



**PETRONAS**

# Corporate Culture Transformation for Sustained Relevance

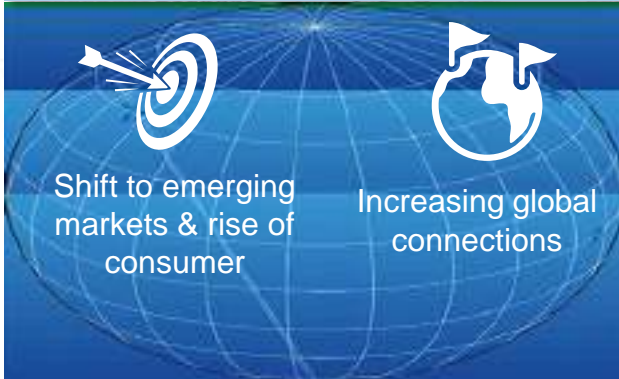
**MARIM International Conference 2019  
21.08.2019**

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# Different global trends that are reshaping the future impacting our business directly

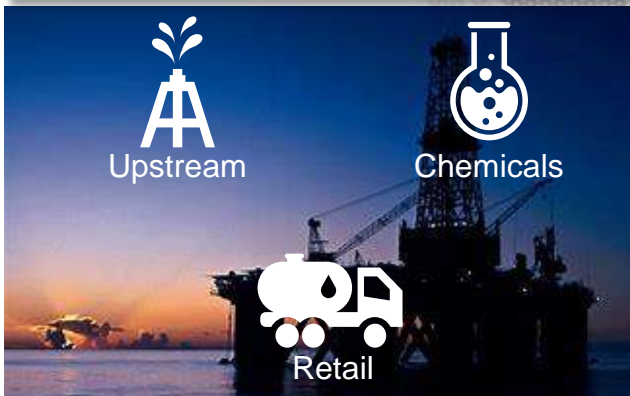
## Global macro trends



## Broader energy trends

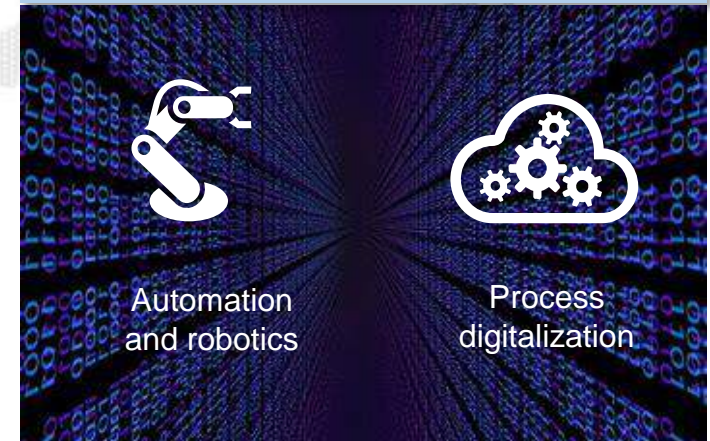


## Oil and gas trends



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## Other disruptors

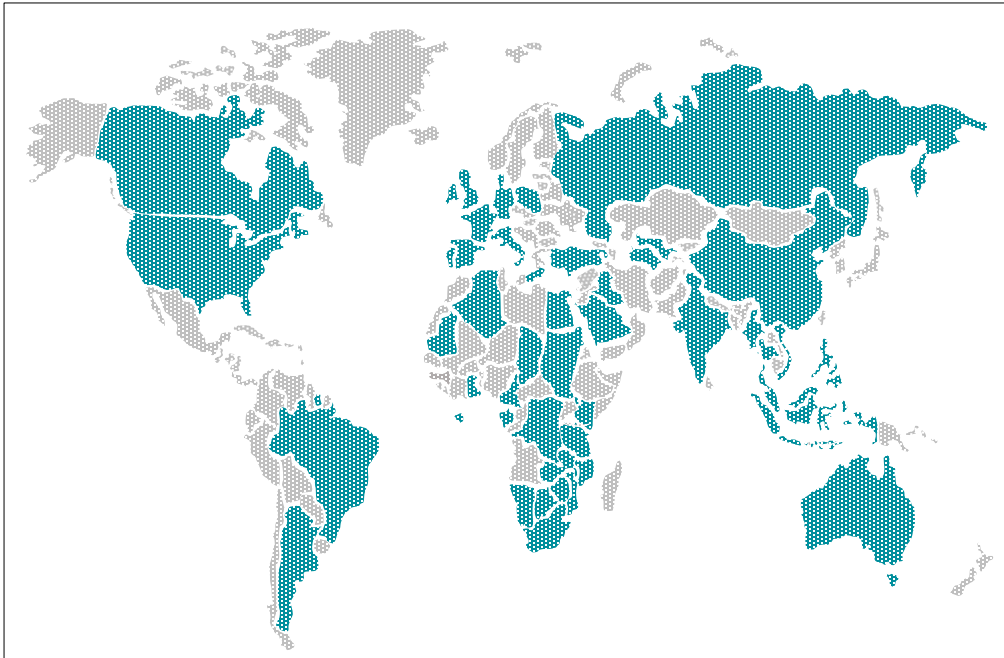


# Corporate Profile Today

Global footprint and diverse workforce

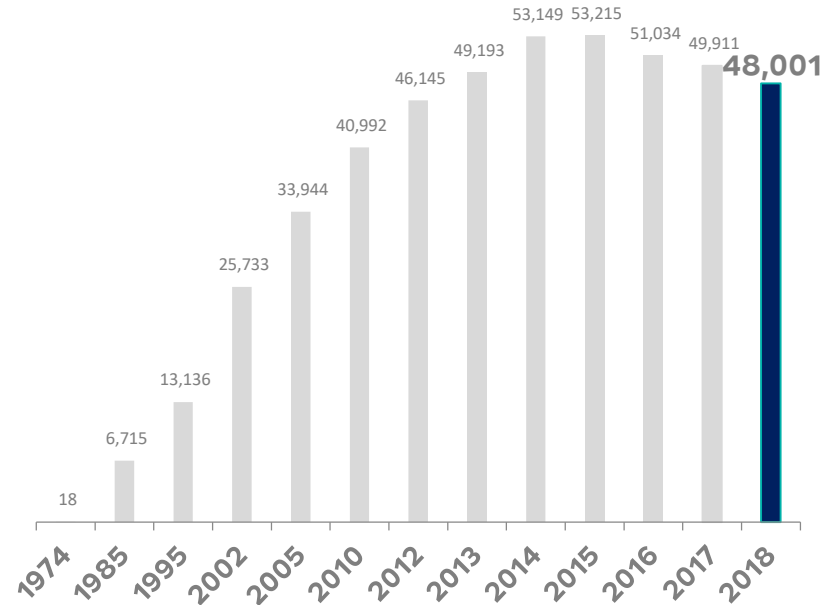
## Worldwide Operations

- >20 countries; 100 companies



## Workforce Strength (total headcount)

As at 1 Jan 2019



