



Statoil Accelerates Mid-Level Leadership Development

Statoil

Best Unique or Innovative Leadership Development Program

October 2018



Company Background



Headquarters	Stavanger, Norway
Year Founded	1972
Revenue	\$61.187 billion
Employees	20,245
Global Scale (Regions that you operate in or provide services to)	Highly distributed with multiple locations across the globe: Europe, Africa, Asia, North America and South America.
Customers/Output, etc. (Key customers and services offered)	Energy
Industry	Energy
Stock Symbol	STO
Website	www.statoil.com

Budget and Timeframe

Overall budget	Design: 2.25 million NOK (\$285,000). Delivery: 450,000 NOK per cohort of approximately 20 leaders (approximately \$3,000 per leader).
Number of (HR, Learning, Talent) employees involved with the implementation?	Statoil Leadership Academy team
Number of Operations or Subject Matter Expert employees involved with the implementation?	Approval from CEO and executive board; senior leaders representing each of six corporate priorities attend each cohort as leaders teaching leaders (i.e., CEO for Strategic direction, CFO for commercial instinct); visiting faculty from additional strategic areas (i.e., New Energy Solutions); and three senior leaders sit on the Accelerator board for each cohort.
Number of contractors involved with implementation	Mercer Leadership Development Team
Timeframe to implement	Design: Started July 2015. Pilot: November 2015 - June 2016.
Start date of the program	Roll-out: Started March 2016; now into Cohort 8.

Business Conditions and Business Needs

In 2014 oil prices fell, sending shockwaves through the oil and gas industry. Organizations were faced with a period of tightening budgets with a growing need to downsize and increase efficiency. Shortly after, Statoil appointed a new CEO to lead the internal reaction to such a sharp change in context. The new CEO brought a refreshed vision narrative for Statoil, “shaping the future of energy,” which led the way for a sharpened strategy. The internal response to change initiated a need to do more with less. In 2015, coming out of an internal efficiency program, it became increasingly clear that the type of leadership needed to succeed in this new context was markedly different than the type of leadership enabling Statoil to thrive so far.

Despite commercial pressures, Statoil saw leadership development as a critical investment to prepare the organization for the future. Strong leadership was needed to keep engagement high in times of change. The Statoil Leadership Academy undertook a number of projects to take leadership to the next level and imagine the type of leadership required to shape the future. Statoil defined a new leadership profile to outline the



requirements for leadership going forward, centering on three themes: shape the future, empower people and deliver results.

Eldar Saetre, president and CEO of Statoil, set out a mandate sparking a new era of leadership development: “Leadership development happens through experience and conscious self-awareness. It’s a journey that you need to take charge of yourself. Leadership development isn’t something that happens to you but something you own.”

To showcase the evolution of leadership at Statoil, the initial development focus was on mid-level leaders due to their exponential impact by delivering through other leaders and as shapers of the organizational culture. The mid-level leadership development experience, named “Accelerate Your Leadership,” was aimed to act as a catalyst to spark and sustain behavior change.

Mid-level leaders:

- **Lead Leaders:** With an exponential impact to role-model great leadership.
- **In the Matrix:** Providing crucial links throughout Statoil — connecting horizontally across business areas and functions and connecting vertically to translate messages across organizational levels.
- **In Times of Change:** Needing to demonstrate proactivity and ability to deal with ambiguity.

Developing these leaders in a forward-thinking and impactful way aimed to support Statoil’s ability to bridge the gap between layers of leadership and to spark a new approach to developing leaders.

Overview

Crucially, “Accelerate Your Leadership” (AYL) is not a “program.” The nine months of AYL provide an immersive experience where leaders gain a variety of blended inputs to shape their leadership every day and enhance their existing leadership practice. AYL enables participants to learn how to develop as leaders: learning from their experience, learning through coaching and reflection and learning from other leaders.

