

**A Study In Corporate Culture:
A Plan to Retain Employees Through Ownership Change**

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ABSTRACT

This paper takes an in-depth look at the corporate culture of a Northeastern British Columbia (NEBC) oil and gas service company in order to devise a plan to retain employees through an ownership change. There are many small to medium sized successful service companies in NEBC, most owned by an aging population. As the oil and gas industry moves through its latest boom, many are beginning to think of retirement and are looking for someone to purchase their interests.

The basis of study in this paper is broken into two areas. First, a literature review in which I defined culture and searched periodicals to reinforce my theory that corporate culture matters. Second, a professional facilitator was hired to hold several meetings with employees to discuss their understanding of the Company's culture including artifacts, espoused values and shared tacit assumptions. The information was compiled, assessed and charted in such a way as to extract areas of concern along with areas of satisfaction amongst the employees (both long and short-term).

Cultural undertones were identified in the discussion and addressed in the plan that was created. This paper is quite specific to the Company studied; however any person who chooses to purchase a company with many years of history and long-term staff members will find the procedure outlined herein to be beneficial in discovering the cultural undertones present at the company. Once the culture is defined, a plan can be devised to retain what is working while eliminating areas causing discord providing a smooth transition through the ownership change.

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INTRODUCTION

The oil and gas industry in Northeastern British Columbia (NEBC) is a going concern. With the price of oil topping, \$100.00/barrel, the increased demand for natural gas (from the United States as well as the BRIC countries) and the royalty issues in Alberta (AB), NEBC is on the brink of becoming the Canadian energy super power.

Many of the service companies in NEBC that provide essential services to the oil and gas industry (i.e. trucking, medical services, water and sewer hauling) were started by local farm families in need of supplemental income. These companies have grown over the years; many into multi-million dollar corporations that fuel the NEBC economy through employee wages and local purchasing power.

However, as NEBC sits poised on the brink of another oil and gas boom, these mom and pop organizations are owned by people who are ready to retire. Running a company that provides services to the oil and gas industry is a 24/7 job. It not only requires dedication and energy, but with the addition of section 217.1 to the Criminal Code of Canada, the industry requires safety programs and due diligence.

Many owners built their businesses with the idea that their children would run them once they were old enough. However, it is quickly becoming apparent that this group of “Gen Y’ers” is not that interested in becoming the next generation service company owner. This does not leave a lot of options for these business owners, and many of them are searching for purchasers.

These family operations have nurtured relationships with employees and with oil and gas company representatives. They have created corporate cultures that merit loyalty in a time

when loyalty is all but gone. How then does someone who wishes to purchase one of these successful oil and gas service companies retain what is working, remove what is not and move forward to the future?

This paper will look at the current corporate culture at one such oil and gas service company, Action Health and Safety Services (“Action”), and how culture relates to employee retention in a time of ownership transition. From this analysis, a plan will be created to manage the change in management, and attain the organizational goals set.

LITERATURE REVIEW

There is a litany of definitions for the term culture. For the purpose of this paper, I will define culture as the artifacts, espoused values and shared tacit assumptions that determine how members of an organization behave in the workplace (Schein 1999, p. 24). This behavior ranges from making strategic decisions to interpersonal communication that may or may not be work related. It makes life predictable, meaningful and gives people something to count on. As managers, if we can understand this behavior and discover what it based on, we can effect positive change that will aid us in leading successful operations.

At the first level of culture are the artifacts. These are the visible things that you may see, hear and feel when encountering an organization such as uniforms, type of background music, arrangement of furniture or even layout of the office. The artifacts make an immediate impression upon either the employees within it or the customers the organization serves. This gives the viewer a distinct idea of how the organization presents itself, but no indication of why. This leads to the second level of culture.

The second level of culture is the espoused values. Espoused values are what one learns from asking questions to those within the organization, and answer why members do what they do. Some of the answers come from written policies and procedures that determine the environment in which the organization operates. It is only once one begins to probe deeply into the espoused values of an organization that we can begin to recognize that there may be inconsistencies between the values and the behaviors (Schein 1999, p. 18).

The third level of culture is the shared tacit assumptions. These are the beliefs that members within the organization have about how decisions are made, and how people act based on history of like events. Over time, these shared tacit assumptions become the reason one hears 'that is the way things are done here'. Right or wrong, it is the shared assumptions of the members that eventually determine how people can be successful within the organization.

Why is the study of culture within an organization important? According to Schein (1999, p.15) "culture matters"; and not only does it matter, one of the biggest mistakes we make as managers or owners is to oversimplify it in our minds. For some, it is easier to pass off culture as "the way we do things around here" rather than to realize that culture exists at several levels. Realizing that culture is difficult to change due to the accumulated learning of the group involved is the only way to successfully direct changes within an organization.

Culture should never be perceived as right or wrong, better or worse and it should always be taken seriously. Looking at culture on the aforementioned levels allows us to realize how complex corporate culture really is. By not treating it as a superficial phenomenon and understanding that it is deep, broad and stable, we can work within its bounds to ensure a positive outcome through ownership change.

There is a view that corporate culture's influence on organizational performance is significant. Researchers have long agreed that culture can be a major source of a firm's efficiency and that it can have positive or negative effects on an employee's ability to make decisions. Further, it can have an effect on employees' motivation levels which tend to enhance or detract from corporate goals.

As the new owner of a 15 year old company that has been managed by the original owners throughout that time period, it will be important to create a plan to ensure everyone's ability to adjust. According to Allen (2006), having a plan and being organized, managing employee expectations, and remaining flexible are all essential elements to creating a self-driving and responsive workforce through mergers and acquisitions. Successful acquisitions involve productive, motivated people who have a shared vision and values and a clear understanding of goals.

Deal and Bolman (2008, p. 14) take a fresh look at the different categories of workplace culture. They define four operating models: structural (rule based), human resource (family or relationship based), political (based on power, responsibility and authority), and symbolic (based on activities and processes that define the culture of the organization); something to remember is that companies are dynamic organizations and can display, in varying degrees, all of the models at some point throughout their lifespan. Often when companies merge or get acquired, little attention is paid to culture. Cultural elements within companies run by the founding members become sacred cows which are extremely difficult to change.

The business problem this paper is being written to answer is how the new owners of Action can achieve their number one goal of increased Net Income. I believe that the key to

attaining this goal is through the retention of current long-term staff and through the reduction of staff turn-over. This paper will take an in-depth look into the corporate culture created during the tenure of the previous owners and create a plan that will take the new owners through the change in ownership transition period and into the future.

Due to the recent world economic downturn, a renewed interest in the area of employee retention and management of change has spurred interest. Several themes have emerged in the recent literature on culture.

The first underlying theme is that culture is a matter of perspective. Whilst the mission statement and values within an organization give an outsider an idea of the leaders' of the organization strive to achieve, their perspective on the culture within will differ greatly from those in their employ (Editorial 2009, p. 44). For this reason, as the CEO of Action, I have chosen to hire an impartial third party to facilitate discussion with the employees within the organization, rather than attempt to define it my own terms.

The second underlying theme is hiring the right people that are inspired by an organization's mission and vision can result in a more productive workforce and lead to employee retention (Hirota, Kubo & Miyajima 2008, p. 22; Sujansky 2008, p. 9; Grooms 2007, p. 18). These articles are perhaps the most supportive of this particular paper for as stated earlier, my belief is that employee retention will be the key to meeting our objective of increasing net profit for the organization. Loss of human resources has many negative effects on the organization: costs of recruitment, training costs, loss of knowledge, and angst among those that remain. Lack of retention also leads to mistrust among employees, further decreasing productivity thereby decreasing profits.

The third underlying theme of recent literature is that organizational leaders can and must create the culture within their organization (Sujansky 2008, pp. 9 – 12; Grooms 2007, p. 18). There are several ways of achieving this, all of which point to the leaders within the organization ‘talking the talk, and walking the walk’. It is of utmost importance that the leaders lead by example. In addition, the leaders must be adept at knowing how to inspire others to achieve the lofty goals that are requested of them and strong enough to remove those that oppose the culture and decrease productivity of the organization.

The fourth underlying theme of recent literature is one that may be viewed as slightly harsh. A recent article suggests that within the first year, as much as 75% of the top level executives within an organization will be replaced when a new CEO takes over an organization (Coyne & Coyne 2007, pp. 62 – 69). Whilst I have been the CEO for almost a year at Action and all of the managers are the same, it will be interesting to see if the change of ownership has the same effect.

The final underlying theme of recent literature is that culture is deep, culture is broad and culture is stable (Schein 1999, pp. 25 – 26). This has many implications for the case at Action. Will the change in ownership affect the underlying culture, and if so, how? Will I be able to change the corporate culture to meet the goals I have set for the organization while retaining the key employees? And, how is the corporate culture at Action tied to retaining these employees?