## Workforce Composition



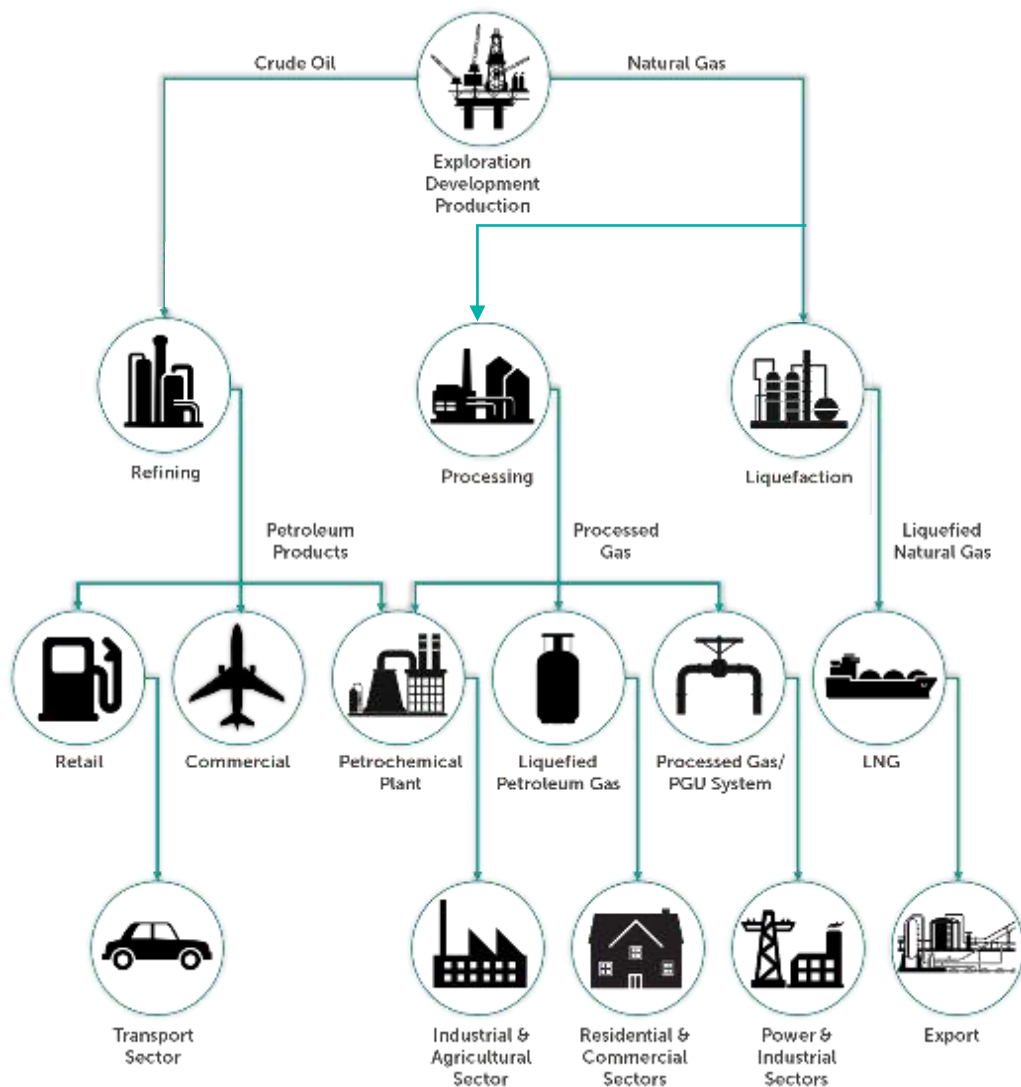
**< 35 years old**  
**51%**

**Nationalities**  
**111**

**Woman Workforce** **27%**

**Other than Malaysian** **20%**

# Integrated and multiple business portfolio for maximum value creation



## Leadership & Capability Development



PETRONAS  
Leadership  
Centre



Institut Teknologi  
Petroleum  
PETRONAS



Universiti  
Teknologi  
PETRONAS



Malaysian  
Maritime  
Academy

## Associate Companies



PETRONAS  
ICT

PIVA

**PTV International  
Ventures  
Americas, Inc.**

PIVSB

**PTV International  
Ventures Sdn Bhd**



KLCC Property  
Holdings Berhad



Engen  
Limited



MISC  
Berhad



Vestigo Petroleum  
Sdn. Bhd.



Petrosains Sdn. Bhd.



Malaysia Marine and Heavy  
Engineering Holdings  
Berhad (MHB)

