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# Can We Agree to Disagree?

*Organizational complexity in decision-making*

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***ConocoPhillips***

# Topics covered in presentation

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- Background
- Complexity in Decision Making
- Team Dynamics
- Effective Decision Coaching
- Case Example:
  - Offshore Contract

# ConocoPhillips

## *North Sea Business Unit (NSBU)*

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2255 employees

Norway - 1563 employees

UK - 692 employees

Net production: 500,000  
b/d

Accounts for approx. one-  
third of corporate  
production



# NSBU D&RA Projects

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## D&RA Project Teams 2003/2004

Operated Assets	Partner Operated	NSBU
Facilities Drilling Field Development Well Services Long-range planning Cessation Gas Sales Exploration Asset re-development	Third-party options Gas Sales Drilling strategy Business opportunities Asset development	Strategy Planning Contracting Portfolio Optimization Exploration roll-up Regulatory issues

# Complexity in Problem Solving

Complexity in collaborative problem solving can be categorized in terms of:

## Organizational Impact

- Numerous stakeholders
- Difficult value tradeoffs
- Multiple organizations

High

Low

Class II	Class IV
Class I	Class III

Low

High

## Technical Impact

- Many choices and strategies
- Complex variables and relationships
- Numerous contingent choices

**Class I:** Use Framework as a checklist and just do it.

**Class II:** Use Framework selectively, focusing on people and process.

**Class III:** Use Framework selectively, focusing on analytical tools.

**Class IV:** Use full Framework and toolset – go slow to go fast!

# Project Teams

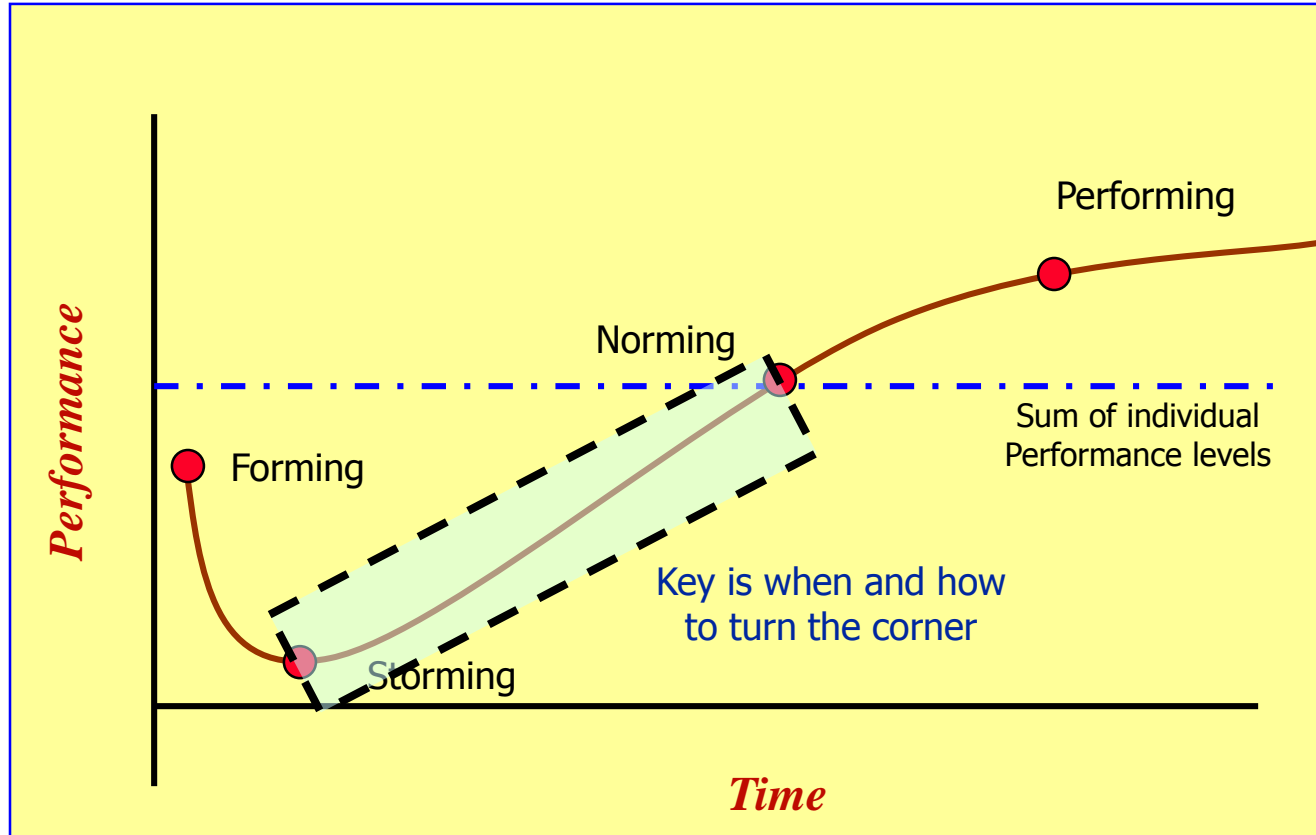
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- Discord can arise within project teams when there is strong disagreement between two or more individuals (usually can be traced to individual ideas or interests that are strongly held).
- There is a wealth of literature published on organizational and team issues – it is not my intent to summarize what is written, but to give a personal perspective.

