

***National Energy Board
Organizational Design and
Structure Review Project
Report***

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Conducted by

Capability Connections

Improving performance capability for breakthrough business results

ORGANIZATIONAL DESIGN AND STRUCTURE REVIEW PROJECT REPORT

Rationale for Project

Change is constant in the twenty-first century. Many things have changed in the external environment since the National Energy Board's reorganization in 1996/97. The NEB conducts environmental scans as part of its strategic planning process in a continuing effort to meet the needs of its external stakeholders. This has driven many internal changes. There have been many staff changes in the seven years since the redesign. These changes have included leadership positions.

Organizational change, even when understood and accepted by participants, has unintended consequences. The change process is one that requires continuous management and adjustment to ensure planned objectives are met. However, as difficulties arise in achieving planned business outcomes, it can be difficult to determine whether the root cause is systemic, which requires structural or process change, or a human capability need that would benefit from more effective performance management (i.e. clear expectations, training or coaching). In most situations the solution set required is a combination of process and human intervention, which maximize desirable outcomes.

At the time of the redesign, clear measures were not put in place to assess and track the effectiveness of the reorganization. In this project, the Executive Team, in conjunction with Corporate Services, seeks to revisit the original guiding principles to determine if they continue to align with the structure, vision, and values. This project is intended to measure the effectiveness of the current design in facilitating the work of the NEB.

Project Purpose

This project will measure the effectiveness of the current design in facilitating the work of the NEB. The primary goal is to assess to what extent NEB's current organizational design is supporting its mission, values and mandate.

Scope

The scope of this project is to conduct a review that will result in recommendations that address the following questions:

- **Alignment:** Do the 1997 design principles continue to align with the organization's mandate, vision and values?
- **Organization:** Do the structure and individual staff roles and responsibilities, including those of the leadership teams, align?
- **Assessment:** What, if any, changes are required to ensure that the Strategic Plan, Corporate Goals and Measures can be met in the most effective and efficient manner possible;
- **Process:** What change management initiatives, including the use of a communication strategy will be used to facilitate structure review activities?

This project did not review the effectiveness of business processes, the performance management process or organizational systems relating to business planning. Rather, it assessed how organizational design supports these systems.

Project Methodology

Data was gathered through interviews with the COO, Business Unit Leaders, and one Team Leader from each unit. Three focus groups were conducted. This was one more than the original plan. One was conducted with employees that included a union leader, a second with Project Leaders and a final one with Professional Leaders. Data was also collected through a review of documents, including NEB's mandate, vision, values, roles and responsibilities, strategic plans, performance report, business process summary, employee satisfaction surveys, historical data from the 1996/97 redesign and other relevant material.

Project Goals

The project outcomes were as follows:

1. Gather and document data that provides an accurate picture of the effectiveness of the organizational design and a foundation for effective decision-making.

2. Establish a set of measures to be used as an ongoing method for checking organizational design effectiveness.
3. Raise awareness of organizational issues relating to structure and possibilities for change.
4. Raise awareness for the need for systemic business thinking vs. silo thinking
5. Develop recommendations for improvements based on accurate and reliable information about the current effectiveness of the organizational design and structure.

Project Deliverables

The following deliverables were identified:

- **A Comprehensive Project and Communication Plan** to ensure that NEB employees at all levels understand the intent of, the outcomes of and the methods used for this review. These are attached to this document as Appendix A.
- **A Business Needs Evaluation** is the key outcome of the research. The project seeks to determine if the existing organizational structure supports the needs of the work of the National Energy Board and its employees.
- **Organizational Benchmark Measures** to be used as indicators of the current state and will serve as a benchmark for future organizational assessments.
- **One Interim and one Final Report** outlining the findings of the review, a recommended organization structure with design principles and recommended implementation plan for any changes should change be required.

Organizational Structure and Design Principles

The five features that characterized the 1996-96 redesigned structure are described below:

1. Cross Functional Teams

A shift from a structure based on functional responsibilities to one characterized by cross- functional teams. These teams were organized around main business lines and processes and service to external and internal stakeholders. The goal was to break down functional barriers, provide more opportunity for project leadership and develop a more flexible working environment to meet the demands of project work

2. Five Levels

A restructuring of responsibilities to ensure that there would be a maximum of five levels from employee to Chairman. This would reduce bureaucracy and make decision-making and action taking more effective and efficient.

3. Accountability for Process Results

Clear accountability for process results. All individuals involved in delivering process results would have clear roles and responsibilities and would be fully accountable for outcomes. Since teams were organized to meet the demands of processes and external clients, accountability for results would be increased. Supervisory roles shifted from expert technician to leadership.

4. Continuous Improvement Through IT

Continuous improvement was a required part of the design. A key requirement of this was being able to take full advantage of information technology.