# How do we continue to stay relevant and profitable?

**Business Strategy**

*Where & How*

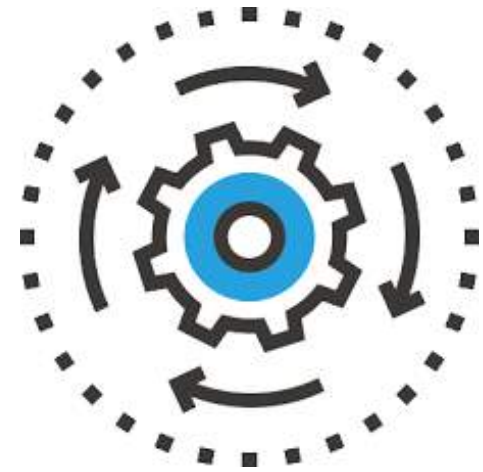
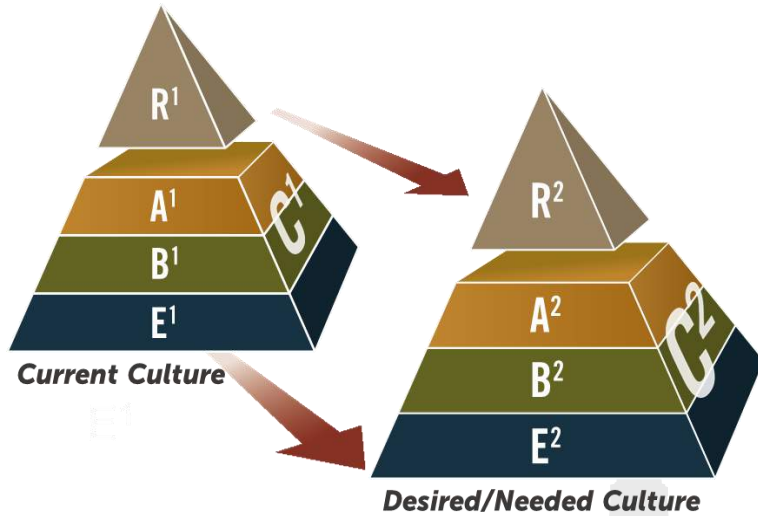


**Culture**

*Way we work*

**Various efforts were taken to transform the organization**

# Special attention to transform mindset & behavior and systems & processes



**Shape desired work culture for sustainability and continuous alignment to foster an engaged workforce**

**Shape high-impact, cross-organization transformation that affects business process, system & structure**

# Guiding principle adopted in designing sustainable interventions

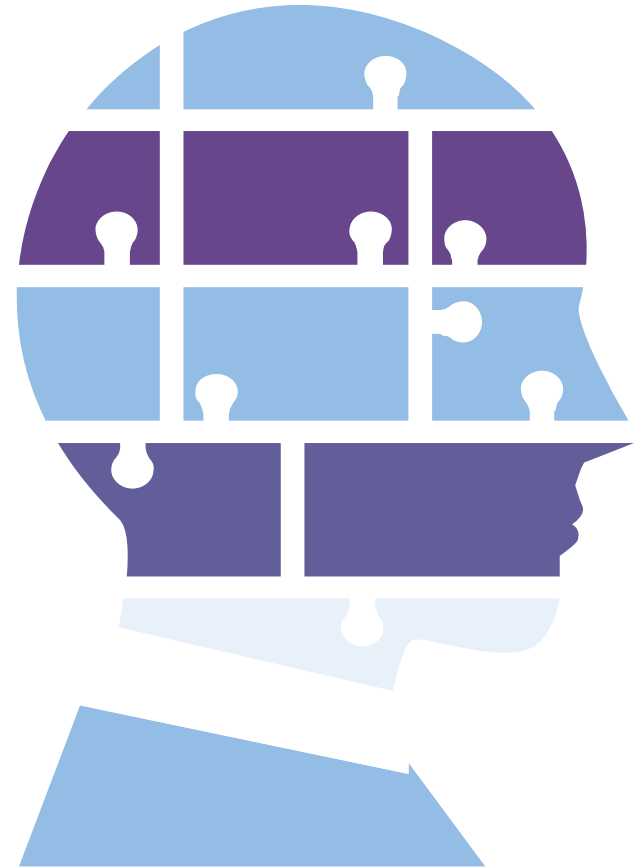
**Leaders role model;  
organizational alignment & clarity** 1

**Centrally shaped & govern;  
Business implement** 2

**Everybody ABLE to manage  
change** 3

**Simple & easy to use tools** 4

**Embed into organizational  
formal mechanism** 5



# Most effective culture to build is Culture of Accountability®

A workplace culture where people ***take accountability*** to ***think*** and ***act*** in the manner necessary to ***achieve*** results

Source : Partners in Leadership (PIL)



# Idea behind the process to manage culture



Source : Partners in Leadership (PIL)