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# Team Dynamics

# Team Development



## 1 - Forming

- Grounding
- Problem Definition
- Decision Criteria

## 2- Storming

- Issue Raising
- Key Issues

## 3 - Norming

- Alternatives
- Data Collection

## 4 - Performing

- Analysis
- Recommendation

Modified in part from Bruce Tuckman,  
*Psychological Bulletin* article " 1965



# Team Dynamics - Disagreement

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Disagreement in teams is impossible to avoid

Disagreement is necessary for peak team performance

Disagreement, performance and innovation require each other

Disagreement is constructive when:

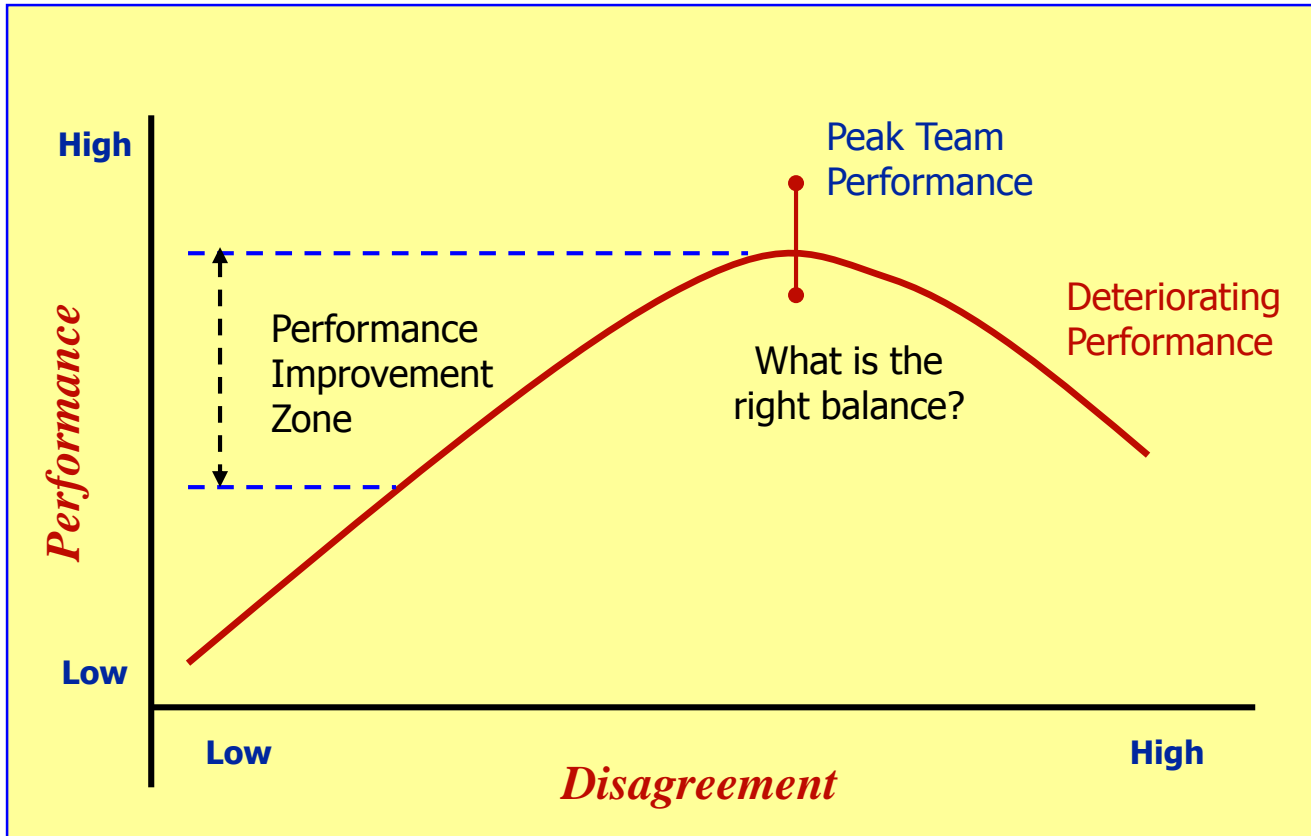
- Results in clarification of problems and issues
- Helps release emotion, anxiety and stress
- Causes authentic communication
- Builds team performance
- Results in collaborative problem solving

