

One well 30,000 times – Australia's workforce transition to a gas factory



Unconventional operations require an unconventional workforce



[3] High Performance Culture

A shared understanding of what a high-performance business looks and feels like, in alignment to the business's objectives and goals.



[4] Leadership

Consistent demonstration of competence and authenticity that ensures the delivery of work aligned with business objectives.



[5] Engagement

A workforce that is committed to their work, team, and organisation.



[6] Agility

The way in which an organisation invests in improving structures, technologies, HR practices and operational processes in order to meet changing needs.



[7] Capability/Capacity

Optimal balance of skills and resources to deliver on business objectives.



[8] Alignment

An agreed understanding of the central business drivers that must be supported by the human capital structures that are in place.



[1] Why transition?

- High operating costs in exploration and production – in conjunction with declining oil price – are compromising Australia's competitiveness on the world stage
- Historically, Australia's oil and gas sector has been fundamentally conventional, resulting in the legacy of Human Capital Management Structures being adopted for use in unconventional operations, although these structures have provided a preliminary blueprint for operational guidance, they are no longer fit for purpose
- Mechanically drilling for oil and gas in conventional and unconventional plays are largely the same, but the critical success factors that drive competitiveness to the bottom line are very different
- The workforce is one of the highest cost drivers for unconventional operations, particularly in Australia, therefore the human capital structures that are put in place to support and manage the workforce are critical to the success of an unconventional operation.



[2] Success factors of an unconventional operation

- Machinery mobility – requires the use of machinery that can quickly manoeuvre from worksite to worksite without delay
- Efficient personnel with broader skill sets – personnel are exposed to all stages of operating activities more frequently which requires personnel to have broader skill sets
- Logistical requirements – need for increased accuracy and timeliness in the planning and scheduling of operations
- Communication and coordination skills – requires uninterrupted and continuous flow of operations which relies on multiple stakeholders
- Increased health and safety and regulatory requirements – health and safety measures must be as effective as it is cost effective because these costs increase overheads without any financial value add.



[3] Performance

Behaviours and key performance indicators need to align to overall business objectives and strategy. Behaviours that align to unconventional business objectives include – identification of process improvements, attention to detail, waste elimination, and speedy adaptability. Key individual performance metrics focus on – cycle times, on-time delivery, continuous improvement, time per task, and work queues.



[4] Leadership

Unconventional operations are driven by just-in-time delivery and have slim margins requiring strong leadership capability in complex planning and logistics to account for all the moving variables. Additionally, operations span over large geographies which requires leaders to focus on relationships with governments and communities.



[5] Engagement

Strong and ongoing engagement, as well as a stable workforce is crucial for an unconventional operation, as continuous improvement is important for improving margins. Having a workforce, who know the processes inside and out will increase workforce productivity and minimise the likelihood of variance within the processes.



[6] Agility

An unconventional operation will benefit greatly from the identification and quick implementation of process improvements. Even the smallest increases in productivity will quickly add up with repetitive processes.



[7] Capability/Capacity

The ability to delivery just-in-time is critical for successful unconventional operations, therefore scheduling, logistics, and process engineering are some of the capabilities that should be most evident within an unconventional workforce.



[8] Alignment

Human capital management structures must align to the fact that unconventional operations are driven by high-quality, on-time delivery therefore structures should support process driven work, where time-on-task, attention to detail, continuous improvement and zero downtime is of utmost importance.

[9] What the experts say

- In March this year BP formally acknowledged this distinction in its strategic decision to form a separate business to manage its US Onshore oil and gas assets
- Last year Origin shifted its business structure from geographical to functional as the upstream business segment was not performing, upstream performance is now at their highest since the change
- Origin, as well as organisations with similar cost drivers, such as Toll Australia's largest supply chain company, believe on-time reliability is key to performance
- Origin and Toll have broadened their talent searches outside of their respective industries, such as to construction for planning and scheduling skills and military for leadership skills.

[10] Call to action – steps to transition

- Renew focus on supervisory capabilities – determine what capabilities are really required by supervisors to meet business objectives
- Embed new skills at increased volumes – ensure HR Frameworks attract/retain the right skills and that organisational structures align to meet capacity requirements
- Increase retention – investigate retention issues, with a focus on critical positions in order to maintain a stable workforce to support continuous improvement
- Be innovative with resourcing – target industries with similar capabilities and look to establish pipelines through universities looking at different majors or fields of study.

[11] Meet the authors



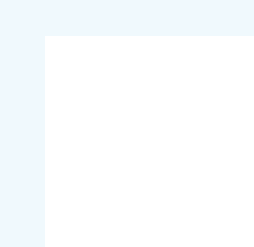
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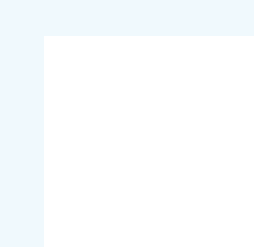
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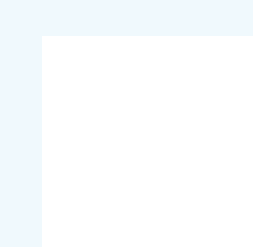
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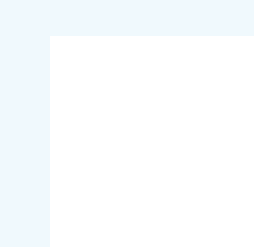
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