

Excellence in Practice 2016



BG Group & Cranfield

Exploring Leadership

BG Group is an international gas exploration and production company recently acquired by Royal Dutch Shell. It employs about 5,000 people and operates in over 20 countries with total earnings of \$2.3billion. Prior to its acquisition, BG Group was a top-15 FTSE company.

The requirement

With its immediate links to global geopolitical risk and economic fluctuations, the oil and gas sector is notorious for temperamental commodity prices and for being a VUCA environment.

In June 2014, the sector began to witness something perhaps more disconcerting than volatility: a consistently low oil price. Since then, the price of a barrel of oil has dropped more than 60%. The mantra “lower for longer” is now an accepted view. As a consequence, oil-producing companies have dropped investments, decommissioned rigs, lowered salaries and cut an estimated 250,000 jobs.

Facing the deepest sector downturn since the 1990s, BG Group needed to adapt and become able to drive performance at lower cost levels. A further cause of distraction – the legacy of an iconic charismatic leader followed by a transition period without a CEO – meant a general lack of consensus on what constitutes good leadership.

Even so, the company’s relatively small size and strong performance record, as well as its large reserves of natural gas, made it an attractive target for acquisition. BG Group’s entrepreneurial culture had been very successful – but past success did not make it necessarily resilient in the face of a paradigm



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Underpinning approach and philosophy

Exploring Leadership is underpinned by the notion of “embodied cognition”, which holds that an individual’s cognition is strongly influenced by aspects of his or her body beyond the brain itself.

Business schools are very adept at working with the intellect, some combine this with aspects of emotional intelligence, few work with the whole person. We choose to work with the intellectual, emotional and visceral using nature as a backdrop against which we experientially facilitate reflective learning opportunities. Content and theory are used in a sense-making process to allow the participants to better understand their journey to date and to make conscious decisions about how they chose to take up their leadership role moving forward

The use of the outdoors runs throughout the programme is taken further in Module 3 and culminates with a day-long dialogue walk with cohort peers working on issues important to their personal leadership journey.

Social learning theory features heavily in Module 2 as these self-directed learning opportunities require the participants to take ownership of their learning in the context of the work environment, drawing upon experiences within and outside the organisation and, importantly, learning from each other.

Another very important principle was that the process had to ignite a passion for learning within the individual. We wanted each person to take ownership of their own learning journey and really feel what “learning to learn” is. We wanted to equip them with a passion and curiosity in relation to their own personal learning journey that would stay with them well past the confines of the programme.

change coupled with radical uncertainty.

The response of BG Group’s leadership was to support its managers and invest in a new L&D initiative targeted at its global population of around 1,000 senior and mid-level managers in locations at different stages of lifecycle maturity and facing a variety of leadership challenges.

The aim of the new initiative was to enable these leaders to think differently – about themselves, their leadership role and the changing context of the business landscape.

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Working at this meta level enabled the participants to engage with their VUCA context with agility and dexterity. This gave them the confidence to not jump into solution mode, which translated into a grounded inquisitive approach, supported with deep self-awareness about themselves, their values and what is really important to them as a leader.

A move from an episodic, programmatic approach to learning, to one that is self-starting often requires a shift in mindset and notions of how we learn or, more accurately, letting go of how we have been taught. Incidental learning requires a mindset that is receptive to the experiences and a practice of reflection to make sense of the unfolding reality; it has to become part of everyday life and is about participation and interaction within a social setting.

Impact and ongoing benefits

During the design week, where stakeholders from the business came together with Cranfield to work-up the design based on the finding of the diagnostic process; the partners agreed to make impact evaluation an integral part of Exploring Leadership. They mandated an impact evaluation study that was designed and conducted independently and the person tasked with this was present throughout the whole design week ensuring that any evaluation processes were not simply a bolt on and that the intervention was designed with impact in mind.

The study was based on 185 participant responses to open questions and rating items and on semi-structured in-depth interviews with 11 participants.

The impact study found that the programme, now called Exploring Leadership, facilitated substantial learning in three key areas that feed into the uplift in capability to lead in a VUCA environment:

- At the level of the individual: personal leadership learning
- At the inter-cohort level: networked relationships
- At the organisational level: improved talent development, leadership culture and performance

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A second impact evaluation study over longer time horizons was to be undertaken; however this was postponed due to the takeover.

Reflections on Exploring Leadership

Keeping the learning process person-centred while also keeping organisational issues in sight was challenging; however, it proved to be a major cohesive force for the partnership and the programme during the times of greatest uncertainty (following the news of the acquisition).

When deep relationships are formed, participants have a genuine demand for continued connection and opportunity to learn—Module 3 was adjusted to make more room for relationship-based learning. Participant-driven activities (Module 2) are well suited to organisational contexts that are emergent and dynamic and promote skills required in those situations.

The delivery model, whereby the tutors delivered the content, facilitated all the sessions and coached a learning set throughout the programme, ensured trusted relationships were built up. These important aspects allowed the tutors to challenge the participants as well as supporting them through their transformational journeys. The transformations many of the participants undertook required them to let go of existing frames of reference, recognising that the truths they hold are not absolute and immovable. This is difficult and potentially dangerous work, hence the need to build a support network around the participants and cohorts. To not do so would have been morally questionable.

The approach taken has delivered sustainable deep learning that stays with the participants, enabling them to draw upon the experience in new contexts. As the programme worked at developing meta level capabilities and not specific skills this enabled the participants to operate in a much more networked and systematic manner.

The takeover of BG by Shell created a new and uncertain context that required us to revisit Module 3, to redesign it ensuring it was closer to where the participants were and what they were dealing with. This supported the transfer of learning process and impact at organisational levels as organisational learning is created by change in patterns of behaviour that emerge from changes in context; the Shell deal created this change.

We have built something unique with Cranfield University in Exploring Leadership, a programme that has broken the mould of conventional leadership development and engaged our leaders to confront who they are and how they lead. Our challenge was to co-develop a programme that would equip leaders to adapt and energise our business at a time when safety, cost and delivery have never been more important.

Shell has recently completed one of the biggest deals in our sector's history to buy BG Group and we are in the process of sharing our proudest successes. Exploring Leadership is one of those successes and our leaders who have experienced this programme are the biggest advocates for continuing it within the new combined organisation.

The results are demonstrating a lasting impact at an individual and business level with leaders across all facets of our business better connected and with clarity of focus on their role and what is most important. At a time where our commodity price has fallen by 60%, our leaders are excited by the challenge and confident in their tools to meet the demands of change, innovation and business delivery. 2015 has seen our best year for safety and our highest production performance on record. We continue to set new records into 2016 and this has been during our most challenging economic environment. There is a clear and palpable correlation between our performance and the leadership potential we have liberated with our Exploring Leadership immersion.

Jon Harris
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