5. Professional Leadership Program

A renewed emphasis on professional and career development through the creation of a Professional Leadership Program to ensure functional excellence is maintained and/or enhanced.

Review Findings and Recommendations

Overview

This review was conducted to determine if the current structure is effective at enabling the work of the National Energy Board. Clearly, it is. The mandate of the NEB is being carried out using the current design and structure. Goals are being achieved and for the most part, staff behaviour is in line with the NEB's expressed values. We were consistently impressed with the high level of professionalism and commitment we found in the staff we interviewed. The organization is not "broken" but is functioning effectively.

As in any structure, improvements can be made to increase efficiency. In some areas of the organization, minor changes to the original design may be useful. In others a more flexible approach to the original design principles may increase effectiveness, efficiency and the development of present and future capability.

We also noted that there are actions currently being undertaken by management that promise positive change. More emphasis is being placed on Performance Management through the Focus process. Business processes are being documented. Standard methods for business planning and project management have been introduced in some business units. The Professional Leadership Program has evolved into the "Technical Excellence Program" and is more effectively meeting the needs of a wider audience of NEB employees. We recommend that the changes we are proposing be integrated with these and other important and ongoing improvement initiatives.

Application and Impact of Design Principles in 2004

What follows is an analysis of the information we gathered in relation to the five features of the design. This section documents how these design features are currently operating in light of what was originally planned. It also identifies areas where changes could be made to increase organizational effectiveness.

1. Cross Functional Teams

- The new structure achieved a breakdown of silos between functional groups as people were distributed across teams. Individuals report having a larger perspective since the redesign.

- The cross- functional design was, quite appropriately, not applied in all areas. Information Management and Corporate Services Business Units and Legal Services were never included on cross-functional teams.
- On the whole the design of teams is reported to be effective and preferable to the former organizational structure. It is important to note that unlike many team based organizations, where the teams are intact and the individuals share accountability for team results, all work is not done in established teams. Individuals and project teams do a great deal of the work of the NEB.
- There was training for team leaders and business unit leaders delivered as part of the initial implementation. We did not find evidence of ongoing skill development for managing in a team environment. Nor did we find evidence of team member training and intact team development. Ongoing team development has been found to increase effectiveness in cross-functional team environments.
- A “one size fits all” design approach was applied in 1996/97 and teams were organized similarly across the organization. It appears that team structure today is assumed to have the same requirements across the organization, especially within the three line business units (Application, Operations and Commodities). The design of the team leader role is consistent with this view and has little variation across the NEB. This is true even though the work of individual teams varies greatly. In reality teams function differently, driven by different stakeholders, processes and required outputs.
- Effective team size was initially expected to be approximately ten members. A number of teams are much larger, some as large as nineteen.
- Team definition appears to be fairly static. Teams have not changed a great deal since the redesign. This affects the workload in teams that are aligned with specific stakeholder groups. The number of applications from key stakeholders has increased the workload in some teams and decreased workload in others. At the time of the redesign it was intended that 40-60% of the team’s work would come from the team’s key stakeholders. Additional research would be needed to determine how much reality varies from this prediction.

2. Five Levels

- Five levels are expected to be standard across the NEB. Many of the teams are very large and individual team leaders are supervising a wide range of functions. Larger teams require additional supervisory support. In some areas, positions have been added to provide additional work direction and coaching. In several cases these positions have not been acknowledged to be supervisory because of the assumption that this would be adding levels and would violate the “five level” rule.
- Many interviewed described a variety of ways in which the role of Team Leader is being performed. In effect, some of the Team Leaders act as supervisors /leaders and some choose to focus their work in technical areas rather than in leadership.
- There is an expectation that levels 10-12 will provide technical coaching to teams. The consistency with which these individuals accept this responsibility is reported to vary considerably. Some actively participate in coaching, while others do not. As the team leaders are not experts in every function they supervise, team members require additional technical coaches.

3. Process Accountability

- Job descriptions for team leaders and business unit leaders use language that is highly open to interpretation in relation to management and leadership responsibilities. The following is an excerpt from a job description and demonstrates this use of abstract language.
 - “ participate in the implementation and transformation planning through performance management of the unit. Ensure that team members are aware of their team and individual performance expectations/standards, and provide coaching and mentoring in order to achieve individual and team performance excellence. The TL ensures team cohesiveness, and fosters improved morale, team growth and encourages communications at all levels within the organization, by ensuring team members understand and work toward the organization’s strategic direction, removing obstacles in achieving the WT objectives”
- Team Leader job descriptions specify the work of the team. There is little, if any, definition of specific Team Leader work and responsibilities. Accountability is vaguely outlined as the achievement of unit or team

objectives. The descriptions do not include descriptions of actual work activities, the assigned authority or how these objectives are to be accomplished.