This leads to the research portion of this paper: what is the current corporate culture at Action, and how do we retain employees during an ownership transition while maximizing profits?

RESEARCH METHODOLOGY

Background – Area Demographics

Dawson Creek is located in the Northeastern corner of British Columbia (NEBC), approximately 1,300km due north of Vancouver. NEBC is about one sixth of the total area of British Columbia, or 154,000 square kilometers. Comparative to the lower mainland, NEBC is sparsely populated. The entire region has only 52,300 residents, equating to a population density of 0.34 residents per square kilometer.

The City of Dawson Creek is the second largest community in NEBC (second only to Fort St. John at 18,000 residents) with a population of 10,994 (Census 2006). The community was established in 1942, as a result of the United States Government's desire to connect Alaska with the continental U.S. by a road. The community survived after construction was completed, with the primary industry being agriculture, and forestry a close second. In the early 1980's, oil and gas was discovered in NEBC. This economic boom for the region was short lived, as the commodity prices for the two slumped in the late 1980's. In the mid 1990's, the area boomed once again, as commodity prices once again rose making drilling in this remote region profitable.

Dawson Creek is primarily a younger community with 71.5 % of the population under the age of 55 years. It is comprised of mainly English speaking Caucasian residents (91.4%), with 4.3% Aboriginal residents and 2.3% other visible minorities.

The labor force within the City of Dawson Creek contains a total of 5,685 residents in the age range of 25 – 64. Education levels in this range are quite high; only 12.4% do not have a certificate, diploma or degree. On the other hand, 87.6% have at least a high school

education, with 30.2% claiming a university certificate or higher. Less impressive is the labor force aged 15 – 24 years of age made up of 1,705 residents. In this age range 43.3% do not have a certificate, diploma or degree, and only one third of this 43.3% have a high school diploma. This may be indicative of the industry boom in the area that has been luring young people from educational institutions for high wages.

Wages in recent years in NEBC have been equal or higher than comparative positions in the rest of the province, mainly due to the increased demand for labor in the oil and gas industry. With median house prices half of what real estate costs in the southern part of BC, the purchasing power of the consumer is far higher in NEBC.

Background – Company

Established in 1992 and headquartered in Dawson Creek, British Columbia, Action operates as an industry leader in the medical, safety and security services industry in the NEBC and Alberta oilfields. Action provides remote and facility medical services, safety program implementation, security services, advanced paramedic services, and well-site first aid trailers.

Action is located one hour from the Cutbank Ridge natural gas discovery and in close proximity to other major discoveries in NEBC (a map of the area is attached as Appendix A). The Company operates out of a combined office/shop complex totaling 8500 square feet within the City of Dawson Creek. The facilities are more than ample in size to meet Action's current needs, and allow for substantial growth of the business. The Company is staffed with between 20 and 60 seasonal field employees and 5 full-time managers and operational support personnel.

The Company provides its services directly to oil and gas companies operating in the area, including long-standing relationships with EnCana Corporation and ConocoPhillips Canada Ltd. An active customer base of approximately 20 accounts built over the Company's history provides a diverse clientele and helps to ensure stable revenue streams.

Action operates in a highly fragmented and fiercely competitive marketplace. Industry participants range from single truck providers to one large public company. To provide readers with a sense of Action's size in relation to other providers in the area a comparative vehicular study (proxy for an employee study) revealed the following information:

- IPS – 160 vehicles (Western Canada)
- HSE Integrated (International Assets) – Public Company – 100+ vehicles
- On-Site Medical Services – 50 – 60 vehicles
- Action Health and Safety Services – 55 vehicles
- 911 Industrial Response – 35 vehicles
- Koala-T – 15 vehicles
- Phoenix First Aid – 12 – 15 vehicles
- Alpha Safety – 10 – 15 vehicles
- Avalanche First Aid – 5 vehicles
- Numerous miscellaneous companies – 1 – 3 vehicles

Success in the industry is largely driven by a company's specific capabilities, level of customer service and long-term track record, all areas in which Action clearly excels. The Company's competitive advantage is maintained through a highly knowledgeable and experienced staff, innovative products, a high level of standards, and strong customer service focus. These factors position the Company well for continued growth and success.

Action's revenue has experienced tremendous growth over the past 3 years, with the exception of the brief downturn in the industry in spring/summer 2007, and continuous

growth since inception. Management attributes this growth primarily to their differentiation strategy, and secondly to the growth in the oil and gas industry. Exploration in the Cutbank Ridge area has been furious in the last few years, allowing Action to increase sales, while limiting variable costs due to the proximity of Cutbank Ridge oilfield and efficiencies gained through retention of long-term employees.

Background – Employee Base

The oil and gas industry is, by its nature, a sporadic employer; as long as the price of oil is high, there are companies exploring, extracting, pipelining, and refining. However; due to market fluctuations, retaining a steady workforce has been consistently and ever increasingly difficult. Many skilled knowledge workers were laid off when oil prices softened throughout the 80's and 90's and found work in other, more stable sectors.

According to Parry, Davidson, Clarke & Guilford (2006), the worker shortage is no longer an isolated 'people issue', but presents a strategic business challenge requiring joint ownership between technical, operating, and HR leaders.

These types of recruitment and retention issues begin at the producer company level but very quickly filter down to the service sector. Medical services providers in the oil and gas industry are not considered knowledge workers; they only require first responder medical training which consists, at a minimum, of a three week course in Occupational First Aid (OFA).

Medical services are mandated by WorkSafeBC (a regulatory body with ability to impose extreme penalties for offenses) to be present on all "high risk of injury" remote sites (sites in excess of 20 minutes from definitive medical care) in any industry in the Province of BC.

The first aid attendant, or 'medic', is required to stay out of harm's way and therefore cannot assist during dangerous operations. This often leaves them isolated from the remainder of the crew, who view them as a "necessary evil", someone who does not provide added value to the operation as a whole. As a result, this type of job has historically attracted people who are motivated by making the most money they can for doing the least amount of work possible.

According to WorkSafeBC (worksafebc.com, 2009), the first aid attendant located on a remote site in BC is responsible for the following job duties:

(1) The first aid attendant must:

- (a) Promptly provide injured workers with a level of care within the scope of the attendant's training and this Part,
- (b) Objectively record observed or reported signs and symptoms of injuries and exposures to contaminants covered by this Regulation, and
- (c) Refer for medical treatment workers with injuries considered by the first aid attendant as being serious or beyond the scope of the attendant's training.

(2) A first aid attendant must be physically and mentally capable of safely and effectively performing the required duties and the Board may at any time require the attendant to provide a medical certificate.

(3) The first aid attendant is responsible, and has full authority, for all first aid treatment of an injured worker until responsibility for treatment is accepted

- (a) At a place of medical treatment,
- (b) By an ambulance service acceptable to the Board, or

(c) By a person with higher or equivalent first aid certification.

(4) The first aid attendant does not have authority to overrule a worker's decision to seek medical treatment or the worker's choice of medical treatment.

At Action we differentiate ourselves and our employees by offering value added services to our clients. Because we provide our workforce the opportunity to create a career path and job advancement opportunities we have been able to retain some of the most qualified, experienced medics in the area. This group of unmotivated employees has, at Action, stepped up to the challenge presented and begun to thrive in an environment that nurtures basic needs but also higher order needs.

Primary Research

To identify the culture within an organization, one must first assess and decipher the current artifacts, values and assumptions (Schein, 1999, p.65). Through this process it will be important to see the culture as a positive force rather than as a hindrance; remembering, culture is deeply ingrained and extremely difficult to change.

I chose Keldar Leadership Solutions (“Keldar”) to facilitate the meetings with the staff. Keldar came highly recommended and is not a local company. They were founded in 2003, to assist organizations between 60 – 600 employees that are experiencing challenges due to growth and leadership change. Their vision is “To be a Valued Business Partner”, their Mission is “To Contribute to the Success of Others”, and their three key focus areas include:

- Assessment Tools – Designed to help businesses make excellent choices in selecting staff and provide information to assist them in career coaching for existing staff.

- High Performance Leadership Programs – Designed to empower and give a company's people the skills required to operate at an extremely high level of effectiveness.
- Workshops and Facilitation – Designed to sharpen skills in specific Human Relationship areas.

Employees were asked to volunteer for these sessions. Assurances were given to employees that failing to participate would not affect their employment in any way. The composition of the sessions was determined by the facilitator and the Company's dispatcher, who is responsible for employee work assignments. I was not aware of who volunteered or which session the volunteers attended. I did not attend any sessions. The letter of explanation and the consent form that the employees were requested to read and sign are attached as Appendix B.

All information provided by participants was amalgamated by the facilitator so that there was no indication of who said what, when or in which session the comments were made. It was extremely important to the process and to me that the participants felt comfortable in speaking freely to the facilitator.

