

GREY PAPER

insights

pilko

SHIFT ORGANIZATIONS THAT PROVIDE A COMPETITIVE ADVANTAGE



Pilko & Associates Grey Paper

Concise summaries of key Operations/EHS and Transaction Risk challenges and how to unlock value for your project, assets and enterprise.

Pilko & Associates is the Trusted Operational and Environmental, Health, and Safety Risk advisory firm — working with clients in 78 countries and advising on M&A deals worth more than \$600 billion.



US +1 713 357 1000

www.pilko.com
700 Louisiana St. | Suite 4500 | Houston, TX 77002
info@pilko.com

SHIFT ORGANIZATIONS THAT PROVIDE A COMPETITIVE ADVANTAGE

INTRODUCTION

Throughout my career, I have heard: “If those shift teams would just perform better, then we would be safer, more reliable, and make more money.” However, the performance of these shift teams are reflecting the leadership of the site and, in many cases, are revealing the lack of understanding on the part of the above-shift leaders¹ of the dynamics that drive shift teams and maximize their performance. This paper discusses culture and how leadership can strengthen the shift teams to become a competitive advantage.

SHIFT ORGANIZATIONS - CULTURE AND SOCIAL SYSTEMS

- The shifts do their jobs and then hand off to someone else once they have completed their workday; that is, they are no longer responsible after the handoff and do not think about work much beyond that point until they show up for their next shift to take over again. Remember the phrase: “Not on my shift!”
- Shifts are 95% boredom and 5% pure terror, where the terror is a significant upset through which they must manage. Even though the reliability of plants has improved, incidents still occur due to failures, electrical outages, or even inclement weather. The results are upsets that must be managed, and the plant stabilized or even safely shut down.
- The shift leader is considered part of management but relates better to his/her shift. These shifts spend a significant portion of their lives together, depend on each other, and even recreate outside the plant. If leveraged, the camaraderie thus created can be immensely powerful.
- Shift workers work when their families are off and are off when their families are at school/work. This family dynamic causes the shift worker to substitute and prioritize quality time with their family because of the lack of quantity time. Most of their family activity is planned around their shift work schedule.

HOW TO LEVERAGE AND ENHANCE THE PERFORMANCE

- Leadership is the key, and leadership of the shift teams is paramount in determining performance outcomes. The shift leader is the key to making enhancing performance. The above-shift leaders must view the shift team leader as their primary customer. The above-shift leader must drive alignment, clarity of roles and responsibilities and expectations with the shift leaders. The above-shift leader must also provide vital support to shift team leaders in visible ways that clearly illustrate to the shift team members that the shift team leader is an essential member of management and has influence with the more senior management. For example, companies should share shift leader’s site and company announcements and business information before sharing with hourly employees. Team members must believe that the shift leader has the clout to respect and be willing to follow him/her.

One of the most critical aspects of shift team leaders is that they are likely the most senior leader on-site during off-hours and are empowered to make the same kind of decisions that more senior managers would make. When they do, they must be supported by senior leadership.

- One-way communication is a start, but the most successful above-shift leaders drive deep engagement with complete two-way communications. Adopting an attitude of respect and curiosity gives the leader a chance to learn and demonstrate to the team members that they are essential and have a valuable contribution to the benefit of the company, the community and society. Rigorous follow-up here is also vital as this builds trust between all the leaders and the shift team members. The result is that the shift team members will be more open to the message and much more willing to bring more of themselves to the job as they understand the “why” and their sense of their importance is made clear.

¹ Above-shift leader is referring to roles such as Site Manager, Production Manager and/or Production Superintendent

- Above-shift leaders are responsible for developing shift team leaders and making them full members of the management team. Building their leadership skills – how to communicate, answer complex questions, and most importantly, how to escalate, advocate for, and follow-up with their team members – is particularly important and illustrates their value. Teaching them how to deal with unpopular issues in a positive and productive manner that preserves their relationship with their people is critical.