The **Results** we achieve are the product of the **Actions** we take

The **Actions** we take are influenced by the **Beliefs** we hold

The **Beliefs** we hold are created by the **Experiences** we have

# PETRONAS CULTURAL BELIEFS - alignment through common language



## RESULTS MATTER

I stretch my limits to deliver superior results



## OWN IT!

I own the results and don't blame others



## FOCUSED EXECUTION

I plan, commit, and deliver with discipline



## NURTURE TRUST

I always keep my promise and build mutual trust



## TELL ME

I seek, give and act positively on feedback

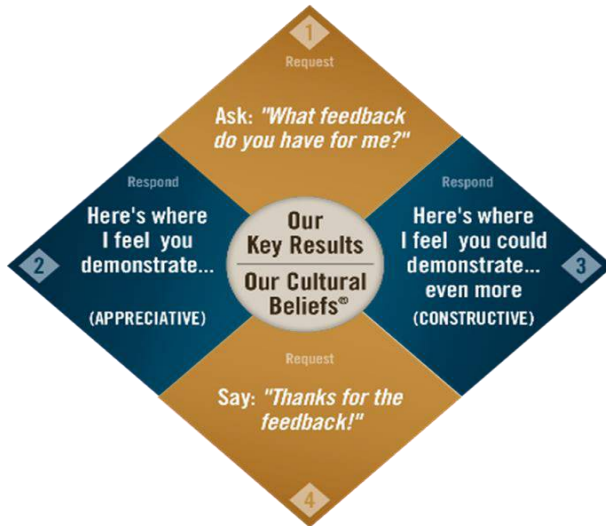


## SHARED SUCCESS

I collaborate for the greater good of PETRONAS

# Simple culture management tools to create experience on daily basis

## Focused Feedback®



## Focused Storytelling™

**1** Here's what (Cultural Belief) looks like to me.

**2** Tell the story in 45 seconds or less. Include impact on Key Results.

**3** That's what (Cultural Belief) looks like to me.



## Focused Recognition™

PETRONAS		FOCUSED RECOGNITION	
I want to recognize		NAME	for demonstrating
<input type="checkbox"/> Results Matter	<input type="checkbox"/> Own It!	<input type="checkbox"/> Focused Execution	
<input type="checkbox"/> Nurture Trust	<input type="checkbox"/> Tell Me	<input type="checkbox"/> Shared Success	
in the following manner:			
<input type="text"/> <input type="text"/> <input type="text"/>			
By doing this, you have positively impacted the following key result(s):			
KEY RESULT(S)			
Given by		Date	
PETRONAS. <i>United. Better.</i>			

## Focused Accountability™

1. Which Cultural Belief do we most need to address?
2. What is the key shift we need to make (C<sup>1</sup> to C<sup>2</sup>) as a team?
3. What is the Type 1 Experience we need to create to help make that shift?



# Staff at every level are enrolled into culture program

## Upskill Leaders as change facilitators

Role Model

- Alignment on Case for Change
- Master tools
- Coach what to role model

## Train Staff at Large

- Explain to staff case for change
- Teach tools & application
- Set expectation for action



# LEADERS AROUND THE GLOBE replicating similar experience



- Upstream
- Downstream



# Multiple touch points to sustain application at workplace

## Leaders Coach



- **Periodic one-to-one coaching; personal journey to role model**
- **Deliberate in creating new experiences that links to Result**

## Feedback Session



- **Cross Business / Functional / Individual**
- **Periodic team alignment & accountability for results**
- **'What else can I do'**

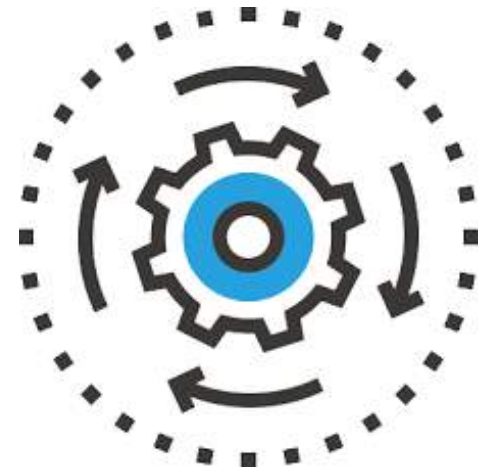
## Integrate into 'Day to Day Activities'



- **Build culture agenda in meetings**
- **Yearly performance discussion**
- **Embed into audit, assurance, HR & HSE processes to reinforce cultural**