Based on the methodology proposed in Schein (Schein, 1999, pp. 50 – 87), Darel Baker, a facilitator with Keldar, first defined the business problem to the participants (attached as Appendix C, is the agenda each participant received which included a copy of the previous owner's mission statement). He then discussed the concept of Corporate Culture as it exists on the three levels: artifacts, espoused values and shared tacit assumptions.

The facilitator used break out groups to brainstorm ideas surrounding artifacts. Once the smaller groups had a handle on what he was looking for, he brought the participants back to together and facilitated a large group discussion on the artifacts they had acknowledged within their groups. This allowed for the group as a whole to brainstorm further ideas.

Each session was run in the same manner and covered the same topics and areas and these areas were as follows:

1. Definition of the business problem: The new owners of Action have created a set of goals for the Company; the number one goal is to increase Net Income. As an Executive MBA Candidate it is my belief that the key to attaining this goal is through the retention of current long-term staff and through the reduction of staff turnover. So how then, does the Company's culture facilitate or hinder the retention of employees?
2. The Facilitator was tasked with reviewing the concept of culture (as existing at the 3-levels). Once the goals have been identified and agreed upon, the facilitator will give his attention to the three levels of corporate culture outlined below. It will be extremely important at the start of the discussion to make sure that each participant understands the three levels. The facilitator has read Schein's, *The Corporate Culture Survival Guide* and I met with him prior to the first facilitated meeting with the employees to ensure he had a full understanding of what was required.
 - a. Identify Artifacts – this is done through the identification of the things that characterize the organization. At this juncture, the facilitator worked to

extract those things that the employees feel characterize the organization by asking open ended questions like: “What’s it like to work here?”, “What do people say? and Not say?”, “What actions do they engage in?”, “What do they avoid?”. This should be an extended discussion as individuals will have a variety of perceptions based on their own experiences.

- b. Extract Espoused Values – values are those ideas that the organization and those belonging to the organization perceive to be meaningful. This is believed to be a fairly simple exercise especially since many organizations have written down their values in the form of a mission and/or vision statement. However, I believe that this part of the discussion will be meaningful as I’m unsure how many employees have buy in to the old owner’s mission and how they perceive management’s commitment.
3. Shared tacit assumptions – this is the time to identify the inconsistencies and conflicts between overt behavior, policies, rules and practices (artifacts) and the espoused values as formulated in mission/vision statements, policies and other managerial communications. This is the core of the discussion and some of the inconsistencies between the artifacts and the espoused values of the Company should be discovered. For example, according to the Action mission statement, we espouse “operating our business like a family.” This may not, however, be what the employees perceive to be the case. Quality is a value in our statement, but when it comes to ensuring we are providing the most qualified personnel on

our client's sites, there may be times when we are perceived to be providing a "warm body".

4. Assess the shared Assumptions – After receiving the information gathered at the facilitated meetings I will work to decipher the assumptions that aid and/or hinder the organization. Attention will be paid to how the artifacts and the shared assumptions affect the earlier identified organizational goal (increasing net income through retention of long-term employees and reduction of turnover). For instance, if one shared assumption is that Action prides itself on creating work/life balance, but one artifact is creating an environment that rewards those who stay in camp the longest, how does this affect the staff and the quality we also profess to value? And how will that affect the goals of the new owners?

RESULTS AND DISCUSSION

Charted Results

As per the methodology, Keldar held three facilitated meetings with staff members. Daryl, the facilitator, then provided me with feedback in the form of notes from the flip charts and his perception or interpretation of the notes and the context in which they were discussed (the raw data is attached as Appendix D). In order to analyze the data presented and to make it useful for this project, I felt it was important to chart the information based on the methodology: Artifacts, Espoused Values and Shared Assumptions which provided me with common items under each topic for the group as a whole. Once the charting was completed I was able to identify areas that warranted further discussion and attention.

Artifact	Group 1	Group 2	Group 3
Long travel times	x		
Lack of communication	x	x	x
False promises	x		
No clear line of authority	x	x	x
Tension in office	x		
Threatening letters	x		
Reactionary decisions	x	x	x
Threatening conversations	x		
My way or the highway	x		
No social events	x	x	x
Lack of cleanliness	x	x	
Employee input not welcome	x	x	
Lack of supervision	x	x	x
Quick response for medics	x	x	x
Quick response for security		x	x
Slow response for security	x		
Poor office access at night	x		x
On call 24 hours	x	x	
Good inventory	x		
Good transportation	x		x
Vehicles well maintained	x	x	
Reliable pay cheques	x	x	x
Bi-weekly pay period	x	x	
Lack of dress code		x	x
Conflict handled quietly	x	x	
No organizational chart		x	x
No job descriptions	x	x	
Lack of organization	x	x	x
Support staff lacking	x	x	x
Policies are flexible	x	x	x
Field staff treated best	x		x
Job training lacking	x	x	
Job training good			x
High turnover			x
Recognition of seniority		x	x
Seasonal employment		x	x

Espoused Values	Group 1	Group 2	Group 3
Integrity	x	x	x
Passion	x	x	x
Praise	x	x	x
Leadership	x	x	x
Quality	x	x	x
Team work	x	x	x
Services	x	x	x
Balance	x	x	x
Innovation	x	x	x
Peace	x	x	x
One big family	x		
All work together	x	x	x
Opinions are important	x		x
Work with vs. work for	x		
Education is important		x	x
People before profit		x	

Shared Assumptions	Group 1	Group 2	Group 3
Safety policy flexible	x	x	x
Schedules change without notice	x	x	x
3 day delay in response	x		
No history on security side	x		x
Long history on medic side	x	x	x
Consultant drives urgency	x		x
Speaking out is risky	x	x	
Operations manager is most help	x		
Service only during office hours	x		
Field concerns not heard	x	x	x
Information on need to know basis	x	x	x
Lack of respect for field staff	x		
'Warm body'	x		
Has not been need for structure		x	x
Decisions made 'off the cuff'		x	x
Do what it takes to do job		x	x
Inconsistent discipline		x	
Loosely connected team		x	x

The discussion following the charts was dictated by the charts and allowed me to further embellish on the areas that the employees felt were relevant to retention of employees and to link those areas to cultural terminology, thereby identifying what areas of the current culture could be retained and those that could be considered to be a hindrance.

Results Discussion

Action is a service company and as such our human resources are our most valued asset.

There is a shortage of workers in NEBC (as there is globally) and one of the purposes of this research project was to discover what people are looking for in an employer today. I wanted to discover what has kept the long-term employees loyal to Action and what is important to our newer staff members so we can reduce turnover. The retention of employees was the main focus, as I believe this will be the key to reaching the Company goal of an increased net profit.

Lack of communication came up at each meeting. People genuinely seem to want the opportunity to contribute to the success of the Company but do not feel they are being heard. At times they feel as if they are “bothering” the office staff when they call in and as such often provide the bare minimum information rather than expanding on their concerns or ideas for the Company. The Company’s field personnel work mostly in remote locations and often do not have access to the internet or even consistent cell phone services which further hinders communication between their locations and the office.

Cultural undertones – Office Staff members are considered more valuable and have higher status than the field personnel; they are more important.

There is an overall issue with the lack of structure regarding the organization of the Company. The flat management structure that the previous owners felt created a family atmosphere is actually hindering the employees as there are no clear reporting lines. One comment included “too many bosses”. Further, people felt there were control issues and competitiveness between the different managers. There was also some discussion with regard to job descriptions, many people felt they were ambiguous and some were unaware that there was an official job description for their position; this ties directly into the lack of organizational structure.

Cultural undertone – ad hoc leadership style, problems or issues are considered one-offs and a solution is not necessarily based on procedure or policy but often based solely on the situation at hand. This leads to an underlying cultural norm that undermines the policies set forth by managers of the Company. Further, without proper reporting lines, culturally, we end up with no accountability.

Discussions around trust issues were prevalent throughout each meeting. Several employees felt they were abandoned when the Caldwell’s decided to sell the business and many felt abandoned long before that had ever occurred. Due to the nature of the oil and gas industry as a whole, gossip is incessant and can be very damaging. The employees often hear information and pass it on without confirming its origin or its basis in truth. They feel the management team, at times, is too forthcoming and yet at other times too closed-mouthed on items pertaining to the viability of the Company and the job they do in the field. Generally speaking, the feeling of many of the employees interviewed was that they would like to contribute more; however they want to feel safe when providing their input.

Cultural undertone – Lack of trust can be linked to micro-management which is often indicative of a lack of accountability.

At the facilitated meetings, many of the employees mentioned that they had heard comments in the office such as, “warm body” and “are they breathing?”. They felt these types of comments were in direct contravention with a value that we profess to stand behind. Further, they are proud of the work they do and that Action is well respected in the industry due to their efforts. They made it very clear that they would like to see the management team stick to the value of providing quality employees (every time) even in the face of saying no to a job because we are unable to provide someone who fits that model.