AYL is a nine-month development journey that puts on-the-job learning at the center and draws on the leader’s ability to develop, innovate and find new solutions to complex leadership challenges. AYL is carefully designed using a blended learning approach and as

such incorporates a combination of different learning methods: collaboration and learning from peers, weekly Yammer actions linked to corporate priorities, leadership coaching from their line manager, knowledge on demand and a real-life task called “The Accelerator” and face-to-face workshops.

The following diagram outlines the AYL nine-month journey.

Figure 1: AYL Nine-Month Journey



Source: Statoil

At the beginning of the AYL design, the main objective of AYL was to shift the behaviors and mindsets of leaders to support the business objectives during times of change and in line with new leadership expectations. These goals were articulated:

- For Statoil, the experience will support all mid-level leaders to thrive in today’s organization, as well as leading toward the future of Statoil: driving change, driving efficiency, driving business and driving performance and learning.
- For each mid-level leader, the experience will feel timely, tailored and innovative. The experience puts work at the center, supporting leaders to develop in their context.

These translated into a simple set of learning goals for AYL participants:

- Understand the purpose and value of leaders of leaders.
- Improve personal impact leading leaders, leading in the matrix and leading change and innovation.
- Understand and deliver on Statoil’s sharpened strategy.



- Build personal network across Statoil.
- Enable continuous leadership development.

Now into Cohort 8, greater than 90% participants rate that their learning goals were met in AYL. From an organizational perspective, early indicators of a cultural shift are present where leaders recognize they need to be accountable for their development.

Reviewing the outcomes achieved against the original goals:

1. Shift the behaviors and mindsets of leaders to support the business objectives during times of change and in line with new leadership expectations.

What Statoil has seen:

- A new understanding of how to drive change and manage stakeholders — sparked by the experience of the Lean start-up approach in the Accelerator.
- Leadership coaching becoming embedded in the way that leadership works at Statoil.
- Leaders recognizing the value of networking and realizing they can reach out and have dialogues across leadership layers — reducing siloed thinking.
- People development becoming embedded in leadership with a refreshed view on the value of feedback.
- Increased participation on Yammer as a digital approach to development (embedding Yammer as Statoil’s learning and collaboration tool within Office 365)

2. Support all mid-level leaders to thrive in today’s organization, as well as leading toward the future of Statoil: driving change, driving efficiency, driving business and driving performance and learning.

What Statoil has seen:

- A wealth of Accelerator outcomes that have provided long-term value to Statoil. A few examples include: contribution to entering Japan as a new market, building a digital toolbox to support culture change and creation of a digital leadership app to enable leadership development in a digital world.

3. The experience will feel timely, tailored and innovative. The experience puts work at the center, supporting leaders to develop in their context.

What Statoil has seen:

- 75% of participants said they would not be able to learn what they have learned during AYL in a different, but equally effective way.
- AYL challenged and contributed to change a learning culture embedded in Statoil's learning strategy, aiming to make 70/20/10 learning a reality.
- The elements of AYL embody a 70/20/10 approach: 70% of learning comes on-the-job through actions and the Accelerator; 20% of learning comes from coaching and mentoring with their leader and peers; and 10% of learning comes through formal learning in the workshop format. The different structure of AYL reduced the amount of "spoon-fed" learning with many elements of AYL crafted as metaphors for leadership.

Design of the Program

The design of AYL started in July 2015. The design was grounded in the organizational goals and the initial visioning workshops sought to answer four questions:

- Why do we need to develop leaders of leaders?
- What does an effective leader of leaders look like?
- How will we develop leaders of leaders?
- What will be the outcome?

The conversation and iteration between Statoil and Mercer led to the development of the framework underpinning AYL in terms of what leaders learn.