- Business Unit Leader job descriptions define very specific technical work expertise and the importance of continued development of these technical skills. The descriptions do not specify management work and development requirements relating to management and leadership.
- We found no evidence of ongoing organization wide training relating to new and increasingly complex management and leadership roles. Changes in role and expectations without targeted training and development usually result in inconsistent behavioral change.
- Coordinating structures and standards of performance were recommended at the time of the redesign. Recommended structures included:
 - Weekly team meetings,
 - A work management system
 - A project reporting system.

Teams vary in their use of teamwork practices. Some teams meet regularly, others sporadically. The business conducted at team meetings also varies. This appears to be discretionary and determined by individual Business Unit and Team Leaders rather than being an organization wide standard of practice.

Teams and individual are working hard and successfully to achieve project results. A reliable process to balance workloads and development opportunities across teams can enable team leaders to efficiently manage work and individual development. There is no reliable process or system for work management in place currently.

There does not appear to be a corporate wide process of documenting and tracking projects. This has affected both accountability for project results and support levels for long-term projects. Some corporate projects seem to be forgotten and others appear to be running without direct management supervision.

Individuals report that it is necessary to find out about project opportunities through personal networks, as this information is not consistently shared by Team Leaders. This has led to somewhat of a “success to the successful” system of project appointments. It has also led to an uneven distribution of

work with some individuals working very hard and others being required to produce very little.

- Communication responsibilities were broadly distributed in the original design. Communication was not treated as a process in the redesign and roles were not organized with a process in mind. Key parts of the process are currently resident in a variety of groups e.g. Secretary of the Board, Communication, and Document Production. How communication is managed at the NEB does not appear to be consistent with the “Government of Canada Communication Policy”. This policy outlines how the communication responsibilities are to be designed in relation to position duties, accountabilities and reporting relationships.

4. Continuous Improvement Through IT

- Information management is in a catch up mode. What is required to fulfill the mandate of the NEB is a “knowledge management” strategy. System capability is currently at the level of data and information storage. Many individuals report concern about the dependability and usability of information within the system. This is seen to be both a technology as well as a human issue. The technology issues are being addressed and will continue to require changes in individual staff behaviours and skills.
- Change in information management will be continuous. This will affect what work is done, how it is done and who does the work. Individuals at every level will require new skills as job requirements change. Concern was expressed that as efficiencies are realized on the technology side, change in the human system will have to be managed. Continued resource infusion and education and training of managers and staff will be required to enable achievement of the vision of the 1996/97 design.

5. Professional Leadership Program

- The original design promised renewed emphasis on development. The focus of this development was technical in nature for a limited number of professional groups. This development addressed the needs of roughly 30% of the NEB population. Many functional groups were not provided with a dedicated resource. The program initially lacked structure but has had a variety of improvements since 1996/97.
- The Professional Leadership program has been renamed and is now the “Technical Excellence Program”. Although it addresses a much larger audience than before and is a considerable improvement over the initial

design, it does not address the technical and other training needs of all employees.

- Professional Leaders and their services are not used consistently across the NEB. Currently they assist in staffing decisions in some areas and not others. Hiring the right skills is critical to organizational capability development and is a logical addition to their responsibilities. They also participate in varying levels in development planning. They have begun to put additional structure around the development requirements in the functional areas for which they are responsible. They have also begun to work on identifying a long-term human resource plan outlining required future skills.
- The Professional Leader Position was designed to include giving expert advice to the Board. The positions were identified at the time as functional “Heads” e.g. Head of Engineering. This job duty often competes with the role of development leader, both in the time it takes and it could be argued, the process of the activity i.e. being the expert to the Board rather than coaching others to provide this expertise.
- The design distributed development responsibilities between Professional Leaders, Team Leaders, and technical experts. Lack of clarity about who does what in relation to development has resulted in a lack of accountability for employee development. This is a critical issue for the future capability of the NEB. Employee development should be a reliable process and this process is currently not functioning effectively.
- Levels 10-12 do not always accept their role as mentors. Many do not participate in network meetings. There also appears to be a gap in the support for development in this group. Professional Leaders identify their responsibility to be levels 6-10, but individuals at level 10 report that development planning is being left up to them.
- Leadership, management and team development has been lacking at the NEB. No parallel to the Technical Excellence Program exists for the development of excellence in management and leadership.

Issues and Recommendations

The following headings relevant to structure will be used to identify issues and organize recommendations:

1. Reporting Relationships – Includes issues of role, job function and description of duties and responsibilities.
2. Business Units – These are issues of employee groupings.
3. Span of Control – These are issues relating to supervisory control.
4. Design of Support Systems – These are issues that relate to facilitating practices that are required to make doing of work effective and efficient given the demands of the structure.
5. Decision Making – These are issues that relate to how and where decisions are made within the structure to facilitate work activities.