Cultural undertone – Status issues; once again the field employees may be feeling as though they are not as relevant to the success of the business as the office staff. Further the Company values are being contradicted, so this may lead to culture confusion.

In addition to quality people, quality equipment came up; specifically quality and safety of vehicles. The Company’s business model consists of purchasing vehicles at auction, usually two or three years old with no more than 100,000 km on the odometer. These vehicles have always been maintained by a full time service technician/shop manager (employed by Action). This has been a bone of contention due to the lack of management skills of the service technician as well as his inability to maintain the fleet on his own.

The previous owners were known (by the management team) for doing things based on lowest cost option and underpaying staff (management and field) with the promise of bonuses (that often did not materialize due to the their propensity to fund poor business ventures). They also fully subscribed to lowest cost option with regard to maximizing profit;

do the least and expect the best. This again is in direct contravention with the values espoused in the (previous owner's) mission statement. Many of the field staff were not fully cognizant of this situation however they did allude to the fact that the "office staff" was overworked and did their best to accommodate under the circumstances.

Cultural undertone – The staff is to minimize costs (through lower salaries and cheaper, often unsafe equipment) in order to increase the Company's bottom line for the owners. This is in direct contravention of the mission statement and Company policies as well as the owner's plan to pay out lower salaries but entice employees to stay using a bonus system.

Some areas in which the employees felt the management team of the previous owners had excelled were in ensuring they are supported in the field. They really felt a sense of urgency from the office with regard to ensuring they were accommodated and had everything they needed to be comfortable and to do their job. They like the pay structure, bi-weekly paydays and the ability to receive an advance or an interest free loan if needed. Many (medics) really like that they are able to dictate their work schedules and in this respect they felt the value of work/life balance was being adhered to; alternatively the security personnel felt that consistent scheduling was extremely helpful to work/life balance as they could plan their lives in advance.

Cultural undertone –Provides the employees with the much touted family atmosphere and a feeling of well-being.

Education was another area in which the employees found the Company's artifacts reflected the values. The previous owners were very keen on education and offered all staff members

the opportunity to increase their knowledge. During slow periods (spring breakup) the management team traditionally commissioned outside training agencies to provide courses that increased the employee's value to their customers. The Company also had a policy that allowed any employee with two years of service or more to have any career course recertification paid for in full.

Cultural undertone – The Company values longevity and rewards those employees who stay with the Company long-term.

Many people were unable to connect the previous owner's mission statement with the Company (see Appendix C). Though they had knowledge of the statement they felt it was not indicative of the Company's values, nor did they feel it was reflective of the Company's managers, either current or past. The majority of the participants believed the mission statement was written to provide some boundaries for the Caldwell family and that it really had nothing to do with the Company or its employees. The current Mission Statement is not well understood and it does not appear to be a guiding document for the organization. In fact, while reading and transcribing the information provided by Keldar it was interesting to me, how much discord there was regarding the disjointed mission statement and the lack of vision.

Cultural undertone – There is no buy-in with regard to the mission of the Company. The owner's family is the most important element of the Company and the employees (in general) do not mean as much.

Further to that, the employees that at first seemed very loyal to the Company later revealed that their loyalty could actually be attributed more to the Dispatcher and the current CEO

(previously the VP Operations). Yes they liked Action and the fact that the Company continued to keep them employed on a yearly basis rather than seasonally as is common in this industry, (see background). They really did not associate the Company's culture with the previous owners, maybe because they had not been involved in the Company for such a long period of time. There was also a sense (from the way the discussion was presented) of pride amongst the employees that someone from within (Sandra Minifie) purchased the Company and a real excitement that I will be successful. The employees really felt the facilitated meeting was my way of offering them the opportunity to be heard and that I am genuinely interested in their ideas. It was really seen as a way to open discussion to ensure everyone had input into the future success of Action.

Cultural undertone – The employees are open to change, they want to have some say in the future direction of the Company and are waiting to see if the new management delivers on its promises.

PLAN FOR RETENTION OF EMPLOYEES

Action management has always touted that the reason to hire Action is its focus on people, innovation and community. As a member of the Management team I always believed that we were able to differentiate ourselves from other companies in the field by hiring and training our people to levels well beyond the minimum standard set by regulatory bodies. I've always been extremely proud of our employee longevity (this is not something you often see in this transient industry) and as a new owner, I want to ensure we continue to attract and retain the best employees in the industry. As stated throughout this paper I believe the way to achieving the new owner's number one goal of increased net income is through the retention of long-term employees and the reduction of turn-over of new recruits.

In order to accomplish the goal, it will be important to make some changes; in the primary research it was clearly communicated that if the artifacts are not in alignment with the espoused values that the Company may be headed for major challenges. The following items are changes that will allow the new owners to begin implementing some of the artifacts that the employees discussed during the facilitated meetings.

When looking at the cultural undertones that were discovered during the discussion it is clear that the employees would like to see the Company more as a family. They want increased communication and they would like to feel that their input is valued. Accountability came up several times and earning trust through unbiased enforcement of Company procedures and policies will aid in shifting from ad hoc leadership to a leadership style more in line with the Company values.

In order to address the **cultural undertone of ad hoc leadership** discovered during the primary research, a new organizational structure that addresses reporting lines for the entire Company will be created (new organizational chart is attached as Appendix E). Ad hoc leadership is not conducive to attaining the new owner's goal of increased income. It creates confusion and inefficiencies and it indicates that managers are not acting with integrity or accountability. Action's employees intimated that they need boundaries including reporting lines which would offer them a stability they feel is currently lacking.

The new organizational chart will be communicated to the employees through several mediums including: email, newsletter, safetysync bulletin, phone calls and planned personal dialogues (a tool used to ensure field supervisors are communicating integral information to all employees). It will be top-down, and reinforced through continuous discussion and ensuring managers are modeling behaviors through adherence to Company policies and

procedures. In addition, managers will be assigned specific responsibilities and they will assume accountability for completion and management of tasks. Rewards and consequences will be put in place to aid in this process.

The Company Mission and Vision Statements will be rewritten. At the time of the primary research, there was little to no buy-in by the employees with regard to the current mission and vision. A **cultural undertone inferring that the owner's family is the most important element of the Company** is detrimental to a positive outcome including the retention of long-term staff. The mission and vision statements need to be cleaner, more concise and they need to fit the real culture of the Company and the new owners (new Mission and Vision Statements are attached as Appendix F).

Then new mission and vision statements will be given the widest possible distribution throughout the Company and will be discussed at the beginning of every Company meeting and function. I do not believe it will be difficult to introduce, create buy-in or reinforce the new statements as the old statements were not widely known or understood.

To address the **cultural undertone surrounding the minimization of costs through lower salaries and cheaper, often unsafe equipment** I plan to hire more managers. Two new positions will be created. First a Director of Operations and second, the Service Technician / Shop Manager Position will be divided into two separate positions. The person who currently occupies that dual role will continue as the Service Technician and someone with managerial skills will be hired into the Shop Manager Position. In addition to hiring onto the Management Team, I will hire day and night working supervisors (two new positions) for the

security sites – these positions will be incorporated into the organizational structure and they will have direct reports.

All job descriptions will be reviewed to ensure duties are realistic and create synergies within the management team. New job descriptions are attached as Appendix G. These additions and changes will enhance the new organizational structure and provide assurances to the field staff that the new ownership and the management team are listening. Unsafe equipment will not be tolerated and people will be paid according to scale.

Providing access to the internet on all remote sites to increase correspondence and interaction between the office and the field will aid in changing the **cultural undertone that points to inequalities in value between the field and office personnel**. Communication has been the number one complaint of the field personnel for the past five years and with the advances in wireless communications in recent years it seems wrong not to provide the tools that will alleviate those concerns. With greater access to internet the employees will have the ability to communicate with the Management team on a regular basis. It will allow for mass distribution of bulletins, directives, newsletters, safety meetings and words of encouragement.

In addition to ensuring access to internet, I also believe face-to-face communication should be increased and as such, the HSSE Manager will begin to divide his time between the security and medical sites. He will also be tasked with encouraging feedback from all employees through planned dialogues (explained earlier), tailgate meetings and spontaneous discussions. Ensuring that all employees realize they are important to the Company and that

their ideas are valued will be instrumental in the retention of employees and the reduction of turnover.

As per the literature review in which I discussed the four categories of workplace culture, I believe that the new owners must also be willing to pay homage to some of the sacred cows that were identified during the facilitated meetings with Keldar. Items such as: education, payroll frequency and advances, bonus structure, self-scheduling (for medical services) and ensuring their needs in the field are taken care of in a timely manner. The employees displayed a definite attachment to these shared assumptions; they are not unreasonable and they fit with the new mission statement that was established as a result of the employee input.