Figure 2: AYL Framework

What I do	Leading leaders		Leading in the matrix		Leading change and innovation	
What I deliver	Strategic direction	Performance culture	Collaborative culture	Operational efficiency	Commercial instinct	Safety & Security
How I lead	Shape the future		Empower people		Deliver results	
Our DNA	Our Values					

Source: Statoil

In AYL, leaders explore:

- What you do that is unique to your level — leading leaders, leading across the matrix of Statoil and leading change and innovation.
- What you deliver — there are a number of Statoil priorities that leaders of leaders play a key role in delivering from strategic direction to safety and security.
- How you lead and your DNA — the leadership profile and values underpin how you lead leaders.

AYL was designed to be a nomination program and carefully articulated what a “leader of leaders” looks like within Statoil. Nominations are curated to ensure diverse groups of leaders come together in each AYL cohort. AYL places high responsibility on leaders for their personal learning and requires that they set aside significant time. The invite to start AYL comes from the CEO to set expectations and ensure a high level of prioritization onto development.

The design was created in a playbook to bring together all elements of the design leaders were to receive across the nine-month journey. Each element of the journey mapped to the AYL content framework to ensure coverage.

There are two major strands to AYL:

Your Actions:

The greatest learning occurs when development happens on-the-job. As such, AYL participants receive an action posted to their private Yammer group each week which supports them in their everyday work. Each action is linked to a corporate priority and the leadership expectations of shape, empower and deliver. Yammer also is used as a platform for engaging leaders in dialogue, learning from each other and sharing best practice. Leaders are supported in completing the actions by leadership coaching and knowledge on demand.

The Accelerator:

In the Accelerator leaders use a start-up mindset to solve a critical Statoil challenge as part of a team. By working on a common project, the participants practice working across the matrix and leading change through developing innovative solutions. There are three stages:

- **Imagine:** Develop an idea for a challenge to be considered for The Accelerator.
- **Incubate:** Understand the context and prove there is a problem. Create ideas for a solution and develop an initial test solution.
- **Accelerate:** Launch your initial test solution in Statoil and generate sustainable value.

The process of creating an “initial test solution” (drawing from the idea of a minimum viable product) was designed to immerse leaders in a new way of delivering change. The Accelerator works on a real challenge but also forms a playground for leaders to practice new skills and each stage is coupled with reflection to bring learning back to their role.

Three two-day face-to-face workshops punctuate the journey to bring the group together. Participants come together to engage in dialogue and reflection with Statoil leaders, build skills and work on the Accelerator.

The design evolved through an iterative approach. The first cohort started AYL in November 2015, just four months from the start of design. The design was iterated in three batches alongside delivery of the first cohort. This ensured that the design was true to life for Statoil. It also allowed the second cohort to begin without waiting for a full nine-month pilot to complete. The design is tweaked and updated on a regular basis. The

flexibility in design ensures adaptability with organic change developing between every workshop. Each group has a slightly different experience that has built upon learnings from previous workshops.

The AYL design uses five fundamental principles that make it distinct from other leadership development.

1. AYL recognizes that development happens on the job — instead of believing that the magic happens in the classroom. The main threads of AYL are on-the-job learning. The community of leaders is given one action to complete each week. A small nudge toward change that allows them to develop one step at a time. The content is then provided on demand to support leaders to complete the actions right at the point of need.
2. AYL enables leaders to accelerate change — the Accelerator is the other thread of on the job development that makes AYL different. Each leader pitches an idea of a challenge in the organization and the top three are selected by the group to enter the Accelerator. Over the nine months, the teams must drive radical change, coming up with a solution, implementing it and demonstrating the value.
3. AYL recognizes that leadership development is a journey — providing a nine-month journey to give leaders the time they need to develop.
4. AYL is grounded in the unique role of leaders of leaders — this supports them to build their identity as a community of leaders and understand the transition to their role — leading leaders in the matrix in times of change.
5. AYL is leader-led — the leader of each participant is held accountable for enabling effective development. They act as coaches throughout the development journey.

