

# The world's largest petroleum and oil manufacturers

[Business](#), [Industries](#)



The paper highlights on one of the world's largest petroleum and oil manufacturers, Chevron Group PLC. The sole purpose of this paper is to give a snapshot and the detailed understanding of the learning organisations and knowledge management. The know-how's and the secret behind the success of gaining competitive advantage is also discussed further more in this paper. The clear and concise understanding of implementation, best practices of knowledge management and development, retention and sharing is also structured in this paper.

Chevron has been particularly adopted in this case study for the purpose of presenting how a typical 'Learning Organisation,' carry out their activities. Terms such as the five disciplines of Senge's and the Ten-Pillar Model (the ten characteristics) of a learning organisation are laid out with special distinction on how 'Chevron' operate. Introduction Chevron is the world's fourth largest publicly-held company in terms of oil and gas reserves with a net income of \$7.2 billion US dollars with over 50,000 employees all over the world.

They are an international leader in finding, producing, and marketing oil and gas, as well as other energy products. Active in more than 180 countries, the company's Caltex-, Texaco- and Chevron-branded products hold top-tier rankings worldwide. "... organization that learns faster and better than competitors through benchmarking . . . through sharing and implementing best practices . . . by learning from experience . . . and through continuous individual learning and personal growth" Kenneth T. Derr, Chairman of the board and Chief Executive Officer, Chevron Corporation 1999.

Senge's model of the five disciplines of the learning organisation encompasses personal mastery, shared vision, mental models, team learning and, the 'fifth discipline', systems thinking. The Ten-Pillar Ideal Learning Organisation Model A learning organisation is one that that learns and encourages learning among its employees. It promotes exchange of information between employees hence creating a more knowledgeable workforce. This produces a very flexible organisation where people will accept and adapt to new ideas and changes through a shared vision.

In summary, it is " an organisation that facilitates the learning of all its members and continuously transforms itself" (Starkey K, Tempest S and McKinlay A, 2004, Pg 525) Alternatively, Skyrme has drawn on the theories of Dixon, Pedler et al and Senge: " Learning organizations are those that have in place systems, mechanisms and processes, that are used to continually enhance their capabilities and those who work with it or for it, to achieve sustainable objectives - for themselves and the communities in which they participate" (www. skyrme. com)

This model is derived from the work of accomplished writers and workers in the knowledge management field which includes Senge, Kotter, Pedler, Garvin and Argyris amongst others. Phillip B T suggests that " Key elements in the process of transformation into a learning organisation are honest dialogue and facilitative leadership" (Phillip B T, 2003, pg. 99) 1. Will - Commitment to learning, personal development Chevron recognised the need for self-learning and development and initiated Total Quality Management with the motto " Better then the Best".

They have It has published 'The Chevron Way', which provides a strategic framework for the company and employees by giving a set of objectives, principles and values which encompasses the direction in which the company is heading. Through concepts like benchmarking best practice teams (Human Resource Best Practices and Community Best Practices), the company and its employees are able to learn not only as a team but individually as well.

GIL system has been installed to enhance exchange of know-how between employees and later replaced by personal computer with all standardized, compatible and connected. They make the right people connect and share knowledge across the geographic and organizational boundaries of the company by using global information link through intranet Benchmarking study showed Chevron spending more than competitors on some projects, a best practices and internal know-how to be created by the Chevron Project Development and Execution Process, which is considered to be a world class tool now.

There are two major research groups of research and development management, which supported exploration and production, and oil refining and products. The primary technical 'knowledge centres' is being set up, which resulted of more cost-effective to invest less in that approach and invest more in finding integrating technology from suppliers. Finally, it saved more than \$2 billion per year in operating cost during the 1990s.