In order to ensure the continuation of the **cultural undertone which provides the employees with a feeling of well-being and family**, it is my intention to create a fund for personal development type programs; this will aid our employees in finding the work/life balance aspect we strive to attain. It is also my intention to continue to offer professional educational upgrades as well as smoking cessation assistance (this will be important as rewards and consequences will be put in place to ensure Company rules and government regulations are upheld with regard to smoking in the workplace).

By reinforcing the items valued by the employees we will instill a stronger sense of well being and family. And to ensure they realize how seriously I am taking their feedback, I plan to organize at least one Company run social activity per year that will include as many employees (field and office) as possible. This will provide the staff the opportunity to discover each other on a level separate from work and an opportunity (not previously available) to meet their peers.

An idea that was not brought up at the meetings but one that has been on my agenda for quite some time is a mentorship program. I plan to assign junior personnel to a willing senior employee to guide them through not only the medical issues they may encounter, but also the cultural issues they may be faced with. This will allow junior personnel the opportunity to discuss case issues with senior personnel, for senior personnel to impart their wisdom to junior staff members, and to provide a forum in which they can discuss and exchange ideas.

Finally, I will hire Keldar to work with Action to create a screening process that will ensure new employees meet the Company's requirements and stringent quality standards prior to hiring. I will also bring Keldar back to hold a follow up meeting with staff to capitalize on the goodwill created by the first round of meetings. By reinforcing my willingness to listen I hope to continue to extrapolate employee feedback with regard to strategy and other items that will aid in the success of the new owner's goals.

CONCLUSION

This paper was written over ten months, from June 2008 to March 2009; the purchase of the business took eight months and began at approximately the same time, June 2008 (the purchase was finalized on January 30, 2009). There were many challenges throughout this process, not the least of which was applying for financing during the height of the sub-prime mortgage crisis (August 2008). In October 2008 the company doubled in size (requiring the purchase of a number of assets in order to service the clients). As with any purchase there were many more issues that I will not get into, so while I tried to keep the paper current and relevant, things changed rapidly and at times, daily. So from the start of this research project to the end, Action Health and Safety Systems became a completely different company.

In order to assess Action's current culture based on the four operating models (discussed earlier) a facilitator was commissioned to have open discussion with a large percentage of the Company's employees. Many of the answers received pointed to the human resource or family based model, which was not unexpected. What does this mean to the new owners of Action? Being too caught up in this model can lead to managers being too nice by trying to accommodate every request of the employee – it can lead to managers feeling taken advantage of and managing from a place of emotion rather than reason; this seems to sum up the culture as it stands today (at least from the perspective of the managers).

According to the responses received at the facilitated meetings many of the employees are not only willing to support change within the corporate culture, they would relish that change. They are looking for stable leadership from the new CEO and they believe the Company can be successful. It is important to remember that a culture that summons the talent and energy of its people is one that will serve the organization in the long run.

Retaining good employees is not easy and companies need to make wise choices beginning with the hiring process. It is important to provide prospective employees with a true picture of the organization and to ensure there are synergies between the prospective employee and the corporate culture. Action's new owners will hire Keldar to aid them in the creation of a hiring process that will screen prospective employees. They will also hire Keldar to facilitate a minimum of one follow up meeting to assess employee buy-in to the changes and to discover whether the new corporate culture has been accepted.

As the new owners of an established Company with long-term employees, the importance of understanding the current corporate culture was extremely helpful in the creation of a plan to achieve the goal of increased net income through the retention of employees.

APPENDICES

Appendix A – Map of Cutbank Ridge (shows proximity to Dawson Creek)



Appendix B – Letter of Explanation to Employees and Letter of Consent

Memorandum

Date: October 18, 2008
To: Distribution List
From: Sandra Minifie, CEO
RE: Strategy Meetings

Good Morning Everyone,

As you all know, I am currently enrolled in the Executive MBA Program at the University of Northern British Columbia (UNBC). In order to graduate from the MBA program I am required to submit and defend a research project. There are few limitations when choosing a topic for the project, it is broad-based and can encompass any area as long as the student utilizes skills and knowledge learned over the duration of the program.

My original thought was to research the economic impact of the oil and gas industry in Northeastern British Columbia (NEBC). However; when I was presented the opportunity to purchase Action, I realized I could combine my project with a business issue and perhaps get something with real impact.

I spoke to my faculty advisor and revised my original proposal and the new title of my project is, "A Study in Corporate Culture – A Plan to Retain Employees through Ownership Change". Action has been owned by Garry Caldwell since its inception in 1993. I understand that this ownership change, scheduled to take place on December 31, 2008, may be creating some anxiety for some of you. Having been an employee of Action myself for the last four-years, I want to assure all of you that I have no intention of implementing any big changes in the near future. We will be going forward with the motto, "Business as Usual".

I'd like to provide you with some information about my project as I am requesting volunteers from our staff to help me with my research. As stated earlier the business issue I would like to address is retention of employees through ownership change. I believe that Action's Corporate Culture has an effect on this issue. Your participation in facilitated meetings will allow me to find out what you believe Action's Corporate Culture is, what it means to you, whether you think we have buy-in and whether or not the culture does have any effect on human resource retention.

Your participation will be completely voluntary and should you choose not to volunteer there will be no repercussion; I will not be aware at any time of who did and did not participate. I will also not be aware of any individuals input and I will not be present during any of the meetings. This will be possible as I have hired Footprint Management Systems Inc. to facilitate the groups and Kathy Rowell will arrange to have willing participants come in from the field so they may participate. Participation will not affect your pay; you will be paid for your travel time and the time you are engaged in the group meetings. This will further aid in

the protection of your identity as your payroll information will not reflect your absence from the field.

The facilitators will be responsible for working with you to elicit your thoughts on Action's Corporate Culture. Once they have completed the group meetings (up to four), they will amalgamate the information, in a way that ensures anonymity and provide me with their findings.

This is a great opportunity for Action's employees to discuss what they believe is working and what they would like to see changed and I want everyone to feel comfortable in their decision to participate or not. I reiterate, the process will be completely anonymous and there will be no negative consequences should you choose not to participate.

Yours truly,
Sandra Minifie, CEO

LETTER OF CONSENT

I agree to participate in the study entitled "A Study in Corporate Culture", conducted through the Faculty of Graduate Studies at University of Northern British Columbia (UNBC).

The purpose of the study has been explained to my satisfaction.

I have had any questions answered to my satisfaction.

I understand that, upon request, I may have a full description of the results of the study after its completion.

I understand that the researchers intend to publish the findings of the study.

I understand that participation is voluntary, and that I am free to withdraw from this study at any time without negative consequences.

I am aware that I can contact the researcher, Sandra Minifie at (250) 219-1857 if I have any questions about this project, and I am aware that for questions, concerns or complaints about the research ethics of this study, I can contact the Office of Research at (250) 960-5820 or Professor Rick Tallman at (250) 960-5404.

I HAVE READ AND UNDERSTOOD THIS CONSENT FORM AND I AGREE TO PARTICIPATE IN THE STUDY.

Employee's name (Please Print): _____

Signature of Employee: _____

Date _____ Telephone number: _____

Appendix C – Agenda for Facilitated Meetings (including Previous Owner’s Mission Statement)

Outline for Facilitation at Action Health and Safety

Dawson Creek

February 8th and 9th, 2009

1. Icebreaker – although all of the staff at the meeting will likely know each other we will spend a bit of time connecting at the beginning of the meeting to get people comfortable and to give me a sense of the participant’s connection to the Company.
2. Definition of Business Problem: How to Retain Staff During a Change in Ownership

The goal of the project is to create a plan to retain staff through ownership change – remember this is (was) a mom & pop organization from inception. It has always been run by Garry or his son Brad in conjunction with Barb (Garry’s wife). People feel as if we are a family, will they still see it as such? Within the group, you will have some people who have been around for 12+ years.

3. Review of the Concept of Culture

Three levels:

- **Visible artifacts** – what you see, feel and hear when you are observing what is happening in an organization. They are the way you go about doing your business such as start times, meetings, paperwork, technology usage etc.
- **Espoused values** – These are the official statements that the Company makes about how they intend to conduct business. This would include Vision and Mission statements, things that are said on a regular basis etc.
- **Shared tacit assumptions** – things that are not written down but have become part of the culture. These are actions that have taken place for years and don’t need to be said as it is understood that this the way to have success.

You may need to expand on these ideas to get people to understand where you are going with this. I think the shared assumptions are key – how many “norms” have we created that are in conflict with the safety industry?