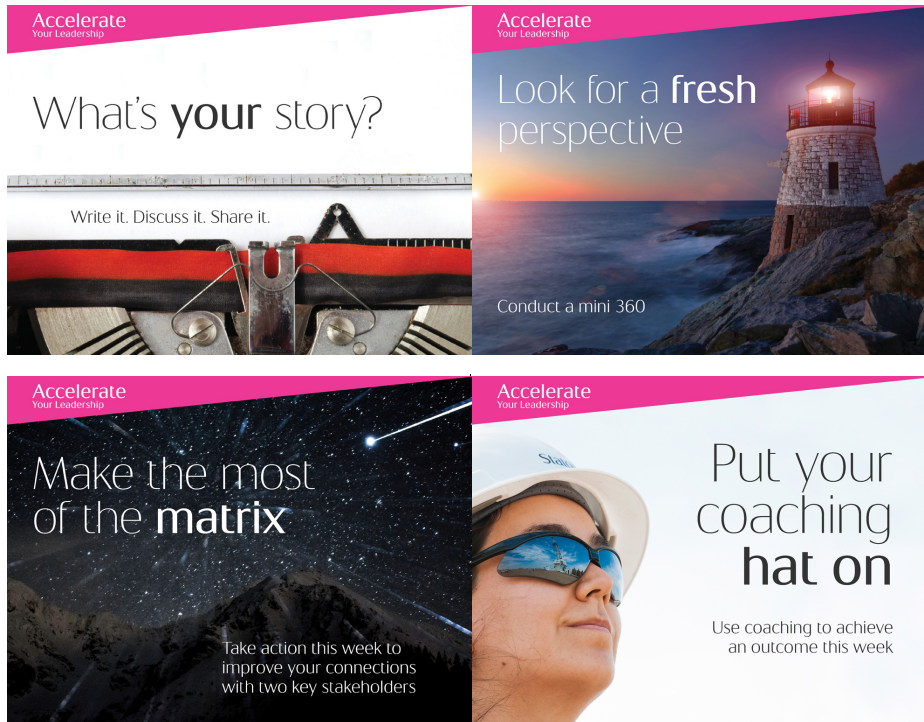
Delivery of the Program

The reality of delivering a truly blended journey can be understood through the different elements of AYL and the challenges experienced bringing them to life in delivery.

Your Actions – Develop the Way You Lead Leaders, One Step at a Time.

Actions are delivered each week in the private AYL Yammer group. There is a separate group for each AYL cohort.

Figure 3: AYL Actions



Source: Statoil

The challenge: building participation in an online learning community. The reality is that building a social learning culture has taken time and different stages of maturity have been apparent across different cohorts. The initial challenge was setting clear expectation and understanding of the role of Yammer — this was done through a virtual briefing but also time spent calling participants individually to provide tailored support. The challenge is now moving into quality discussion.

The Accelerator – Develop as a Leader, Grow As a Team and Add Value to Statoil.

The Accelerator immerses into the everyday lives of the leaders on AYL. The three stages run through the nine-month journey. Selection of the right three challenges to work on is critical and brings to life the tough decision these leaders face daily. The Accelerator uses real Statoil challenges imagined by the leaders. Key criteria help leaders brainstorm something suitable:

- **Will Add Value** — What will really make an impact in Statoil?
- **Is Cross Boundary** — How can you link across the matrix?

- **Will Have Learning Impact** — What will interest you and your peers for the next 9 months?
- **Is Implementable** — Can you measure value during the AYL journey?

At the first workshop, each leader pitches his/her idea. The whole group then is empowered to select the top three challenges to work on for nine months.

The Accelerator instructions are based on a Lean start-up methodology, enabling leaders to address change and innovation in a very different way. The leaders work together in a self-managed way to work through the Accelerator stages, creating an environment for them to practice their leadership.

Figure 4: Accelerator Instructions



Source: Statoil

The challenge: setting all Accelerator teams up for success. Selection of Accelerator board members has been crucial to enabling success. Each Accelerator team gains a board member to sponsor the process, provide mentoring and access to stakeholders and provide feedback on progress. It has been a cultural challenge to empower leaders to bridge boundaries across leadership levels. A design tweak increased interaction with the Board members at Workshop 1 to give input and connect at critical early stages.