Disagreement is destructive when:

- Takes focus away from team activities
- Undermines team morale
- Stifles discussion
- Increases or sharpens differences
- Leads to irresponsible or harmful behavior

Modified in part from article “Conflict Resolution – Understanding Conflict” – [www.transpectives.com](http://www.transpectives.com)

# Peak Team Performance



*The purpose of confrontation is to challenge the attitudes, beliefs and behavior of individuals in such a way that performance of the team is enhanced.*

Modified in part from article "Conflict Resolution – Understanding Conflict" – [www.transpectives.com](http://www.transpectives.com)

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# Effective Decision Coaching

# Working with Teams

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- Determining the cause of a team conflict is critical in order to enhance performance and innovation.
- The **Decision Coach** needs to be proactive rather than reactive to be effective. Areas to monitor include:
  - Needs or want of team members not being met
  - Values are being tested
  - Perceptions of individuals are being questioned
  - Assumptions are being made
  - Expectations are too low or too high

# Successful Decision Coaches

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- Referenced is an article on facilitations skills – personally I find the attributes below important when working with a team on collaborative problem solving projects (decision coaching):
  - Flexibility
  - Adaptability
  - Practicality
  - Responsiveness
  - Resiliency

Modified in part from article “Secrets of Successful Facilitators” – [www.thiagi.com](http://www.thiagi.com)

# Successful Decision Coaches

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- As a decision coach, how do we lead people with diverse backgrounds, attitudes and goals to the position of collaborative problem solving?
- Considerations:
  - Who are the dominant players / passive players
  - What are the individual goals
  - How much do individuals have to win or lose
  - What are the barriers to reaching a decision
  - Are there people in the background pulling strings
  - Where does the comfort line stop
  - What it takes to get a team to work together