4. Identify Artifacts – using the list below taken from E. Schein’s book, break into two groups and have people write down a few ideas on their worksheets and then have the group brainstorm on the flipchart provided. Some categories that can be used for identifying artifacts:
 - Dress codes
 - Level of formality in authority relationships
 - Working hours
 - Meetings (how often, how run, timing)
 - How are decisions made?
 - Communications: How do you learn stuff?
 - Social events

- Jargon, uniforms, identity symbols
 - Rites and rituals
 - Disagreements and conflicts: How handled?
 - Balance between work and family
5. Identify Organizational Values – working in small groups identify the values that the Company holds. These could be things like the vision, mission, values etc. but also might be other values that are commonly discussed such as bring a solution when you bring a problem, quality is job one, mistakes are encouraged, no idea is a bad idea etc.

I think you've seen our mission statement. One of the things people in oil and gas don't really understand is that we rely on lagging indicators – without incident changes do not occur. We are reactionary in nature and I believe that many of our people believe that incident reporting is "bad". Might be an interesting conversation?

6. Compare Values with Artifacts – having listed all of the artifacts and espoused values on flip charts now is the time to identify where there is a gap between an espoused value and what is actually happening.

Figuring out what people perceive to be the "norms" will be very interesting, I don't think I'll be shocked but I do believe if we act on what is discussed, we will get some positive change out of this facilitation.

7. Information that has been recorded on flipcharts will be gathered up and passed on.

Will you be creating a written report for me with your findings? Or will the flip charts be all I have to work from. What about specific comments that don't get recorded as well, I am kind of relying on your insights as a professional facilitator to guide me to the things you feel I'll get the most value out of.

(Previous Owner's Mission Statement)

Action will strive to make the communities in which we operate great places to live. Every day we will be passionate about our business. We will continue to develop innovative products and services for our clients. We will provide fulfilling careers for our employees. We will share the successes of our business ventures with our employees and our communities. We will develop long-term relationships with our clients that are based on integrity and our proven win-win model. We will carry out our mission in a spirit of caring and peace:

- **Integrity** – guiding our every business decision.
- **Passion** – encouraging a positive attitude and providing inspiration as we work together to achieve our goals.

- **Praise** – to motivate and encourage everyone associated with us to reach their full potential.
- **Leadership** – will be encouraged and recognized within our organization in order to achieve our long-term successes.
- **Quality** – in our products and services will be a priority so that we may deliver value and satisfaction to our customers.
- **Teamwork** – allowing each and every member of our team to be valued and appreciated while contributing to our organization's successes.
- **Service** – will be prompt and proactive at all times so that we may provide consistent excellence with a personal touch.
- **Balance** – in our lives must be achieved between our careers, family and personal beliefs.
- **Innovation** – is the creative force that ensures our people and organization strives for continuous improvement.
- **Peace** – must be our guide. It must be the underlying goal of every action an individual within our organization chooses.

Appendix D – Raw Data Collected by Facilitator

Notes and Comments from Dawson Creek Facilitation (followed by a chart created from the results listed)

Action Health and Safety Services

February 8 and 9, 2009

General Thoughts and Comments from Darel Baker - Facilitator

With the groups I guided the discussion through the worksheets that described artifacts, espoused values and shared tacit assumptions. We discussed each of these to ensure there was a solid understanding prior to gathering the information.

Everyone had a little different approach to this process but overall there was an inclination to identify concerns and possible remedies rather than simply focusing on “what is”. As a result of this, there is more detail in the notes than perhaps wanted, but as the facilitator, I don’t want to “water down” the feedback from the group as I think it is important to see what was being discussed.

I really think that the timing on this process is a case of it being the best possible timing and the worst possible timing. Best from the perspective that a new owner addressing issues and concerns right from the start can only be viewed as positive. Worst from the perspective that the concerns that are being expressed are likely more a result of the fast growth and new focus of the Company in security versus the actual ownership change which is still very new. It seems that there has been some recent correspondence from the office that has been interpreted as “threatening” and has contributed to a “them – us” mentality with some of the staff. Not sure about the details here but did hear something about courses that some people completed and then were not able to use them and now there are issues if they leave the Company. This could be something that is creating issues as it may not be understood and new people are making assumptions whether or not they are impacted.

I have separated the comments from each group and there are some differences to be sure. There are also some real similarities which tend to come back to systems and structure. The good news to this is that there seems to be a real willingness to adopt more structure and to be involved in that process which can lead to incredible buy – in as the culture evolves with the ownership change.

I have tried to capture the overall feeling of each group and have entitled this “underlying feelings and comments” from each group. I am putting this information in advance of the actual flip charted information which is presented here almost exactly as was presented to me at the sessions.

The only changes that I made to the flipchart information was to expand on information if I thought it did not make sense or would be taken out of context on its own.

Session I: Underlying feeling and comments from – Darel’s thought’s

- Trust has broken down
- Probably started when Brad moved to Calgary and Gary and Barb were no longer as involved in running the Company
- Mission and Values appear to have been created by original owners and with Brad leaving and Sandra taking over there has been a growing disconnect between what is written and what happens

- Everyone wants to get back to the “family feeling”
- Generally, people would like to contribute more to the Company, however there needs to be some restoring of trust before people will be prepared to give back more
- Language and approach is important i.e. “warm body”, “my way or the highway” “threatening letters”
- The current Mission Statement is not well understood and it doesn’t appear to be a guiding document for the organization at this point.

Session 1: Artifacts

(We split the group up to brainstorm artifacts and then added more as a complete group)

Session I – Group I

- Long drives to sites
- Lack of communication (Big Time)
- No communications
- False promises
- No levels of authority
- Level of tension in office
- Threatening letters
- Threatening conversations in the office
- My way or the highway
- To many bosses (who is boss)
- No meetings in field
- Expectations for training but difficult to accomplish with time available
- No social events
- Cleanliness lacking (in Shacks, trucks)
- Employee input is not welcomed
- Lack of bosses in field (Nights)
- Quick response for medic issues
- Poor response for security issues
- Poor access to supplies in office for security at night
- On call 24 hours
- Inventory good
- Good transportation
- Improvement on trucks recently
- Relief employee down time
- By-weekly pay period – good

Session I – Group 2

- Things are handled and dealt with fast. (vehicles, supplies, fuel, etc.)
- Do not refer to us as “warm bodies”
- Dress codes – conflict between Company and Oil Company. One says yes to PPE – other says no you don’t have to
- Safety glasses – if you wear prescription glasses – do you have to wear safety glasses?

- No level of formality in office – feelings of no direction when going into the office as to who is in charge
- Lack of communication between office staff – seems to be control issues between office staff and field staff
- Work hours - personal preference. Office accommodates the best they can on what people want to work
- Lack of meetings between office and workers
- No idea who is making decisions per situation and more times than not, you learn what's going on from someone else in the field and not the office. So how much is truth and how much is bullshit?
- Lack of office talking to workers in the field to what is happening and changes that have happened – again it goes back to workers talking to other worker about what they hear.
- No social events
- Christmas gifts are given to everyone/should have separation of what is given to new staff/senior staff and security verses medics.
- Also on how gifts were given to consultants/what they were.
- Staff suggestions not taken seriously by office staff
- Difference needs to be shown between medics/security (clothing)
- Seniority is recognized for types of work and shifts
- Conflicts handled quietly
- Preference to how much you want to work is recognized

Session I – Darel's flipchart notes from everyone

- Changes in employment agreements
- No organizational chart
- No internet in field
 - Communication
 - Training
- Follow through on cleaning not consistent
- Didn't see a job description
- Didn't receive orientation – most recently orientation has taken place
- Can voice opinion → doesn't make a difference – don't hear “why”
- Assumption that travel times covers off all you have to do
- No night contact/support
- Go to work if sick
- Reliable pay days
- Clear information on pay cheques

Session I – Darel's flipchart notes from everyone

- People referred to as “warm bodies”
- Minimum PPE standard varies site to site
- Common uniform in Dawson and industry – no differentiation for Action
- Decision in Field made on spot → “ask for forgiveness not permission”
- Don't know who will answer phone on night shifts and weekends
- Feel like you are bothering office when you call

- Supplies get given out on a minimum basis
- Company housing → lower rent
- Moving into duplex but will share rooms
- Chateaus going back to medics only
- Share space in living accommodations
- Senior medics can bump junior off of any job
- Get job preference with seniority
- Hear conflict issues through other staff
- Gossip in office
- If you have a complaint don't go to the office as there is risk to your job
- Feedback is reactive not working together
- Not aware of mission/values
- Varied shifts in security
- At times operating out of standards set i.e. 15 hours versus 12 hours
- Shift schedule confusing and changes without notice
- Mandatory doesn't mean mandatory
- Encouraged to promote business
- Don't get to hear the "why"
- People speak well of the Company

Session I – Espoused Values

Mission: To make the communities that we operate in great places to live

- Integrity
- Passion
- Praise
- Leadership
- Quality
- Team work
- Services
- Balance
- Innovation
- Peace

Other things not written but said often

- One big family
- All work together
- Opinions are important
- You are not working for us you are working with us

Session I – Shared Assumptions

- Safety Policy is not set in stone
- Schedules will change without notice
- Assumed in the field that for Security that it will be a 3 day delay from request to response
- There is history and knowledge on medic side versus all new information on security side
- Consultant will drive the urgency of request

- Speaking out on issues puts your job at risk
- If you want something done go to operations manager versus anybody else
- Service is really only available to the field regular business hours
- Concerns from the field are not showing up at the office meetings
- Information from the office is on a need to know basis based on the offices assumption
- Based on the way work and shifts take place you won't know everyone who works with the Company
- Not a feeling of being respected for what you bring to the team members have for their job
- You are a "warm body"

Session II: Underlying feelings and comments from– Darel's thoughts

- The family atmosphere of helping out each other is alive and well with longer term employees however as the Company has grown it is apparent that there needs to be more strategic planning and structure put in place to create stability and systems
- Long-term staff are very loyal and supportive although they are looking for more balance in what they do
- Communication systems need to be re-established to share information and celebrate success
- The quick expansion in the last 3 months likely has distorted some responses
- A comment was made that if this session was held in July just after a round of golf it could produce very different results
- There appears to be 2 distinct subcultures and possibly a 3rd emerging; field and office and the new is possibly a break between security and medic along with the office still being a separate group.

