



High Performance Work Design

Alec Levenson
Center for Effective Organizations

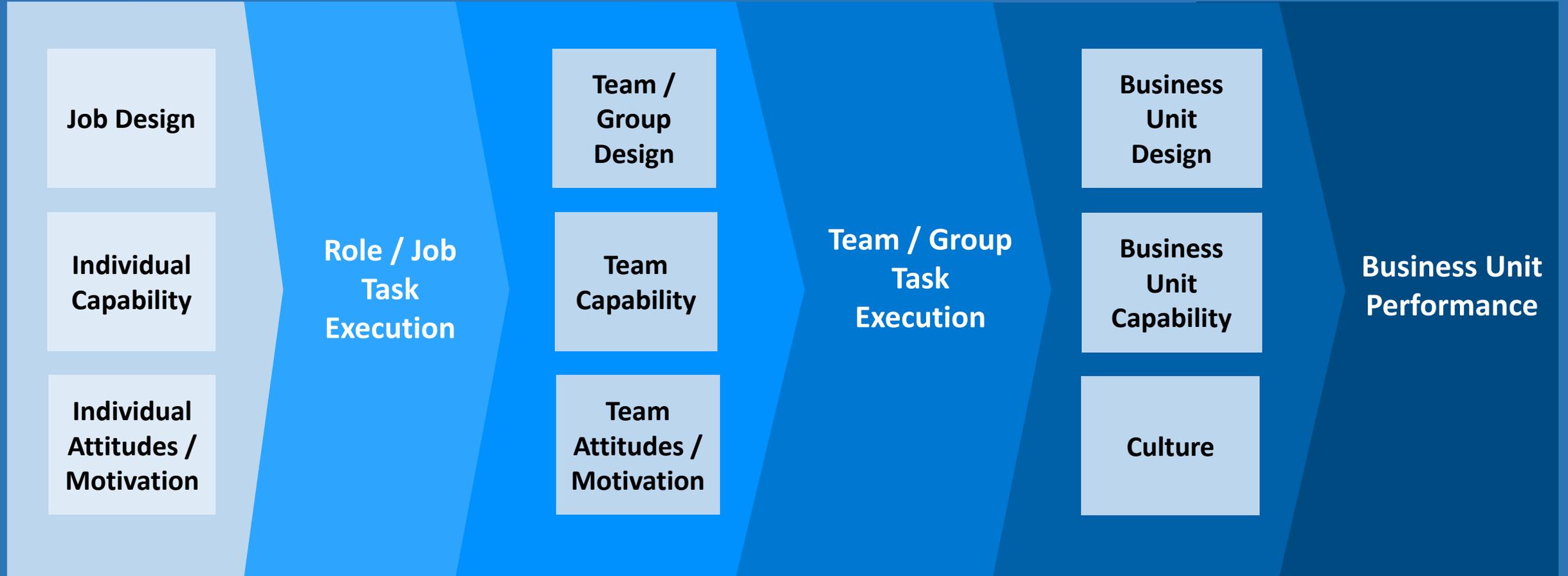


CEO research agenda on high performance design

- **Work design at multiple levels**
 - Job, team, business process, and enterprise
- **Traditional vs. high performance design principles**
 - Location of decision rights in the organizational hierarchy
 - How to get the right balance between the work design and the talent model
 - Identify the ROI of each approach based on the business model
- **Joint work with Alexis Fink**



Causal Model of Business Unit Performance



Job Performance

Team Performance

Business Unit Performance



Organizations are structured for information processing

- **Information gathering, processing and decision making**
 - Product possibilities and customer info: Where does it come into the organization?
 - Who has first access to the info? How is it processed, turned into insights?
 - Who uses the info to make decisions about products & services?
- **How to get employees who access critical info to take strategic actions**
 - Act on info the right way, apply discretionary effort



Change in strategic orientation

- **Businesses often change strategic orientation within the business model**
 - Example: become more customer oriented instead of functionally oriented (front/back org design)
 - Contrast with changing the business model in an entirely new direction
- **What are the implications for information**
 - Gathering: ...?
 - Processing: ...?
 - Decision making: ...?



Change in technology means change in org info processing

- **Info gathering and processing**

- New insights about products and services that previously were not possible to produce (technical innovation)
- New insights about what customers want, willing to pay for
- Faster and more accurate processing of data collected, leading to reduced cycle time, greater margins, greater product variety or customization, etc.

