

Roles and responsibilities within an organisational structure

Introduction

KBR (Kellogg, Brown and Root) is a Texas-based global corporation. It employs over 57,000 people worldwide and is a leading engineering, construction and services company. It supports the energy, hydrocarbon, government services and civil infrastructure sectors. KBR's business is based on project management activities. This means it works with clients, providing a wide range of specialist expertise and experience. Examples of projects that KBR supports include:

- providing solutions for converting crude oil into transport fuel
- designing airports, recreational facilities and educational establishments
- creating on-shore and off-shore oil and gas production facilities
- helping countries pursue options for renewable energy
- creating facilities for major events such as the Olympic Games or Formula One Grand Prix Racing
- providing logistical support to the US and UK military.

The KBR story began in 1901 when Morris W Kellogg opened a small pipe fabrication business in New York. This business grew to become a world-class engineering firm, M.W. Kellogg. Its engineering expertise and subsequent technologies became the foundation for petroleum refining and petrochemical processing facilities. The services provided by KBR are valuable in supporting the energy and petrochemicals industries across the world.

A further milestone in the development of KBR occurred in 1919 when brothers George and Hermann Brown partnered with their brother-in-law Dan Root to start a construction firm called Brown and Root. This company was contracted by the US government to build the Corpus Christi Naval station during World War II. Shortly after the war the company built the world's first offshore oil platform. Further expansion followed and Brown and Root grew to become a major road construction company and general contractor.

Following a number of **acquisitions** and **divestments** KBR became a stand-alone company in April 2007. The company is organised into six business units. This means there are numerous job roles in areas such as engineering, construction, operations, **logistics** and project management. This case study shows how these different roles can be organised within the structure of KBR to enable it to achieve its mission, which is 'to safely deliver any project, any time, in any environment for the benefit of our customers, shareholders, employees and the communities we serve'.

The core **values** of the business are a central part of the **culture** throughout KBR. These include an uncompromising commitment to health & safety and open and honest relationships between employees that are based on mutual respect. The company's values focus on transparency, accountability, financial responsibility and discipline. Conducting business with the utmost integrity and **ethics** is the foundation of KBR's day-to-day business.

Organisational structure

Organisational structure refers to the way that jobs, responsibilities and power are organised within a business. The organisational structure of KBR reflects the market opportunities the business is seeking to maximise all over the world. By dividing up the organisation, each business unit can specialise in its own area of expertise, bringing efficiency benefits.



CURRICULUM TOPICS

- Organisational structure
- Hierarchy, flat and matrix structures
- Roles
- Responsibility and authority

GLOSSARY

Acquisitions: where one business takes over another e.g. by purchasing a majority of shares.

Divestments: the process of selling off parts of a company.

Logistics: the orderly movement and storage of goods throughout the supply chain e.g. from raw materials to finished goods.

Values: what a company stands for.

Culture: the typical pattern of doing things in an organisation.

Ethics: moral principles or rules of conduct and behaviour accepted by members of society.



GLOSSARY

Joint venture: a partnership between companies to enable them to deliver a contract in which they each have interests.

Hierarchy: different layers of authority for example, from director to manager or from foreman to operative.



KBR serves its customers through six business units:

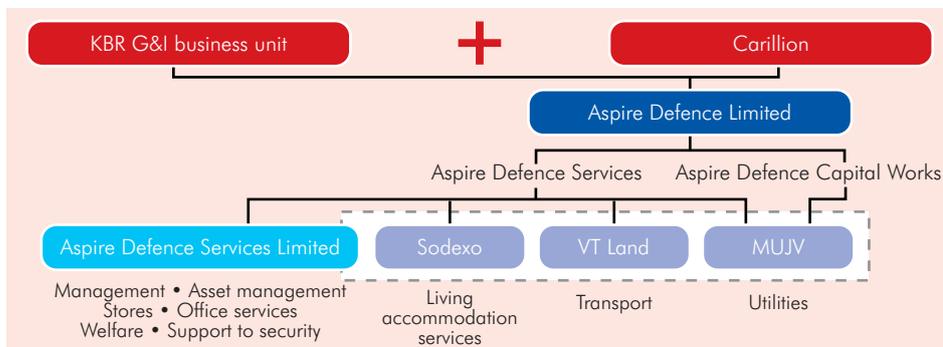
- **Upstream** – offers engineering, construction, purchasing and related services for energy projects
- **Downstream** - serves business clients in the petrochemical, refining and coal gasification markets
- **KBR Services** – provides construction and maintenance services
- **KBR Technology** – protects the technological property rights of the business. With over 80 years of experience in high-tech research and development in specialist markets, KBR Technology helps the business to maintain a technological competitive advantage
- **KBR Ventures** – offers financial investment and management services for companies owning assets of KBR projects
- **Government and Infrastructure (G&I)** – offers construction, engineering, programme management and services contracting for public and private sector businesses all over the world. Aspire Defence Services Limited is one such business and is the focus of this case study.