Please note that in the following table there is not necessarily a one to one relationship between the bulleted points in the issues and recommendation columns. Some recommendations are a composite of several points in the issues columns and may reflect a process of actions that could be taken.

Issues	Recommendations
<p>Reporting Relationships</p>	
<p>BUL and TL Job Descriptions</p> <ul style="list-style-type: none"> ▪ Accountability is a widely reported problem. ▪ Management and leadership responsibilities are vaguely defined in both BUL and TL job descriptions. E.g. For TL requirements to be a coach are not clear. BUL job descriptions do not specify requirements about change management and system and process design. ▪ TL job descriptions do not reflect the differences in supervision and employee development requirements given different team members and outputs. ▪ Measures of success for the TL role focus exclusively on team results. ▪ There is an emphasis on technical skill development especially in the BUL position. There are no parallel requirements for leadership or management skills and their development. ▪ Some Team Leaders focus on doing technical work rather than facilitating and leading their team. 	<p>Review Job Descriptions</p> <ul style="list-style-type: none"> ▪ Identify if more specific roles and responsibilities for BUL and TL require articulation given current improvements in the Focus process. ▪ Include leadership and management skill as requirements in all management job descriptions. ▪ Ensure that BUL description includes accountability for system and coordinating structure design. ▪ Review differences in the requirements for supervision in the TL job given the team being led and reflect these differences in the job descriptions.

Issues	Recommendations
<p>Professional Leaders Role</p> <ul style="list-style-type: none"> ▪ Professional leaders report being responsible for development of individuals from levels 6-10 and for five professional groups. Their classification level for these activities appears high for this limited role. ▪ Professional Leaders also provide expert advice for the Board. These roles often compete for time and recognition. ▪ The Technical Excellence Program falls short of addressing the needs of all employee groups. ▪ Team Leaders and employees expressed concerns about how the development role is being performed. 	<p>Review Professional Leader Role</p> <ul style="list-style-type: none"> ▪ Determine the appropriate balance between “functional expert” and “development leader” in the Professional Leader role. ▪ Ensure the role makes economic sense within a complete system of organizational training and development and Board information requirements. ▪ Clarify and communicate accountability to include roles in strategic human resource planning, ongoing staffing as well as the development for employees levels 10-12. ▪ Provide Professional Leaders with training or coaching in mentoring, human resource development system design and other skill areas relating to their development role.

Issues	Recommendations
<p>Business Units</p>	
<p>Team Definition</p> <ul style="list-style-type: none"> ▪ Currently a “<i>one size fits all</i>” design is being applied to teams. There are at least three types of team currently functioning i.e. interdependent (like a basketball team - Applications), controlled (like a football team - Operations), and independent (like a baseball team - Commodities). The purpose, outputs and processes require different numbers of team members, capability levels, development methods, work management systems, and other supporting processes. Failing to acknowledge these differences affects capability development, workload balance and efficiency. ▪ Some individuals seem to be placed on teams for convenience rather than because their role fits into the team. Alternate Dispute Resolution is such a grouping. 	<p>Review and document definition and requirements of teams</p> <ul style="list-style-type: none"> ▪ Review the effectiveness of the current design of <i>each</i> team i.e. Purpose, membership, results, and team leader requirements. ▪ Develop team charters to document requirements and design of teams. Use this as a measure to affect on-going changes in team size and membership. ▪ Redesign or collapse teams and move individuals/groups as required to achieve results, to balance workloads of both team leaders and team members and to enable systematic employee development.
<p>Executive Office</p> <ul style="list-style-type: none"> ▪ This group appears to lack organization and definition. They appear to all provide direct and ongoing support to the Board. This may be the integrating purpose. There is lack of clarity regarding roles as perceived by others in the organization E.g. “Legal Services runs the NEB” was reported several times. This reflects an inaccurate understanding of their purpose. 	<p>Review Executive Office group’s purpose and organization</p> <ul style="list-style-type: none"> ▪ Identify integrating team purpose e.g. provide direct support to the board. ▪ Communicate the roles of these groups to the organization to enable effective access and usage by all staff.