**+525 Change Agents to nudge on daily basis**

# Effectiveness through systems & processes



# Improving speed and accuracy through process simplification; directly impacting results

- 1 Sustain competitiveness by striking down **costs** and **simplifying** the way we do business



- 2 Improve **efficiencies** through process simplification



Customer Lens



# Established platform to manage process simplification efforts

**SKILLS & COMPETENCIES**

CI Academy training program

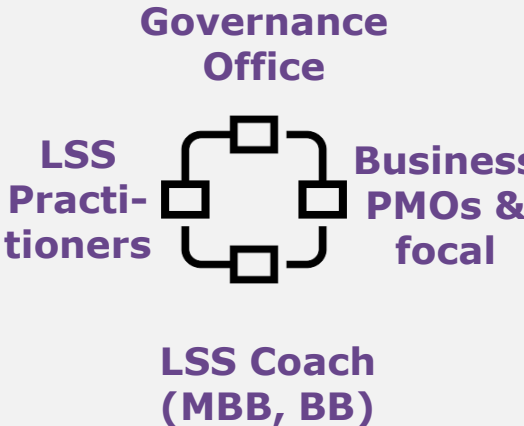


Certification recognized world-wide

***Build sufficient in-house capability to drive continuous improvement***

**STRUCTURE**

Governance Office



LSS Practitioners


Business PMOs & focal

LSS Coach (MBB, BB)