KBR’s Government and Infrastructure (G&I) business unit operates in a global market, with a substantial operational base in the UK. This Group supports the government’s Ministry of Defence in a diverse range of projects. Some of these relate to logistical support for the British Army in Afghanistan and Iraq. Among other things, KBR’s G&I Group in the UK has built and deployed temporary accommodation for troops on active service and managed catering and transport services for the military.

A major UK project for G&I is Project Allenby/Connaught, the largest infrastructure project ever to be awarded by the Ministry of Defence to the private sector. This project is aimed at improving the living and working environments for British soldiers at garrisons in Aldershot and across Salisbury Plain. The scope of this work is to provide modern, high quality, fully serviced, purpose-built living and working accommodation to nearly 19,000 soldiers (20% of the British Army). To deliver Project Allenby/Connaught KBR joined forces with another company, Carillion, to form a **joint venture** organisation called Aspire Defence. The £12 billion, 35 year contract began in 2006 and as well as delivering new and refurbished accommodation, it also includes the provision of quality shops, cafés, bars, dining areas and sports facilities. All of this is supported by a broad range of services from technical stores management to tailoring of uniforms, from the provision of transport to catering. In fact, just about everything needed to run a military garrison other than the physical security and guarding.

Aspire Defence has three arms of the business:

- Aspire Defence Limited (ADL) oversees and manages the contract, reporting directly to the Ministry of Defence
- Aspire Defence Capital Works (ADCW) delivers the construction
- Aspire Defence Services Limited (ADSL) delivers the facilities and services management for the project.



Hierarchy, flat and matrix structures

A **hierarchy** is an organisation structured in layers where each person has clear roles and responsibilities. Those at the top of the hierarchy have more authority than those lower down. Just as KBR’s organisational structure is designed to deliver its business goals and strategy, the organisational structure of Aspire Defence Services Ltd (ADSL) is designed to reflect the intended





outcomes of the project. The structure is a relatively flat hierarchy. This means there are only a few layers within it. Having a **flat structure** can aid communication as messages do not have to pass through many **intermediaries**. The Senior Management Team (SMT) of ADSL is at the top. The SMT takes high level responsibility for contract delivery, financial control, communications management and client relationship. The flat organisational structure of ADSL gives management and staff in subsidiary units a good level of contact with senior management.

A traditional **functional structure** is one where there are separate departments which operate under the leadership of those at the top of the hierarchy. ADSL, the business entity tasked with providing the services for Project Allenby/Connaught, is gradually moving towards a **matrix** style of working. Within a matrix structure, project groups of workers with different skills are created from across the functions of the business. The project based nature of KBR's work benefits from this organisational style. This will mean that specialist managers and staff are allocated to specific projects without the need to refer back to the division or level in which they are employed.

Roles within Aspire Defence Services Limited

The range of job roles and career opportunities, both in KBR and ADSL, is huge. Each job role is described fully in a job description. This lists the key tasks of a post. This document also places the role within the organisational context and gives the salary scale. Once the job role has been defined, a person specification can be drawn up. This profiles the essential and desirable skills and qualities required of the person who is to take on that job. Typically, a person specification will list these skills based on physical or intellectual capabilities. It may include such things as special aptitudes or personal disposition, depending on the role. KBR values many diverse capabilities but especially the following:

- technical competence
- strong oral and written communication skills
- relationship building and teamwork
- planning and organisational skills
- adaptability.

KBR seeks the best and brightest graduates in engineering, science, finance, marketing and management to drive the business forward. The job descriptions and person specifications are used to formulate adverts to attract these graduates. These requirements are also used to support the interview process, identify training and development needs and review progress within the roles.

Job roles in KBR can fall into many specialist categories of the business. The organisation uses a '**competency** framework' that helps to identify the personal skills, behaviours and levels of capability needed by management, administrative, technical or engineering roles.

Managers' roles carry greater responsibilities than their subordinates and demand different skills and qualities. ADSL, similarly to KBR, has defined a set of general management capabilities. These are used to recruit, review and develop management grades. These guidelines require that managers should:

- be technically competent with a detailed understanding of their area of responsibility
- provide strategic and operational leadership
- develop and motivate others
- be approachable and open to ideas
- display honesty and integrity.