Leadership Coaching – Connect With Your Leader.

Leaders on the AYL journey set up their own coaching sessions with their leader to take ownership of this element of AYL.

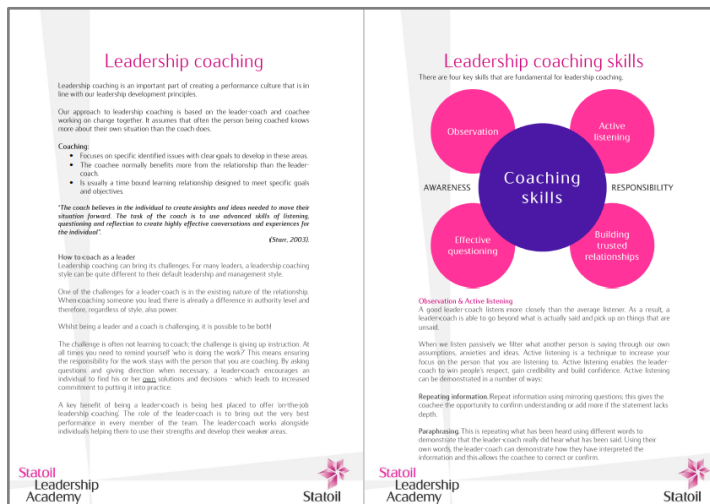
The challenge: empowering leaders of participants to provide coaching. The role of a participant’s leader is fundamental to the success of AYL, however, different levels of capability existed to support. The solution has been to provide virtual coaching

masterclasses to leaders of participants to enable them to take on their role. Each leader of a participant is invited to a virtual session alongside the AYL participant journey, providing a forum for them to practice their leadership coaching skills.

Knowledge on Demand – Get Information, Fast.

Bite-size knowledge elements are delivered via Yammer. Where possible, these also are uploaded onto the Statoil intranet to allow a wider pool of leaders to benefit.

Figure 5: Knowledge on Demand



Source: Statoil

Workshops – Come Together to Build Your Skills and Work on the Accelerator.

To set the tone for a different approach to development, leaders come into the first workshop and are immediately thrown into the deep end with an engaging team activity and challenge. The workshops have no slides or presentation. The focus is on interaction and engagement within the room, participate in dialogue, coaching and reflecting.

The “Statoil café” has been a core element of the workshops with members of the executive team representing each corporate priority coming to share their views and engage in a learning dialogue with the leaders. This has enabled a new mechanism of leader-led development and leaders teaching leaders.

Measurable Benefits

The picture of measurable benefits can be established through a number of inputs.

Quantitative participant feedback demonstrates the power of AYL in shaping leadership development.

- 100% of participants answered 4 or higher out of 6 for applicability of learning to work, including awareness of leadership style and more focus on how teams and tasks are approached.
- 75% of participants said they would not be able to learn what they have learned during AYL in a different but equally effective way.

Qualitative participant feedback shows how the learning goals are received in practice by leaders:

- Understand the purpose and value of leaders of leaders:
“The structure of the program provides the right setting to reflect on the purpose of leaders of leaders, our role in the organization and the impact we can make in our teams and to Statoil.”
- Improve personal impact leading leaders, leading in the matrix and leading change and innovation:
“I have already put some of the coaching and feedback tools to use in my work. Changes how I communicate, what I communicate and what I focus on/prioritize. It has made me more conscious of how I perform my leadership and what I need to work on.”
- Understand and deliver on Statoil’s sharpened strategy:
“The course was focused on leaders of leaders, but it gave much more. You learned a lot about the strategy work, how to collaborate across ... Especially the experience in the team work across is something that could be valuable beyond leaders (in light of the collaboration value).”
- Build personal network across Statoil:
“The opportunity to tap into a new network of 30-40 people is something, however, that I more seldom get an opportunity to do. This is a distinctive benefit of this course that is difficult to replicate in other ways.”