***Build a strong and established network to create pervasive impact***

**SYSTEMS**

CI Academy Portal

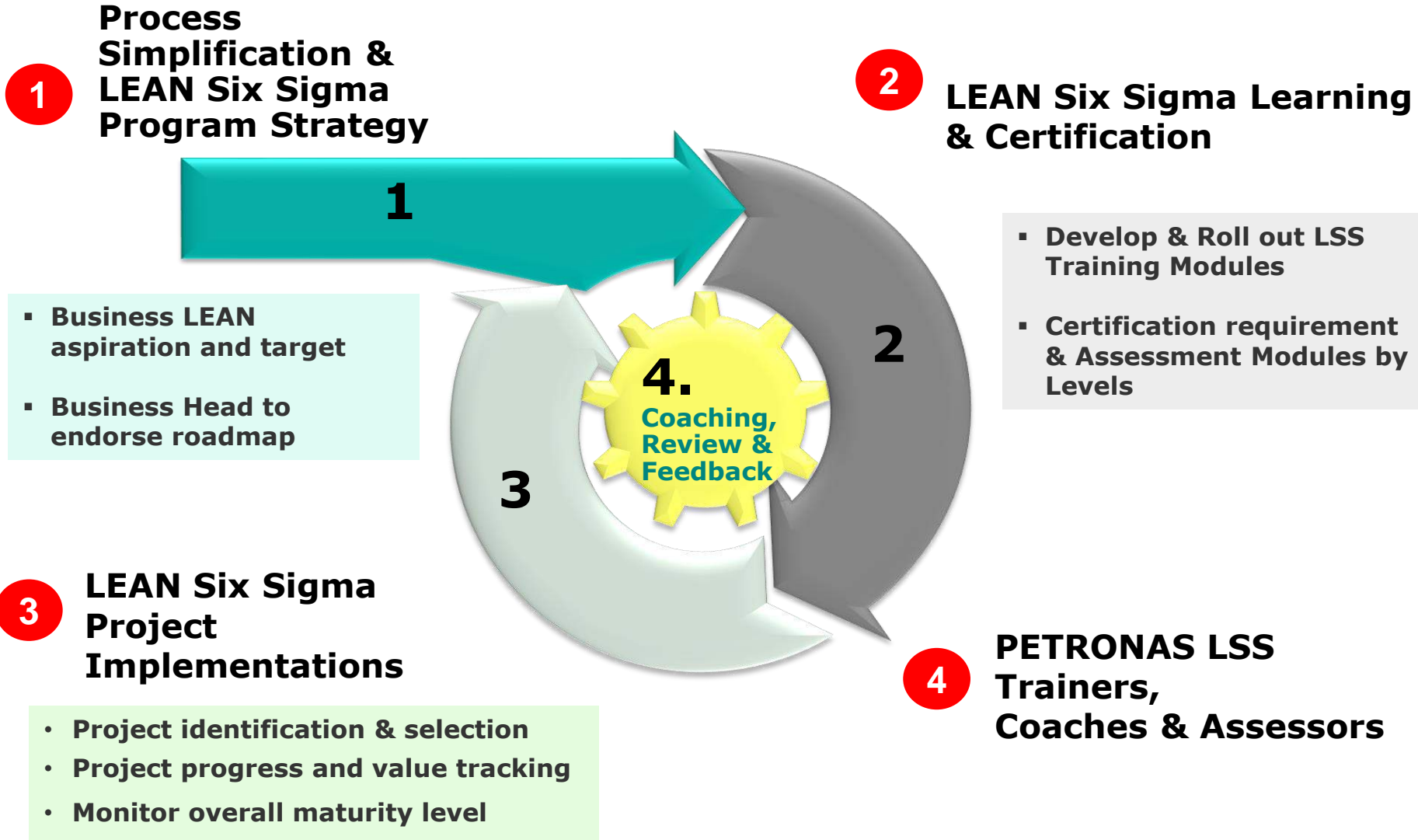


PLSS Governing Guidelines