Session II – Artifacts

- Corporate image
 - Vests in office
 - Vehicles labeled
 - Not as clear in field for staff
 - Casual dress in office
- No Formality in authority – minimal position differentiation
- Any "of the guys in the office" can deal with anything
- No asking Mom because Dad said no – common approach
- Lots of "blurring of boundaries between positions"
- Decisions made "off the cuff"
- Things are not as organized as would be ideal
- Absentee owner made decisions difficult as you had to go outside
- Every morning the "office group" meets
- Medics are welcome to join meeting but it's unwritten assumption
- Security staff appear to earn more than those they report to
- Support staff growth not on pace with field
- Open information access
- Open sharing of personal and corporate finances

- No Boundaries on how many hours you might work
- Monthly newsletter – has stopped since September
- Safety meetings stopped
- High turnover in medics creates the “who is the New Guy?”
- Takes time to earn respect in field – people are not “taken in” immediately
- Great on the job training
- Some policies are written “light” to give flexibility
- Automatically cover each other in the office to help out
- Office staff have to be flexible
- A reactive environment
- Run at maximum capacity
- 85% of work don in 6 months
- Run so hard that people break down both physically and mentally
- Kathy has specific information that has significant impact on relationships
- High levels of activity in office → chaotic
- No place to focus on professional calls
- Home life can easily be second as the practice is to just take on more rather than hire another person
- No corporate structure
- Regular meetings diffuse any potential disagreements in office
- Logistics for social gatherings very difficult
- Very individual as a new person takes a while to meet the team
- Communications between office and field very low
- Field people can be seasonal but not office people – current practice
- No follow ups or consequences to deadlines etc.
- Field issues are more cause and effect
- Office issues linger – comes from family
- Education is key
- Field staff treated best in industry

Session II – Espoused Values

Written as part of the Mission Statement

- Integrity
- Passion
- Praise
- Leadership
- Quality
- Teamwork
- Services
- Balance
- Innovation
- Peace

Others not written but spoken

- Education is Important
- People before Profits

Session II – Shared Assumptions

- Inconsistent application of discipline other than “zero tolerance”
- When you walk into the office all information is shared publicly
- There has not been a need for structure
- Do whatever it takes to get the job and do the job
- Decisions are made off the cuff
- Communication on an as needed basis

Session III: Underlying feelings and comments from– Darel’s thoughts

- People really appreciate what is being done to gain input and would like to be working as part of the solutions as opposed to feeling they are part of the problem
- There is a sense that what you see currently , the artifacts, may be more representative of a company changing focus and going through fast growth in a tough labour market than the issues around ownership changes
- It is felt that if the artifacts do not get aligned with the espoused values that the Company is headed for major challenges

Session III – Artifacts

- People don’t show up for work in uniform
- Dress code same as others in oil patch
- People aren’t caring about their vehicles – cleanliness, maintenance
- Flexible work schedules
- Good about reacting to family emergencies
- Waiting on work schedule
- See low morale → don’t think any thing will happen so complacency sets in
- Not much communication between shift changes
- Small things become big things
- Lack of accountability
- Lack of structure
- No job descriptions
- Different Rigs create different expectations
- Communication is hit and miss
- Don’t have internet
- Office hours don’t fit the field
- Not getting clear direction on expectations
- House keeping → people are not cleaning up after themselves
- Follow through isn’t there
- Self directed learning
- New people are not being trained by experienced people
- One person responsible for too many people in the field
- Never get a full weekend off based on schedule
- Schedule is 3 weeks on and one off
- If you want to work more shifts you can if shifts are available
- No social events
- You don’t know others in the Company
- Unsure of who is to make decisions

- No policies on decision making authority level
- All the trucks are the same
- Support staff over worked
- Not consistent direction
- No steps for discipline
- Not a lot of feedback
- Same partner 14 hours/day usually 2 weeks in a row
- Efforts made to pair the right people up
- Lots of new people that have low levels of experience in the field
- Not consistent meetings
- No e-mail in field
- Asked to do things that conflict with main job purpose

Session III – Espoused Values

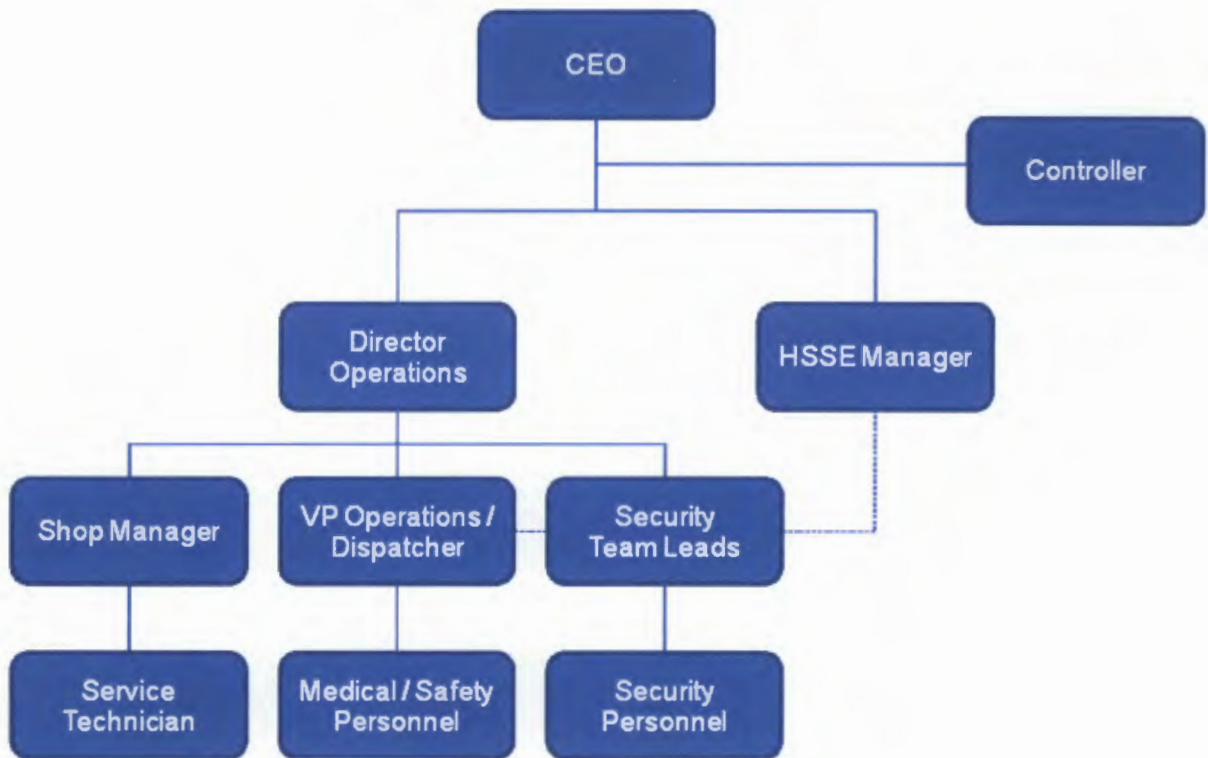
Mission: To make the communities that we operate in great places to live

- Integrity
- Passion
- Praise
- Leadership
- Quality
- Team work
- Services
- Balance
- Innovation
- Peace

Session III – Shared Assumptions

- Not a solid process on bringing in new employees
- The office people in general are not aware of what is happening in the field
- In general, the people giving direction haven't had experience doing the job in the field.
- Communication is not organized and happens word of mouth and as needed
- There is not trust placed in the hands of those in the field to make decisions
- Policies around cleanliness of work areas are not enforced
- It's so busy that new people are not getting their field training before starting work.
- You are a small team that works very close as part of a large team that is not closely connected
- We are waiting for things to be more organized and structured → all the pieces seem to be there but we need some re-bar to hold things together and connect the pieces

Appendix E – New Owner’s Organizational Structure



Appendix F – New Owner’s Mission and Vision Statements

Mission Statement:

The Staff and Management of Action Health and Safety Services are dedicated to providing our clients and communities with quality service through professionalism, innovation, and teamwork. We will strive for continuous improvement through education and training with an emphasis on the safety and professional competency of all our employees.