- Enable continuous leadership development:
“I think this course is very valuable in developing self-insight which is key to leadership. I also think that the course will have more lasting value for the company as we get tasks on a weekly basis. Previously such courses have been more like events (workshops).”

Understanding the impact of Accelerator projects provides wider business impact from AYL. Examples include:

Digital Toolbox Project (Group 5)

The “digital culture” AYL group addressed the need for digital transformation by creating a toolbox to discuss and create awareness about the cultural aspects of digital transformation. The group focused toward a MVP (minimal viable product), tested it on user groups and used this data in new iterations to improve the toolbox.

At the closure of AYL, the toolbox was handed over to Statoil’s Digital Academy, who included it in their portfolio. The Digital Academy receives good feedback on the toolbox. It provides value for the groups using the elements to create a cultural awareness in relation digital transformation.

DINGO (Group 4)

The AYL “let’s get digital” team addressed “How to prepare Statoil’s leaders to be at the heart of the digital transformation?” The answer was DINGO (digital on the go).

DINGO provides a structured learning approach to build awareness of digitalization designed for Statoil’s leaders by making them curious about digitalization, understand Statoil’s response and finally translate what digitalization means for their own business unit. DINGO is a mobile app designed as a virtual-learning game. A small pilot was conducted with a handful of senior leaders who provided positive and valuable feedback before the end of the accelerator project.

The project was handed over to Statoil’s Digital Academy at the beginning of 2018 and the first live game was planned for mid-April. Interest has been strong for the first game and this has confirmed at this early stage that the demand for such a product is there.

The academy plans to develop the product further to all levels of leaders in Statoil and potentially use the framework to develop it for technical learning.

Entry Japan Team (AYL Group 3)

The challenge pitched at workshop 1: offshore wind energy entry Japan. The Japan team handed over its work and recommendations to New Energy Solution (NES) MC when closing the AYL journey and agreed on further activities to specify findings and recommendations. The team contributed to build a long-term profitable business for offshore wind in Japan and to an approved actionable entry strategy.

Lastly, with “commercial instinct” as a corporate priority AYL needed to ensure a cost conscious approach for delivery. AYL has increased the level of learning on the job, balanced internal and external facilitation with minimal contractor support and utilized Statoil venues to bring down the cost of delivery.

Overall

AYL is now into Cohort 8 with continued success across three years of delivery. As the team reflected, three key lessons emerged.

1. The Value of Perseverance

The challenge of doing things differently really came to life in AYL. In the final reviews prior to launch, senior leaders were questioning where some of the more traditional elements they associate with leadership development could be found. The first group on Yammer was tentative. People didn't take easily to the messages of letting go, of using a coaching style and of learning every day. The confidence in the approach and perseverance of the team worked to make AYL a success.

2. What it Takes to Drive Change and Innovation in a Complex Organization

The introduction of the Accelerator bringing a Lean start-up method into practice has turned on its head what it takes to drive change and innovation in a complex matrix organization like Statoil. The power of networking and stakeholder engagement has been realized with leaders beginning to truly understand the complexity of leading change.

3. The Magic Doesn't Happen in the Classroom

A continued mantra throughout the design and delivery of AYL has been “the magic doesn't happen in the classroom,” however, it is a much-longer journey to support leaders to really take on this message. Leadership development is not just about formal training, it is about continuous everyday learning. Emphasizing the importance of continued learning on-the-job and elevating continuous learning above classroom moments has been — and will continue to be — the legacy of AYL.

AYL is set to continue. But what's more exciting is that AYL has sprouted further initiatives that will transform leadership at Statoil. The leadership-coaching virtual sessions for leaders of AYL participants now are being offered to all leaders to develop leadership coaching at scale. The virtual elements of AYL are increasingly being embedded into other leadership initiatives as a new approach to developing leaders takes off.



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