***Ensure sustainable control mechanism of successful implementation***

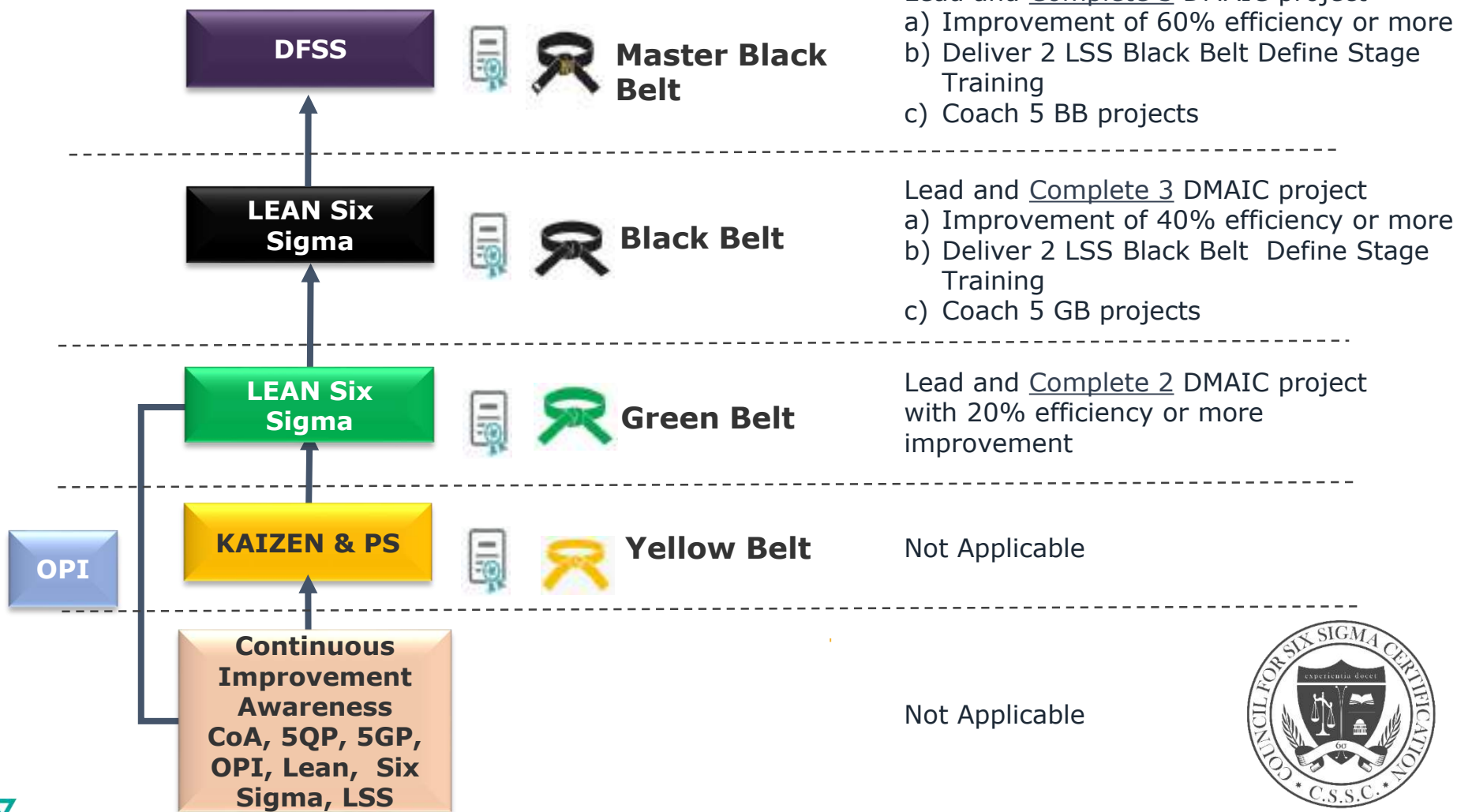
# 4 levers to ensure program sustainability