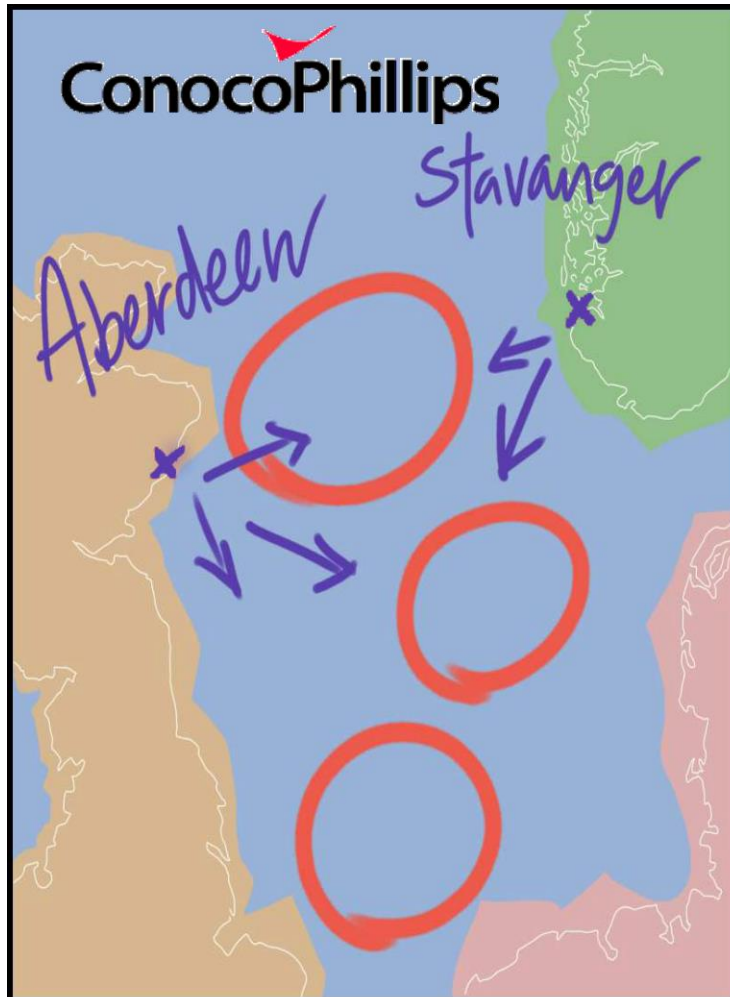
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# Case Example

## *Offshore Contracting*

# Offshore Contract

## *Background*



Business Centers considering regional offshore contract:

- Southern Region (UK)
- Central Region (Norway)
- Central Region (UK)
- Northern Region (UK)

Desire commercial leverage,  
synergies, best practices



# Offshore Contract

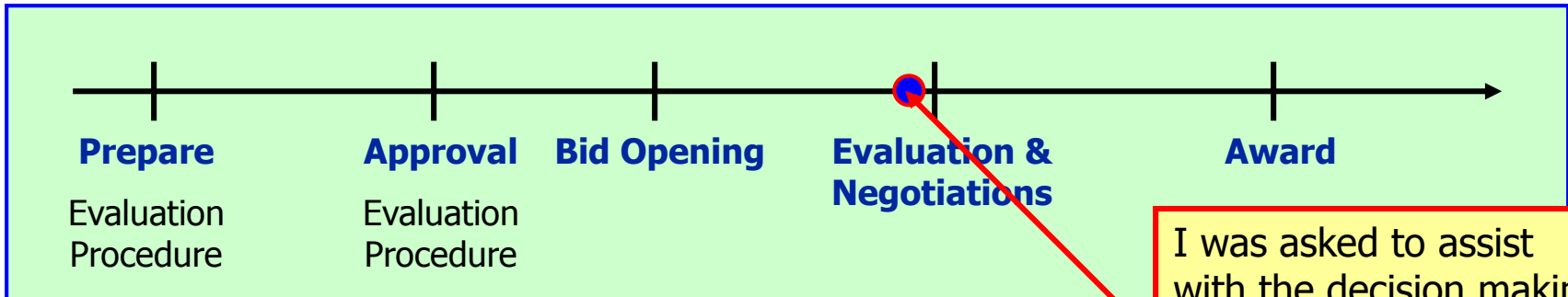
## *Background*

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- Companies "A" and "B" both considered viable (pre-qualified) to do future work. Company "A" more technically competent, Company "B" lower cost.
- Current Status
  - Southern Region (UK) and Central Region (Norway) are currently using Company A
  - Central Region (UK) and Northern Region (UK) are currently using Company B
- All current contracts to expire mid-2004