Issues	Recommendations
<p>Communication Function</p> <ul style="list-style-type: none"> ▪ Communication with stakeholders is central to NEB’s mandate. There are a variety of inputs from the public required by the NEB and the central outputs of the organization are communication. ▪ The Federal government has set out a policy governing how the communication function should be managed. How the communication function is currently being handled does not appear to comply with this policy. ▪ A well managed communication function requires strategic decisions about communication and public relations, yearly plans reflecting this strategy, setting and monitoring of communication standards, ongoing involvement of communication professionals in day to day management to ensure communication components are always considered, and the efficient use of communication resources etc. ▪ Responsibilities for these activities and accountability for results appear to be poorly defined, distributed across functions and teams or are missing. 	<p>Review how the NEB currently handles the communication function</p> <ul style="list-style-type: none"> ▪ Determine effectiveness of how the current communication roles are distributed and the methods used to develop and implement communication strategy and practices. ▪ Make decisions to increase reliability and efficiency of communication outputs, and to decrease risk.

Issues	Recommendations
<p>Training and Development Function</p> <ul style="list-style-type: none"> ▪ Responsibility for training and development activities is allocated to almost everyone in the NEB. There is currently no defined process for development nor is there a defined system that manages the resources and activities and provides tools and support for development activities. ▪ Accountability for development seems to be shared by Professional Leaders, Team Leaders, Technical Experts, and Corporate Services. There is no corporate plan, no measures and no consequences. As a result the ROI for training and development is impossible to determine. ▪ Changes in technology will increase the need for training especially in administrative jobs. Updating of skills will be needed as job requirements change. As more communication and record keeping is electronic, additional standards of performance and skills will be required. 	<p>Define a process of staff development and design a reliable training and development system.</p> <ul style="list-style-type: none"> ▪ Identify a process owner. ▪ Assign roles, allocate resources, and establish accountabilities. ▪ Ensure that the system provides development support, resources and tools for every employee at the NEB. ▪ Ensure that long and short-term training and development plans aligned with strategic and operational requirements are created for the NEB and for all staff. ▪ Ensure that leadership and management skills and team skills are included in the plan. ▪ Develop tools and best practices to support the system.

Issues	Recommendations
<p>NEB future management and technical capability.</p> <ul style="list-style-type: none"> ▪ Leadership skills at every level are being questioned. Succession planning is in its infancy. ▪ Career Development is haphazard with career pathways unclear. There is a perception that retention could become an issue for younger employees. Career Development is critical in groups comprised of highly skilled professionals. With the current development system the NEB's future capability is vulnerable. 	<p>Develop succession planning and career development system</p> <ul style="list-style-type: none"> ▪ Review current practices in the organization that enable information gathering and decision making relative to succession planning. ▪ Identify current employee career development needs and preferences. ▪ Define goals for succession planning and career development systems that align with NEB strategy and mandate and that will enable the development of future NEB capability. ▪ Develop processes and tools as needed to enable achievement of succession planning and career development goals.

Issues	Recommendations
<p>Span of Control</p> <p>Size of Teams</p> <ul style="list-style-type: none"> ▪ The initial organizational design in 1996 identified 10 as the maximum size for teams. Many team are larger than 10. This presents a challenge to employee development, performance management, communication, team meetings, and workload balance for both team members and Team Leaders. 	<p>Review size of all teams</p> <ul style="list-style-type: none"> ▪ Determine effectiveness of size and requirements for supervision (work support and development for large teams). ▪ Redesign teams or allocate additional supervisors as required to ensure work load balance and capability development. ▪ Review size of teams to determine possible ways to increase efficiency.

Issues	Recommendations
<p>Design of Systems</p> <p>Coordinating Systems</p> <ul style="list-style-type: none"> ▪ Managing project work represents considerable challenges. Individuals, temporary teams and established teams all do projects. Currently there is no system of work management. ▪ Defined methods for managing projects e.g. project team charters are being used in some business units. Other areas allow individuals to use their own methods. ▪ There is no corporate wide list of projects. ▪ Issues of accountability and poor performance are widely reported. The business planning process in current use in Operations appears to effectively connect performance management with the achievement of business results. ▪ There is much concern about the quality of team meetings as a coordination tool. ▪ There was general agreement about how conflict and feedback are handled. Many individuals talked about the “culture of politeness”. 	<p>Review, design and implement coordinating systems used by teams</p> <ul style="list-style-type: none"> ▪ Establish a work management system ▪ Establish standards and practices for project management ▪ Establish a system for tracking projects ▪ Review the use of business planning as a component in team and individual performance management. ▪ Provide Business Unit Leaders, Team Leaders and teams with training in effective team practices i.e. team meetings, problem solving, giving feedback and conflict management.