# Competency growth path recognized worldwide and accredited by American Council for Six Sigma

## Levels of Competencies

## Project Requirements



# Results to-date

## Value Creation (Realized)

2017 –  
Jun 2019



More than  
RM40 Billion

*\* VC for LSS projects will be realized after 1 year depend on complexity thus accumulation from 2017*

## Business Process Efficiency

Jan –  
Jun 2019



Average Process Cycle  
Efficiency **59%**

## Number of Projects

Jan –  
Jun 2019

OPU: **399**  
**469** Cross Business: **56**  
Organization: **14**

*\* Average for 6 months*

## Organization Competency

2016 –  
Jun 2019



Certified	In Training
GB : 278	GB: 748
BB: 57	BB: 110
MBB: 6	MBB: 0

# Keeping the change momentum high...



Strengthening meaning & purpose

Continuous sensing of pride and purpose by being part of PETRONAS at iConnect sessions

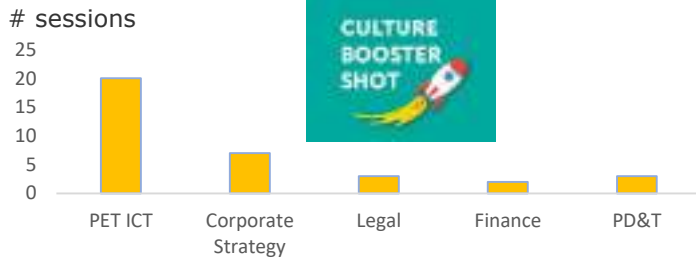


3 Community of Practice sessions were conducted to share best practices on Change



#LiveLean campaign featuring videos and infographics for staff to inculcate LSS traits in their daily life

Culture acceleration through Booster Shots



Culture Booster Shots sessions conducted for culture acceleration amongst staffs



12 Brown Bag sessions in 2018, with average 80 to 100 participants in each session. Speakers included external guests from Grab Malaysia, MIGHT

Channels & Topics



24 Culture articles posted in Be The Change to sustain the momentum

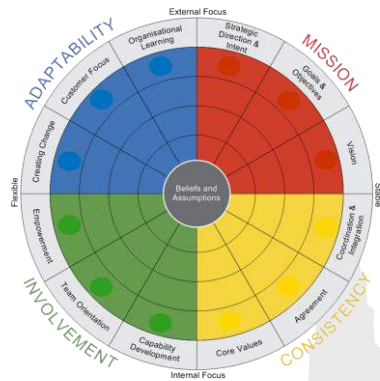
Integration of culture assessment into business process i.e. due diligence in M&A process



Promoting staff to continue using the Culture Tools for creating a C2 environment

# Purposeful assessments to measure movement and impact of change

## 1 PETRONAS Organizational Culture Survey (POCS)



## 2 Targeted topics via Focused Group Discussion



## 3 Interview Session



## 4 Localized Survey / Barometer



# The journey is not a straight road; with hurdles along the way



- 1 Sustaining the same **pace** and **momentum** & **commitment to act** throughout the group
- 2 Connecting the dots of many change efforts with **clarity of messages**
- 3 Building organizational **change capability**
- 4 Managing **collaboration** and **coordination** of work vis-à-vis integrated operating model

# Thank You

