# **Governing Energy**

### Strong vs. Weak?

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It may be obvious that one would choose strong over weak. But before we answer a perceived question, perhaps the actual question should be posed.

"It depends." Ask a management consultant for a definitive answer and you most likely will hear that statement, sometimes in the form of a question. Ask an IT guy, "How much computing power do you need?" and you will most likely get the same response.

In their forthcoming book, *Implementing a Culture of Safety: A Roadmap to Performance-Based Compliance*, the authors put for a Strong vs. Weak Bond Governance Model.<sup>i</sup> The book makes the case that when *godlike* incidents akin to the impact of warfare on society by corporation are possible, a strong bond governance model is appropriate. In other words, direct and sustained interest in field operations by top management and even the board of directors.

The Strong vs. Weak Governance Bond construct is taken from nature—chemical and atomic bonding. All molecules and atoms have a weak attraction. Strong bonds; however, only exist at the atomic level. The molecular and atomic Behaviors as a function of Conditions result in Relationships constrained by the nature of the bond.

In this series, we continue to make the argument that the energy sector, particularly oil and gas meet the test for Strong Governance Bond based on the "magnitude of the decisions" being made at all levels. This is not to say that engineering decisions will be made by the CEO.

A strong model is used by High Reliability Organizations (HRO) and as part of that model, trained; knowledgeable personnel are empowered to make the right decisions in the field. The strong model provides an organization with the capability to become and remain and HRO.

From their book, *Implementing a Culture of Safety* the authors note, "The High Reliability Organization (HRO) model is one that enables rapid adaption in increasingly complex *Conditions*. An HRO has processes that provide cognitive infrastructure that enables simultaneous adaptive learning and reliable performance."

Finally, a Weak Governance Bond may be appropriate for business models that do not require HRO. Examples include joint ventures and conglomerates.

In subsequent editions, we will develop the construct of High Reliability Management in greater detail. How it is implemented in an organization *depends* on certain Conditions as well.

## Is your Governance Bond appropriate for the organization's business model?

#### **About the Author**

Dr. <u>Scott M. Shemwell</u> has over 30 years technical and executive management experience primarily in the energy sector. He is the author of two books and has written extensively about the field of operations management. Shemwell is also the Managing Director of The Rapid Response Institute; a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management.

### **End Notes**

<sup>&</sup>lt;sup>i</sup> Holland, Winford "Dutch" E. and Shemwell, Scott M. (forthcoming). ). *Implementing a Culture of Safety: A Roadmap to Performance-Based Compliance*. New York: Xlibris.