Issues	Recommendations
<p>Decision Making</p> <p>Clarify Decision-making Process</p> <ul style="list-style-type: none"> ▪ Individuals at several levels reported concern about how decisions were made. Concern ranged from angst about not being included in decisions to frustrations about unreasonable expectations of inclusion in decision-making and a widespread need for consensus. ▪ Many people are hopeful that the new COO will bring clarity to this issue and provide clear direction. ▪ The consolidation of two unions to one bargaining unit representing all employees provides an opportunity to strengthen the existing relationship with employees and to make clear the decision making process and the use of participation in the management of change. <p>Evaluation of Organization</p> <ul style="list-style-type: none"> ▪ Measures of effectiveness of the structure were not developed at the time of the redesign. ▪ The development of measures was required in the project plan. 	<p>Clarify management decision-making methods and employee involvement in change</p> <ul style="list-style-type: none"> ▪ Make explicit how important decisions will be made at both the organizational and business unit level. Ensure these are consistent with role and accountability expectations. ▪ Seek opportunities to involve employees effectively in the management of change. <p>Develop and manage a system of measures</p> <ul style="list-style-type: none"> ▪ Design evaluative procedures to support measures of organizational structure effectiveness recommended in this report.

Measures

Although standards were not formally put in place in 1996/97, the following outcomes were identified in the original Vision Report. These were based on identified issues at play in the organization at the time of the redesign.

"To be optimal, the organizational structure must:

1. Facilitate efficient resource allocation and information flow.
2. Facilitate contact between employees working towards accomplishing the same processes.
3. Support the necessary relationships between staff members.
4. Facilitate accountability and decision-making
5. Facilitate ongoing on-the-job training and development of employees.
6. Provide flexibility (e.g. to accommodate the intermittent nature of applications and the preparation of major reports and to accommodate changes in the legislated mandate of the organization purpose or shifts in focus)"

These are reasonable outcomes and can function as indicators of organizational structure effectiveness. The following measures flow logically:

1. Time frame required to organize teams.
2. Duplication in project work i.e. parallel projects.
3. Satisfaction level with project teamwork as reported by team members.
4. Achievement of results by project teams. This would include both qualitative and quantitative measures.
5. Clarity of accountability for individual and team results. Indicators would include appropriate application of positive and negative consequences.
6. Quality of human resource capability assigned to teams.
7. Distribution of project leadership roles.

8. Work load balance as indicated by overtime and/or failure to take vacation days.
9. Time allocated to Goal #5 on the strategic plan by people having management and leadership responsibilities.

Summary and Conclusion

The following is a summary of our recommendations:

1. Develop job descriptions that accurately describe the nature, scope, and accountabilities of the BUL and TL positions. (Page 13)
2. Review Professional Leader Role (role as expert advisor to the board vs. role as development leader). (Page 14)
3. Review and document how teams are currently defined and their resource and supervisory requirements. (Page 15)
4. Review the purpose and organization of the Executive Office group. (Page 15)
5. Review how the NEB currently handles the function of communication. (Page 16)
6. Establish a uniform process of development for employees across the NEB and design and implement a training and development system. (Page 17)
7. Develop a succession planning and career management system to ensure the continuity of professional and management expertise within the NEB. (Page 18)
8. Review size of all teams. (Page 19)
9. Review, design and implement coordinating systems used by teams. (Page 20)
10. Make management decision- making methods more explicit and involve employees effectively in the management of change. (Page 21)

11. Design evaluative procedures to support measures of organizational structure effectiveness. (Page 21)

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APPENDIX A PROJECT PLAN

PROJECT CHARTER: National Energy Board Organizational Review

The Project Charter documents project rationale, scope, goals, deliverables, roles, resources, communication activities, and timelines of this organizational review.

Rationale

The Executive Team, in conjunction with Corporate Services, has determined to review the 1996 – 97 organization design to determine if the structure continues to align with the vision, and values.

Project Purpose

This project will measure the effectiveness of the current design in facilitating the work of the NEB. The primary goal is to assess to what extent NEB's current organizational design is supporting its mission, values and mandate.

Scope

The scope of this project is to conduct a review that will result in recommendations that address the following questions:

- **Alignment:** Do the 1997 design principles continue to align with the organization's mandate, vision and values?
- **Organizational:** Does the structure and individual staff roles and responsibilities, including those of the leadership teams, align?
- **Assessment:** What, if any, changes are required to ensure that the Strategic Plan, Corporate Goals and Measures can be met in the most effective and efficient manner possible;
- **Process:** What change management initiatives, including the use of a communication strategy will be used to facilitate structure review activities?

This review will not review the effectiveness of business processes, the performance management process or organizational systems relating to business planning. Rather, the review will assess how organizational design supports these areas.

Project Method

Data will be gathered through interviews with the COO, Business Unit Leaders, and one Team Leader from each unit. We will also conduct two focus groups that

will include Union Representatives, Team Leaders and Professional Leaders. All NEB employees will have the opportunity to be involved in this organizational review through an on-line survey. We will also collect data from a review of documents that including NEB's mandate, vision, values, roles and responsibilities, strategic plans, business process summary, employee satisfaction surveys, and other relevant material.

