, Global Workforce Development, who in turn reports to the Vice-President, Corporate HR-Chevron. There were two key challenges for this project: partnering with an external consulting firm and having the leadership team aligned and committed to personally sponsoring this business model change.

On the first challenge, we clearly sorted out roles that best supported the client. The outside firm provided the external competition environment and data that led to the formation of the new strategy and company business model. We provided the plan and support for the deployment of the new strategy.

On the second challenge, the collaboration across our four regional GOLD teams led to the creation of a strategy deployment plan that fit our internal culture. The seamless hand-offs from regional consultants working with the top leadership team to those working with the next levels of leadership allowed a common deployment approach with individual leadership team members in parallel across the globe. Each of the GOLD Regional consultants had already developed strong personal relationships with the business leadership team members in their region and was critical in getting leaders to try new methods of engagement to make this intervention unique and effective.

My advice to other internal consultants based on this successful project is to have a critical mass of internal consultants proportional to the size and geographic reach of your company, then seek to distribute the consultants regionally while building strong collaboration expectations and processes among your team. The client relationships and ability to offer creative OD consulting solutions are being served well by this model within Chevron.

Authors' Bios

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