Many shift team leaders get sideways by not making expectations clear or holding people accountable. Above-shift leaders must spend a lot of personal time developing these skills in shift team leaders. This duty cannot be delegated to HR training programs as it requires real-life and real-time discussions, the outcome of which can make or break the shift team leader and thus the shift team performance.

Shift team leaders must be taught that leaders get the performance and behaviors they accept, so they must be clear in what level of performance is required and what behaviors will be tolerated and which will not. They must be skilled in the proper way to hold folks accountable, so that team relationships are enhanced and not destroyed. This ability is the most challenging part of being a shift team leader and cannot be left to chance or taken for granted. It requires alignment up the leadership chain and across other shift team leaders. Above-shift leaders are responsible for making this alignment happen and keeping it current.

- Evaluate each shift – The model below is not revolutionary – in fact, DuPont published an article in 1976 about managing across shifts. Across industry sectors, these practices have been recognized, but many do not know how to evaluate and then improve the performance across all shifts. Using this model to understand “what good looks like” helps this process and allows each shift and shift organization to focus on improving performance in the shift as well as across the shift organization.



Companies that choose to invest in the shift organization should not expect improvement overnight. Much of the shifting culture at each site has had years of non-optimal leadership, and team members have adapted to survive. By being purposeful, understanding the gaps and investing in leadership, shift organizations can create a competitive advantage.²

My next paper will focus on how more senior leaders can help support and set the right environment for improved success for front-line leaders. I will then follow-up with another paper with a deeper focus on building lasting and sustaining capabilities within the shift organization.

² This paper was edited and contributed to by several of my Operational critical mentors – Mr. Tom Purves, Mr. John Hutcherson and Mr. Tommy Weatherly, who have all helped me develop my Point of View on this topic.

About the Author:



James Rhame is a Lead Advisor at Pilko & Associates and has 40+ years of refining and petrochemical experience in various management and leadership positions. He has the unique ability to connect with the factory floor as well as the board room to deliver sustainable results the right way.

His most recent assignment was as Vice President and General Manager for Motiva Chemical where he led the integration of the Port Arthur Chemical Plant into the Motiva company by heading the operations as well as the commercial transition into this new business area for Motiva.

Prior to that assignment, James spent 9+ years with Flint Hills Resources in various leadership positions. His last assignment was the Vice President of Olefins and Polymers, where he served on the senior Operations Leadership Team. He was also responsible for several Olefins and polymers assets within the Flint Hills portfolio.

Prior to Flint Hills, James worked in many positions in a 23+ year career with Shell.

His passion, has been and will continue to be, serving manufacturing facilities to deliver a safe, environmentally sound and profitable operation. His goal is to create value for society by delivering the overall lowest cost of manufacturing and assuring that no one or the environment is compromised. He does this by understanding the culture and developing leaders to work through their shift teams to achieve the desired results.

During his career, James has served on many industries and community-based boards in which he has been actively involved. Some positions he has held include:

- Member of the AFPM Process Safety Advisory Board
- Member of the East Harris County Manufacturing Association
- Board of Directors for the Children's Museum of Houston

James graduated with a BS degree in Chemistry from Sam Houston State University. He also attended the Wharton School of Business Executive Leadership Program.

ABOUT PILKO & ASSOCIATES

We are the Trusted Advisor to corporate officers and boards on mitigating Operational/EHS Risks and unlocking value in the global Energy, Chemical and related industries.

Since 1980, we have served energy and chemical clients in more than 78 countries, advising on over \$600 billion in transactions and ongoing operations. In addition, we have developed an excellent reputation advising on Governance of Operational/EHS Risks at existing as well as planned operations. Our global experience, combined with extensive knowledge and capabilities, is invaluable to firms in mitigating their most significant Operational/EHS Risks and liabilities, thereby maximizing value and optimizing business performance.

For more information about our services and capabilities, please visit us at www.pilko.com.