Rough seas on the link650 essay sample

Economics, Trade



This case may be used by current adopters of:

S. L. McShane Canadian Organizational Behaviour, 5th ed. (Toronto: McGraw-Hill Ryerson, 2004); S. L. McShane & M. A. von Glinow, Organizational Behavior, 3rd ed. (Boston: McGraw-Hill, 2005); S. L. McShane & T. Travaglione, Organisational Behaviour on the Pacific Rim, 1st ed. (Sydney: McGraw-Hill Australia, 2003)

Professor Suzanne Baxter was preparing for her first class of the semester when Shaun O'Neill knocked lightly on the open door and announced himself: "Hi, Professor, I don't suppose you remember me?" Professor Baxter had large classes, but she did remember that Shaun was a student in her organizational behaviour class two years earlier. Shaun had decided to work in the oil industry for a couple of years before returning to school to complete his diploma.

"Welcome back!" Baxter said as she beckoned him into the office. "I heard you were on an East coast oil rig. How was it?"

"Well, Professor," Shaun began, "I had worked two summers in Alberta's oil fields, so I hoped to get a job on the LINK650, the new CanOil drilling rig that arrived with so much fanfare in St. John's two years ago. The LINK650 was built by LINK, Inc., in Dallas, Texas. A standard practice in this industry is for the rig manufacturer to manage its dayto-day operations, so employees on the LINK650 are managed completely by LINK managers with no involvement from CanOil. No one has forgotten the Ocean Ranger tragedy, but drilling rig jobs pay well and offer generous time off. The newspaper said that nearly one thousand people lined up to complete job applications for the 50 nontechnical positions. I was lucky enough to get one of those jobs.

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"Everyone hired on the LINK650 was enthusiastic and proud. We were one of the chosen few and were really pumped up about working on a new rig that had received so much media attention. I was quite impressed—so were several other hires—with the recruiters because they really seemed to be concerned about our welfare out at sea. I later discovered that the recruiters came from a consulting firm that specializes in hiring people. Come to think of it, we didn't meet a single LINK manager during that process. Maybe things would have been different if some of those LINK supervisors had interviewed us.

"Working on LINK650 was a real shock, even though most of us had some experience working along the Newfoundland coast. I'd say that none of the 50 nontechnical people hired in St. John's was quite prepared for the brutal jobs on the oil rig. We did the dirtiest jobs in the biting cold winds of the North Atlantic. Still, during the first few months most of us wanted to show the company that we were dedicated to getting the job done. A couple of the new hires quit within a few weeks, but most of the people hired in St. John's really got along well—you know, just like the ideas you mentioned in class. We formed a special bond that helped us through the bad weather and grueling work.

Employment "The LINK650 supervisors were another matter. They were tough SOBs who had worked for many years on oil rigs in the Gulf of Mexico or North Sea. They seemed to relish the idea of treating their employees the same way they had been treated before becoming managers. We put up with their abuse for the first few months, but things got worse when the

LINK650 was brought into port twice to correct mechanical problems. These setbacks embarrassed LINK's management and they put more pressure on the supervisors to get us back on schedule.

- "The supervisors started to ignore equipment problems and pushed us to get jobs done more quickly without regard to safety procedures. They routinely shouted obscenities at employees in front of others. Several of my work mates were fired and a few more quit their jobs. I almost lost my job one day just because my boss thought I could secure a fitting faster. Several people started finding ways to avoid the supervisors and get as little work done as possible. Many of my co-workers developed back problems. We jokingly called it the `Hibernia backache' because some employees faked their ailment to leave the rig with paid sick leave.
- "On top of the lousy supervisors, we were always kept in the dark about the problems on the rig. Supervisors said that they didn't know anything, which was partly true, but they said we shouldn't be so interested in things that didn't concern us. But the rig's problems, as well as its future contract work, were a major concern to crew members who weren't ready to quit. Their job security depended on the rig's production levels and whether CanOil would sign contracts to drill new holes. Given the rig's problems, most of us were concerned that we would be laid off at any time.
- "Everything came to a head when Bob MacKenzie was killed because someone secured a hoist improperly. You probably read about it in the papers around this time last year. The government inquiry concluded that the person responsible wasn't properly trained and that employees were

being pushed to finish jobs without safety precautions. Anyway, while the inquiry was going on, several employees decided to call the Seafarers International Union to unionize the rig. It wasn't long before most employees on LINK650 had signed union cards. That really shocked LINK's management and the entire oil industry because it was, I think, just the second time that a rig had ever been unionized in Canada.

"Since then, management has been doing everything in its power to get rid of the union. It sent a `safety officer' to the rig, although we eventually realized that he was a consultant the company hired to undermine union support. One safety meeting with compulsory attendance of all crew members involved watching a video describing the international union president's association with organized crime. Several managers were sent to special seminars on how to manage under a union work force, although one of the topics was how to break the union. The guys who initiated the organizing drive were either fired or given undesirable jobs. LINK even paid one employee to challenge the union certification vote. The labour board rejected the decertification request because it discovered the company's union-busting tactics. Last month, the labour board ordered LINK to negotiate a first contract in good faith.

"So you see, Professor, I joined LINK as an enthusiastic employee and quit last month with no desire to lift a finger for them. It really bothers me, because I was always told to do your best, no matter how tough the situation. It's been quite an experience."