# Offshore Contract

## *Process and Team*



### **Project Team:**

Commercial – Synergy savings very important

Southern Area (UK) – Close working relationship with Comp. A

Central Area (Nor) – Sees risk in changing, but open to idea

Central Area (UK) – Wants lowest cost

Northern Area (UK) – Wants lowest cost

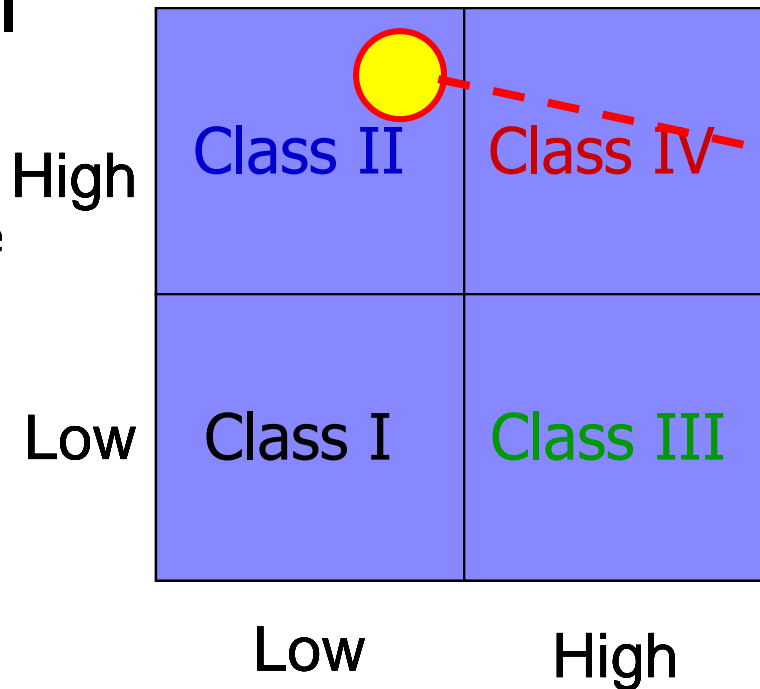
# Offshore Contract

## *Complexity of Case Example*

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### Organizational Impact

- Numerous stakeholders
- Difficult value tradeoffs
- Multiple organizations



### Class II :

Conflicting goals and objectives

Different business locations,

Individual views

Little common ground

### Technical Impact

- Many choices and strategies
- Complex variables and relationships
- Numerous contingent choices

# Offshore Contract

## *Conflict Observations*

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- Contract considered to be business critical (not driven by costs alone) - a technical and commercial split was initially agreed upon for evaluation.

- Considerations:

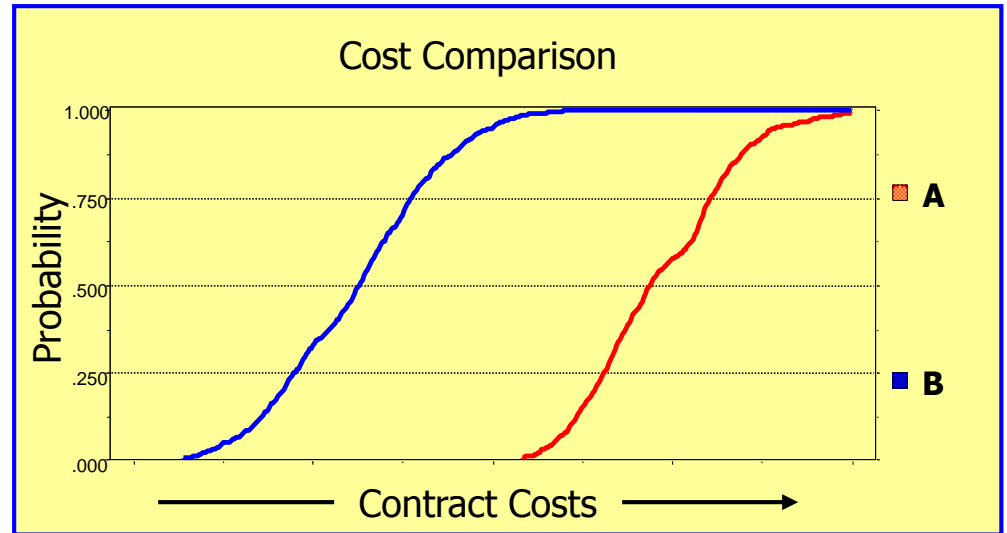
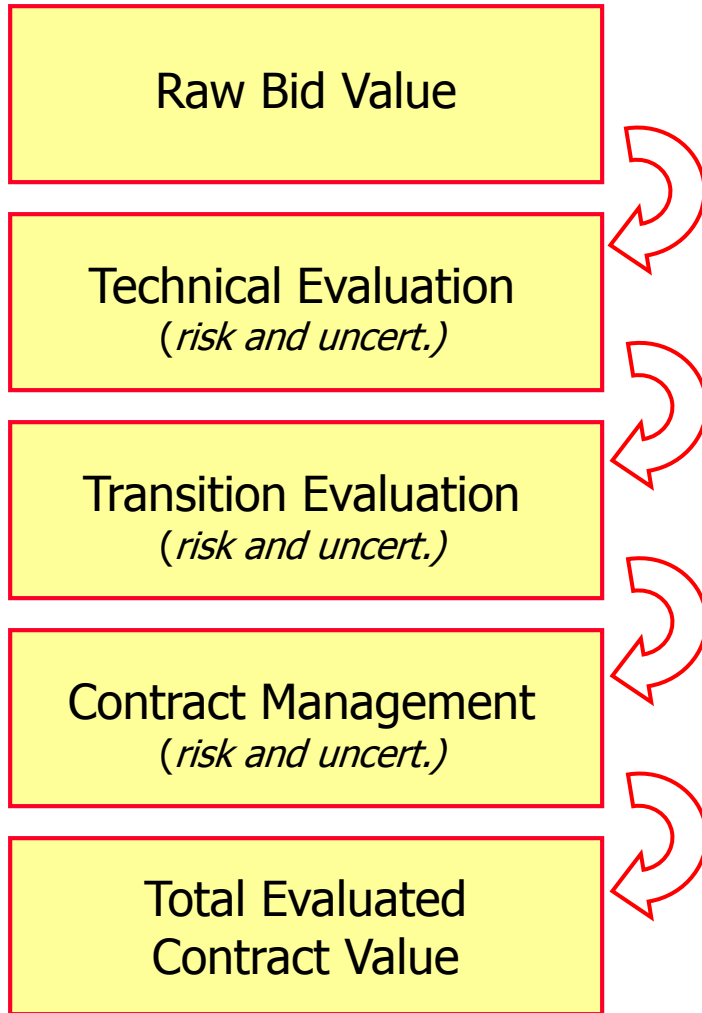
- Who are the dominant players
- Who are the passive players
- **What are the individual goals**
- How much do individuals have to win or lose
- **What are the barriers to reaching a decision**
- **Are there people in the background pulling strings**
- **Where does the comfort lines stop**
- **What it take to get a team to work together**

### **Base Issue:**

Need to account for technical risk and uncertainty, and the potential costs (man-hour based) to correct service problems

# Offshore Contract

## *Revised Process*



**Team Recommendation – Award** contract to Company B. Significant cost savings from a technical capable company.

*Process to be used as model for future contracting strategies*

# So What – Did I Learn Anything?

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- In the past I tried to suppress disagreements on project teams. Now, I work more to manage disagreements to increase team performance.
  - **Case Example:** stopping the discussion around key points of disagreement would not have let the team clarify base issues and then work together in collaborative problem solving.
- Recognizing the point to start pulling the team from the “storming” to the “norming” and “performing” stages.
  - **Case Example:** managed disagreements led to creative discussions which led to better communication on the team. Once this corner was turned, progress to the “norming” stage had begun.