- **Decision making: human vs. machine-based**

- AI, machine learning, etc.
- Need to understand how roles are impacted by the change, and how the roles fit into the team and larger org system

Olefins Complex Technical Capability Development

or

Adventures in High Performance Work Design



Michael McAtee and Gregory S Andriate

CEO Sponsors Meeting

Portofino Hotel, Redondo Beach, CA

May 9, 2018



Business Situation

1. **Standalone Olefins facility in NA**
2. **Second major scheduled outage in 2 years**
3. **Divergent objectives among business partners**
4. **35% incremental Capital infusion since Plant completion**
5. **Facility under consent decree from State Environmental Authority for excessive emissions**
6. **Technical staff turnover rate in excess of 20%**
7. **>10% of plant losses with human factors as primary or contributing causes**

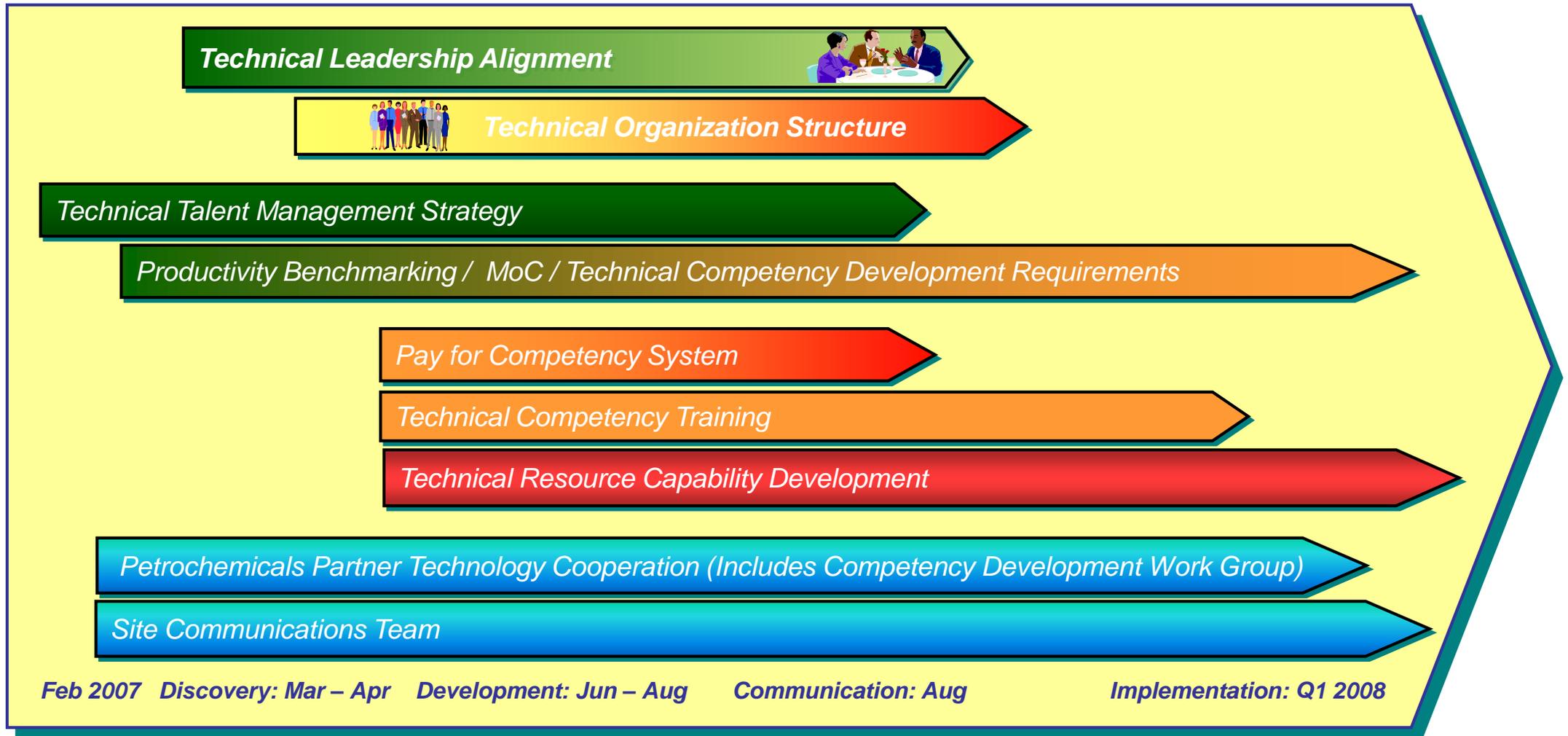


Business Transformation Objectives

- 1. Develop top-tier organization consistently delivering 1st Quartile operational and reliability performance**
- 2. Ensure sustainable delivery of economic and environmental objectives**
- 3. Leverage expertise and capability of Partnership organizations to support Port Arthur Operations**
- 4. Reduce Technical Staff turnover to sustainable levels (<5%)**



Technical Capability Redesign Intervention





Organization Redesign Strategic Imperatives

(Work Processes, Support Systems, Reporting Structures)

1. **Headcount Neutral Structures**
 - No net increase in total positions
2. **Assure reliable and responsible operations with a focus on: Environmental Sustainability, Plant Reliability, and Operational Effectiveness**
3. **Optimize asset and commercial performance to maximize long-term net cash flow**
4. **Identify, assess, prioritize, and capture improvement opportunities implemented for next Turnaround**
5. **Ensure retention and development of Technical staff to increase technology expertise and staff competency**