Within the ADSL structure there are staff working as labourers, stock managers, electricians, project managers and accountants. About 85% of these roles are based at one of the army garrisons served by Project Allenby/Connaught. Many ADSL staff live within 10 to 15 miles of the sites. This helps to give them an understanding of the clients and the people they serve.

Responsibilities and authority

Each level within Aspire Defence Services Ltd carries a different degree of authority and responsibility. A new recruit may join ADSL at any level. All are given careful and structured **induction** into the business. Every new starter has to meet performance standards during a 12-week probationary period.

GLOSSARY

Flat structure: a business that is structured with few levels of authority or seniority.

Matrix: an organisational structure involving more than one line of communication, often operated with employees working in teams.

Intermediaries: people within the hierarchy through which messages must be passed.

Functional structure: a business organised into different departments or functions, such as human resources, finance, operations and marketing.

Competency: areas of activity in which a firm is particularly strong, e.g. research and development, product innovation.

Induction: the initial process of learning to fit into an organisation.



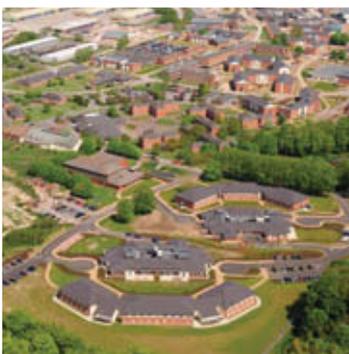
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GLOSSARY

Assets: items which a business owns, or money owed to it. These include current assets which are assets (including cash) that can be turned into cash within 1 year and fixed assets which are items that generate wealth for the business over time e.g. machinery, buildings.

Span of control: the breadth of organisational responsibility held by a position with a tendency to be wider higher up an organisational hierarchy.



Jamie Wilson joined ADSL as a Skilled Trades Person. A carpenter by trade, Jamie carries out a variety of jobs on refurbishment schemes including brick laying and minor plumbing. It is the variety in the job role and the freedom to make his own decisions that attracted him to the job. Jamie is allowed to identify and solve problems using his own judgement. He is expected and trusted to get the job right first time. At this level, the employee focuses upon a specific task.

Asset Managers at ADSL look after the planned maintenance of the Army's Estates **assets**. They provide technical and pricing information, undertake annual condition surveys and plan delivery of maintenance. All of this is done with health & safety and client relationships in mind. David Gubby is an Assets Manager and reports to the Estates General Manager. David's background is in facilities management. He brings not only technical competence but strong communication skills and enthusiasm to the role. David is motivated by his ability to make a difference in his job.

The Estates General Manager oversees strategic general management of Army Estates. This brings together Maintenance Management (planned and reactive), Programme Management (Assets and Projects) and Asset Management. The aim is to exceed client expectations. Everything from changing a single light bulb to a multi-million pound refurbishment project falls into this role. Dan Webb holds this position for ADSL at Tidworth Garrison. An experienced engineer, Dan has worked in facilities management and project planning. He served with the Royal Navy. For Dan, it was the chance to help shape a young business and instigate change that attracted him to the job. The more challenging and stretching the task, the more Dan responds. These are personal qualities highly valued in the business.

Deborah Marsh is Strategic Development Director at ADSL. This high level position carries responsibility for continually improving the business. This involves driving operational change and ensuring that the ADSL structure meets business purposes. Deborah's responsibilities therefore cover a very wide **span of control**. All cross-business functions must work together to deliver ADSL's services to clients.

Deborah's role touches all parts of the business. At this level, Deborah must influence and interact with many other senior decision makers at ADSL. This level of responsibility calls for extensive and varied personal experience. Deborah has held a number of high level positions at ADSL and has experience in financial management, systems development, operational management, change management and project management.

Conclusion

Both ADSL and KBR are structured to deliver the most efficient, high quality service they can to meet their client needs. Employees have specific tasks and different levels of responsibility. At all levels, people are given a degree of freedom and an opportunity to grow and progress personally. In this way ADSL and KBR are able to develop talent and continually attract the best candidates for positions both within Aspire Defence and the wider KBR organisation.

Questions

1. What do you understand by the term 'hierarchy'? In what ways can you identify this structure within KBR?
2. Why do you think ADSL gives people responsibility and autonomy? How does this relate to the structure of the organisation?
3. In what ways do the various roles in ADSL outlined in the case study illustrate the principles of organisational structure? Refer particularly to span of control, authority and responsibility.
4. In your view is it ever possible to create a truly 'flat' organisation? How might a matrix structure assist a business such as ADSL and what would be the impact upon job roles?

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