Vision Statement:

Action Health and Safety Services – Number one in the provision of medical, safety and security services to facilities and remote locations in Western Canada.

Appendix G – Job Descriptions

Chief Executive Officer

- Identify, develop and direct the implementation of business strategy
- Plan and direct the organization's activities to achieve strategy, agreed targets and standards for financial performance, quality, culture and legislative adherence
- Recruit, select and develop executive team members
- Direct functions and performance via the executive team
- Maintain and develop organizational culture, values and reputation in its markets and with all staff, customers, suppliers, partners and regulatory/official bodies
- Marketing Strategy
- Website upkeep
- Executive Decision Making and Problem Solving
- Developing relationships with potential stakeholders/clients
- Develop and implement a customer feedback system
- Banking and financing - line of credit and managing cashflow
- Developing new business opportunities
- Authorizing wages, salaries, bonuses and promotions
- Final decision on:
 - Bonuses
 - Sponsorships
 - Donations
 - Corporate promotion and relations
 - Hiring Strategy
- Report to directors on organizational plans and performance
- Execute the responsibilities of a Company director according to lawful and ethical standards

Other duties as required and assigned.

Director Operations

Business Development

- MSSAs & completing corporate safety questionnaires
- Track location of rigs

HR Functions

- Recruitment; including: Job fair coordination; Create recruitment process for new hires; Coordinate open houses for possible recruits; Liaise with training centres, aboriginal groups etc.
- Implementation of Reward and Discipline process

Corporate Safety Program

- Chair monthly safety meetings, provide agendas and minutes
- Preparation of safety policies and procedures and provide support in implementation
- Ensure all OH&S regulations, codes and rules are being observed
- Ensure all COR record keeping and reporting requirements are met
- Investigate serious incidents

- Responsible for administration of Safety Sync, Conducting orientations and in-house training – PST course

Inventory Control (oversee)

- Compile Stock control documents - Prepare physical inventory count of all Action assets
- Implement and manage ISO certification

Backup Dispatcher

- Communicating between First Aid Attendants and Site Supervisors / Consultants
- Daytime Dispatch
- Prepare dispatch information
- Update white board and dispatch (real time)
- Coordinating supplies to worksites
- Managing working alone system
- Collecting payroll information – approving F.A Attendants and S&S Coordinators hours

Backup Field Supervisor / Customer Service

On-call evenings and weekends (on a rotating basis)

Deliveries and Site Inspections as appropriate

Other duties as required and assigned.

HSSE Manager and Customer Service

Customer Service

- Maintain presence in Western Canada
- Developing relationships with clients
- Identify and resolve client concerns
- Solving problems with consultants and coordinators
- Present and sell the Action Safety and Security Service to current and potential clients
- Prepare action plans to identify specific targets
- Developing Database for marketing

Field Supervisor

- Responsible for Medics, Safety and Security Coordinators, Security Professionals and Paramedics – work with Dispatcher on Orientations, approving qualifications, aid in on-site training
- Share knowledge and expertise with less senior members of the team
- Deliver supplies and change out equipment to all Field Jobs
- Inspecting all Field Personnel (medics, security, paramedics, safety & security)
- Approving Safety and Security coordinators paperwork at job completion
- Job start ups, moves and shut downs

Safety Program

- Perform inspections on all Field Locations (once every two months)
- Participate in monthly safety meetings, make recommendations on how to improve corporate safety program and aid in implementation of suggestions
- Research safety regulations as required
- Keep current of all OH&S regulations (BC & AB)
- Aid in Updating and creating policies and regulations for corporate handbook
- Review Safety Paperwork handed in by Coordinators for relevancy

- Manage action plans

Other duties as required and assigned.

VP Operations/Dispatcher

Dispatching Jobs

- Communicating between First Aid Attendants and Site Supervisors / Consultants
- Daytime Dispatch
- Prepare dispatch information
- Update white board and dispatch (real time)
- Coordinating supplies to worksites
- Collecting payroll information – approving all field employee hours
- Managing and maintaining employee database – including backing it up daily
- Maintain personnel files – provide payroll information to Controller
- Tracking days worked, rentals, invoicing

Human Resources

- Assist in recruitment process and hiring strategies
- Ensure all hiring documentation is completed

Safety Program

- Assisting in the Development and Upkeep of the Corporate Handbook
- Participate in monthly safety meetings

Customer Service

- Develop relationships with consultants
- Manage problems between consultants and attendants
- Assist in securing new first aid jobs

Responsible for:

- Cleanliness of store rooms
- Shopping and Stocking First Aid supplies
- Coordinating supplies and communications (cell phones, two-way radios, sat phones, computers, radios)
- On-site and other Binders
- Preparation of first aid kits and bins
- Complete physical count of all items worth more than \$200.00 in Action buildings (including wellsite trailers, warehouse etc.)
- Shopping for and coordination of field personnel deliveries
- Cleaning MTCs (inside and out)

On-call evenings and weekends (on a rotating basis)

Deliveries and Site Inspections as appropriate

Other duties as required and assigned.

Controller

Bookkeeping and accounting activities

- Maintain general ledgers and financial statements
- Post journal entries
- Prepare trial balance of books
- Reconcile accounts
- Calculate and submit payroll

- Prepare other statistical, financial and accounting reports
- Calculate fixed assets and depreciation
- Financial Reports
- Balance petty cash
- Allocate cellular bills to each employee
- Prepare weekly financials
- Track employee vacation days/payouts
- Ensure Branch Manager Approval on all expenses prior to payment
- Responsible for ensuring A/P and A/R are kept up to date
- Manage WCB Account
- Prepare Government Remittances
 - Source Deductions
 - GST
 - PST
 - Corporate Tax

Administrative Duties

- Banking
- Mail

Other duties as required and assigned.

Shop Manager

Responsible for maintaining all Action vehicles

- Vehicle Servicing and Maintenance (coordinate outsourcing)
- Vehicle Inspections (including coordination of annual vehicle inspections)
- Delivers and fulfills objectives and directions from the operation's management
- Create and Implement System to keep track of vehicle maintenance
 - Ensure upkeep of system
- On Site Vehicle Repairs (coordination)
- Approve all mechanical expenses
- Yard maintenance and snow removal
- Coordinate purchase and sale of vehicles
- Notify management when shop equipment is in need of repair or replacement
- and oversee the planned maintenance of vehicles, machinery and equipment
- Performs inspection (prior to dispatch) of completed units to ensure quality

Human Resources

- Supervises staff and monitors their performance and progress
- Motivates, organizes and encourages teamwork within the workforce to ensure
 - set productivity targets are met
- Manages work in progress
- Notifies Management when there are any changes to work in progress, or when
 - additional repairs are required

Administrative

- Ensures the health, safety, cleanliness and security of the work environment
- Ensures that all Company and industry regulated policies, procedures and
 - practices are followed
- Coordination of disposal of antifreeze, used oil and oil containers

- Produces regular reports and statistics on a daily, weekly and monthly basis as
 - required by Management
- Ensures quality, delivery and budget objectives are met
- Communicates with other departments, staff groups and customers.

Wellsite Trailers

- Ensure check lists are completed
- Coordinate cleaning and maintenance
- On Site Repairs

Deliveries and Site Inspections as appropriate
Other duties as required and assigned.

Service Technician

As a Service Technician you will be responsible for performing vehicle repair and maintenance work as assigned in accordance with dealer and factory standards.

Primary Responsibilities:

- Perform work as outlined on repair order with efficiency and accuracy, in accordance with dealership and factory standards
- Diagnose cause of any malfunction and perform repair
- Keep shop area neat and clean, and be able to account for dealership tools at all times
- Ensure that customer vehicles are kept clean
- Road-test vehicles to ensure of quality repair
- Document work performed

Administrative Duties

- Ensure vehicle files are kept up to date
- Provide Controller with all invoices on a weekly basis
- Aid in shop and yard clean up (as requested)
- Check eyewash station (monthly)
- Ensure all vehicles in yard secured (daily)
- Emptying large garbage bin

Wellsite Trailers

- On-site repairs
- Completion of check list prior to dispatch

On-call evenings and weekends (on a rotating basis)

Deliveries and Site Inspections as appropriate

Other duties as required and assigned.

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