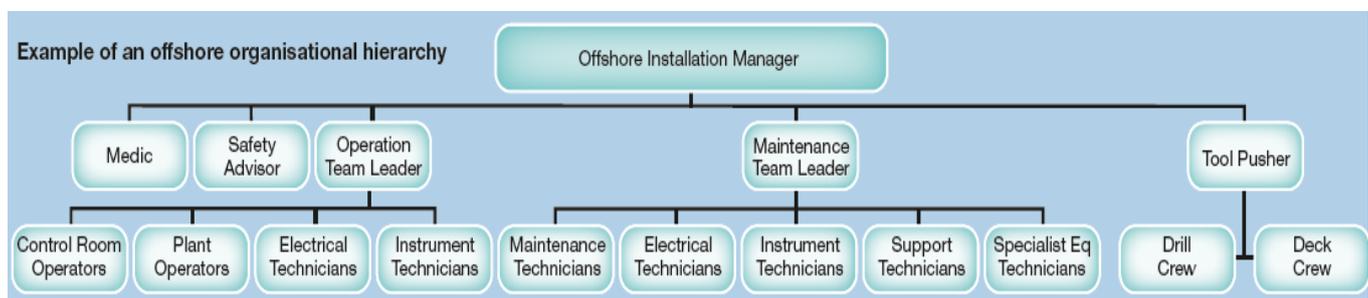# Organisation structure - OPITO

OPITO is the focal point for skills, learning and workforce development in the oil & gas industry. It aims to deliver the right skills for the industry now and in the future. OPITO was established to meet industry demand for a competent and competitive workforce. To achieve this it works with industry employers, training providers and higher education providers. Over 400,000 people are employed in the UK industry alone with the majority of those employed onshore. Both offshore and onshore environments offer a wide variety of roles from drilling to design, accounts to engineering and HR to PR. The range of roles and departments within the industry and within individual organisations means that they must be divided into specialised functions in order to work effectively. There are several ways of doing this. For example, if the company is national or international it may be divided geographically, national companies may then be split by region whilst international companies may be split by continent. Some organisations within the industry divide the company by processes, such as exploration, production and refining.

To ensure employees work as efficiently as possible it is important to have clearly defined job roles and responsibilities. This is particularly important in large firms to ensure no part of the workload is overlooked. In smaller organisations job roles may be less structured as employees may be required to take on a variety of tasks and responsibilities. Clear job descriptions and personal remits enable workers to focus on their job-specific tasks. It allows employees to prioritise their workload and reduce the chance of work duplication. In the offshore environment, where safety is a key priority, defined roles and responsibilities ensure that workers are competent and qualified for the tasks they undertake.

The roles and responsibilities of each worker are overseen by supervisors, team leaders and managers. An Offshore Installation Manager (OIM) is responsible for the complete running of the rig/platform and is accountable for the health and safety of everyone on-board. The number of workers that the supervisor is responsible for is called a span of control. The span of control will become wider as the number of employees being supervised increases.

To allow for the supervision and management of workers organisations are divided by layers as well as department or functions. The smallest layer at the top of the organisational structure has more responsibility and accountability than the larger layers at the bottom. This forms an organisations hierarchy. A hierarchy establishes a chain of command. This allows information to be communicated from one layer of the organisation to the next. This information will pass through the span of control in each layer. An example of this is when important safety information is passed from the OIM, down through the hierarchy to the Technicians. All job roles, from geological exploration to human resources, will fall within a hierarchy.

Questions

1. What is meant by a hierarchy?

2. Describe how organisations can divide up the roles and departments within them.

3. Explain what is meant by 'span of control' and state the span of control of the Offshore Installation Manager in the organisation chart shown on page 1.

4. Analyse why it is important for workers to have clearly defined job roles.

Task

Draw up an organisation chart for a small to medium sized organisation of your choice. When it is completed, answer the following questions:

1. Does the organisation have a tall or flat structure i.e. are there lots of layers or only a few layers?
2. How many layers are in the hierarchy?
3. Who has the largest span of control, and how big is it?

What have you learned?

Deliberate mistake – write a paragraph about organisational structures. Include several 'deliberate mistakes' in your paragraph. Now swap with someone and try to identify the mistakes in each other's work.