Project Goals

1. The project seeks to achieve the following outcomes:
2. Gather and document data that provides an accurate picture of the effectiveness of the organizational design and a foundation for effective decision-making.
3. Establish a set of measures to be used to as an ongoing method for checking organizational design effectiveness.
4. Raise awareness of organizational issues relating to structure and possibilities for change.
5. Raise awareness for the need for systemic business thinking vs. silo thinking
6. Develop recommendations for improvements based on accurate and reliable information about the current effectiveness of the organizational design and structure.

Project Deliverables

The following deliverables have been identified:

- **A Comprehensive Project Communication Plan** to ensure that NEB employees at all levels understand the intent of, outcomes of and methods used for this review.
- **A Business Needs Evaluation** will be the key outcome of the research. The project seeks to determine if the existing organizational structure supports the needs of the work of the National Energy Board and its employees. Areas for improvement in work and capability development processes, roles and responsibilities, accountability structures, and decision-

making will be identified. Methods and ways for measuring these improvements will be recommended. The outcome of this evaluation will be documented in the Interim and Final Report.

- **Organizational Benchmark Measures** will be an outcome of the surveys, interviews, and other data gathering. These will be NEB's indicators of the current state and will serve as a benchmark for future organizational assessments.
- **One Interim and one Final Report** outlining the findings of the review, a recommended organization structure with design principles and recommended implementation plan for any changes should change be required.

Project Work Plan

Note: *Italicized actions* are also found in the communication plan

Start-Up:

Gain clear understanding of project driving issues and needs, organizational opportunities and obstacles for change, cultural perimeters, organizational structure and contacts, communication vehicles and objectives, project requirements (roles, tasks, timelines,) and a positive working relationship between Project Authority and consultant team.

Action	Who	By When
1. Clarify scope and timeline of project with Wendy Ettinger.	Wendy Ettinger Esther Hudson Virginia Queenan	March 15
2. Complete communication and project plan. Submit to Wendy Ettinger.	Capability Connections Team	March 18
3. Get client sign-off on communication and project plan	Wendy Ettinger Charlene Gaudet Esther Hudson Virginia Queenan	March 19
4. Confirm project research questions, survey strategy	Esther Hudson	March 19

and focus group strategy with Wendy Ettinger		
5. Confer with NEB resources to ensure viability of project plan	Esther Hudson Virginia Queenan Jim Anderson Charlene Gaudet	March 19
6. Develop “It’s Time for an NEB Check-up” message and confirm content with Wendy Ettinger	Capability Connections Team	March 22
7. <i>Issue broadcast to all NEB employees</i>	<i>Project Authority</i>	<i>March 24</i>

Conduct Preliminary Research:

Consultants will review relevant documents identified and provided by the Project Authority. This will enable an in depth understanding of the design principles as they were originally conceived in the context of organizational needs in 1997 and how they are working today.

Action	Who	By When
1. Identify which relevant documents to include in document review	Wendy Ettinger Esther Hudson	March 15
2. Conduct document review	Capability Connections Team	March 16 - 24
3. Prepare summary list of issues to be addressed through the data research process	Capability Connections Team	March 26

Design Research Tools:

Consultant resources will design questions to be used in data gathering activities. The approach and the questions will be reviewed with the Project Authority prior to their use.

Action	Who	By When
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1. Develop management interview plan	Capability Connections Team	March 23
2. Confirm management interview plan	Wendy Ettinger Esther Hudson	March 26
3. Develop employee survey and focus group plan	Capability Connections Team	March 31
4. Confirm employee survey questions and process with Wendy Ettinger and Charlene Gaudet	Esther Hudson Chris Hylton	April 2
5. Confirm focus group plan	Esther Hudson Chris Hylton	April 2

Interview NEB Management:

The consultant team will conduct interviews with key NEB business leaders. A standard set of questions will be used to structure the interviews and meetings to ensure consistency. Each interview will include an informal portion to allow those being interviewed to provide any other information they feel is relevant.

Action	Who	By When
1. Confirm list of NEB management to interview	Wendy Ettinger Esther Hudson	March 19
2. <i>Personally contact all people to be interviewed and schedule interview dates.</i>	<i>Wendy Ettinger</i>	<i>March 19 - 23</i>
3. <i>Each consultant personally contacts people to interview 48 hrs prior to interview and provides them with interview questions.</i>	<i>Capability Connections Team</i>	<i>March 25 – April 2</i>
4. Conduct interviews with COO, business unit leaders, and select team leads	Capability Connections Team	March 25 – April 2

Conduct Employee Focus Groups:

The focus groups are an extension of the employee survey. The focus groups will allow a group of employees to review and interpret the results of the employee survey. The focus groups will add a qualitative dimension to the data from the employee survey. There will be two employee focus groups with one representative from each business unit and one union representative per focus group.

Action	Who	By When
1. Confirm make-up of Focus Groups.	Wendy Ettinger Esther Hudson	April 5
2. <i>Invite focus group participants</i>	<i>Wendy Ettinger</i>	April 5 - 9
3. Book meeting space	Wendy Ettinger	March 23
4. <i>Send agenda to focus group participants</i>	<i>Capability Connections Team</i>	<i>April 13</i>
5. Conduct focus session 1: Review and interpret employee survey summary. Make recommendations	Capability Connections Team	April 14
6. Conduct focus session 2 Review and interpret employee survey summary. Make recommendations	Capability Connections Team	April 15
7. <i>Send "Thank You" to focus group participants</i>	<i>Capability Connections Team</i>	<i>April 16</i>

Conduct Data Analysis and Develop Reports:

The consultant team will analyze and summarize the information gained from the interviews, employee survey, focus groups, and document analysis. This analysis may result in additional issues and questions being uncovered, which may require additional consultation with the Project Authority and additional interviews. The consultants will draw conclusions about the meaning of the data recommendations relating to how business results could be improved.

NEB Organizational Design and Structure Review Project

The consulting team will deliver an interim report for review by the Project Authority. This report will contain:

- A description of the project including tasks completed
- A summary of the data gathered in the research process
- Conclusions arising from the data that document the business needs
- Recommendations relating to changes to or improvements of the existing organizational structure and design.
- Recommendations relating to how this change may be managed.

Action	Who	By When
1. Review and interpret all results. Draw conclusions and make recommendations. Develop an interim report and submit to Project Authority.	Capability Connections Team	April 21
2. Meet with Project Authority to review and discuss interim report	Wendy Ettinger Capability Connections Team	April 23
3. Make adjustments to report based on input from Project Authority. Submit final report	Capability Connections Team	April 28
4. Draft summary broadcast and review with Project Authority	Capability Connections Team	April 28
5. <i>Issue summary broadcast to everyone</i>	<i>Project Authority</i>	<i>May</i>

APPENDIX B COMMUNICATION PLAN

Communication Plan: NEB Organizational Review

The goal of the Project Communication Plan is to ensure that NEB employees at all levels understand the intent, outcomes, and methods of this review. It is critical that the scope is understood and that unreasonable concern is not raised by review activities. This is an effectiveness check, not a prelude to a complete redesign.

The Communication Plan documents communication objectives, key audiences, key messages, methods, timelines and roles. Change management best practices will be applied to this plan. Communication tasks will also be integrated with the project plan.

Message	Audience	Date	Goal	Communication Vehicle	Issued by	Who develops?
“It’s time for an NEB Checkup” interview	COO, Business Unit Leaders, select team leads	March 19 - 23	Explain Org Review initiative and why they will be interviewed	Email	Wendy Ettinger	N/A
“It’s time for an NEB Checkup” - Timeline - Process - Rationale - context for future change - Scope – small review, systemic approach	Everyone	March 24	Ensure all employees are informed what the “Checkup” entails, why it is happening, and how they will be involved	Email broadcast	The person who issues the final recommendations to the NEB should also be the one issuing this broadcast (Jim Donihee)	Capability Connections Team

Message	Audience	Date	Goal	Communication Vehicle	Issued by	Who develops?
Interview confirmations	COO, business unit leaders, select team leaders	March 25 – April 2	Consultants/personal contact with each person being interviewed. Relationship building	Telephone, voice mail	Each consultant contacts the people he/she will be interviewing	N/A
Focus Group invitation to participate	Focus group participants	April 5 - 9	Invite participants and provide details of time, place, etc	Personal contact	Wendy	Capability Connections Team
Focus Group confirmation	Focus group participants	April 13	Agenda	E-mail	Capability Connections Team	Capability Connections Team
Focus Group “Thank You”	Focus Group participants	April 16	Thank you to all participants for their time and input	E-mail	Capability Connections	Capability Connections Team
Results of Organizational Review	Everyone	April 30	Thank employees for their involvement and communicate results and findings. This will be a brief summary extracted from the final report.	E-mail	TBD	Capability Connections Team

Message	Audience	Date	Goal	Communication Vehicle	Issued by	Who develops?
Project Findings	Senior Management Team	May	Present finding, discuss recommendations, make decisions about next steps	Presentation/discussion	Project Authority and Capability Connections Team	Capability Connections
Next Steps	Everyone	May	A summary of what actions NEB management is planning on taking with respect to the results of the organizational review	Broadcast	TBD	TBD