



Inspiring Excellence

Internship Report

on

*Institutional and Capacity Needs Assessment Study,
Re-Design of Existing Organogram
With Allocation of Personnel
Along with Detail Job Description*

Submitted to

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MBA Programme

Internship Report
on
Institutional and Capacity Needs Assessment Study,
Re-Design of Existing Organogram
With Allocation of Personnel
Along with Detail Job Description
for



*Bangladesh Petroleum Exploration and
Production Company Limited (BAPEX)*

through



*Infrastructure Investment Facilitation
Company*

Letter of Transmittal

September 2018

Dr. Suman Paul Chowdhury

Assistant Professor

BRAC Business School

BRAC University

Subject: Submission of the Internship Report

Dear Sir,

With due respect, I am pleased to present you this report on “BAPEX” as a partial requirement of the graduation Program. I would like to inform you that, I am Abontee Barua bearing student ID: 16164042, a student of MBA Programme of BRAC University. My major was on Human Resource Management and it is my great pleasure to inform you that I get the opportunity to submit an internship report on “Institutional and Capacity Needs Assessment Study, Re-Design of Existing Organogram with Allocation of Personnel Along with Detail Job Description of BAPEX” through IIFC. Working for this report has been an interesting & informative experience for me. While doing this report, I learned how to integrate plenty of information into a concise volume.

I tried my level best to put meticulous effort for the preparation of this report. Any shortcomings or flaw may arise as I am very much novice in this aspect. I will wholeheartedly welcome any clarification and suggestion about any view and conception disseminated in my report.

Sincerely yours,

Abontee Barua

ID: 16164042

BRAC University.

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In this regard, I acknowledge through IIFC the all-out support of each member (Mr. A.K.M. Ruhul Islam Chowdhury, Mr. AKM Anwarul Islam, FCMA, Mr. Md. Abdul Wahid Khan, Ms. Zakia Islam, Engr. Monowarul Islam, Mr. Md. Sujaul Hassan, Engr. Ananta Kumar Kar, Engr. Md. Fazlul Haque, and Mr. Nur Hossain) of the BAPEX Steering Committee and other officials of different capacities from various divisions including Company Secretariat, Medical department and members of CBA. It was a great opportunity for me to do internship in such an organization. The experience I have gathered through this project will be a privilege for my future career planning.

I am very grateful to Infrastructure Investment Facilitation Company (IIFC) for appointing me in this project of Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) on ‘Institutional and Capacity Needs Assessment, Re-Design of Existing Organogram with Allocation of Personnel along with Detail Job Description’.

Executive Summary

This is the internship report based on the three-month long internship program that I had successfully completed in Infrastructure Investment Facilitation Company (IIFC), which was truly a good starting in the path of once career.

IIFC is deeply involved especially, Public-Private Partnership (PPP) in port, power, energy, economic zones, roads, etc. IIFC is also involved in capacity building, institutional reforms, impact assessment, performance management system, monitoring & evaluation of projects etc. with a proven track record.

During my internship period, I was assigned to work in the project of BAPEX, which helped me to gain huge knowledge on organogram, job descriptions, of an organization. This report includes the brief introduction of BAPEX, their existing and proposed job descriptions, organogram and whole operation system and proposed features to develop their different sectors.

Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) was established in 1989 as the national exploration company by abolishing the Exploration Directorate of Petrobangla with a view to accelerating oil and gas exploration activities of the country. BAPEX was transformed into an exploration and production company in 2000 with a view to making it self-reliant. Currently BAPEX is producing approximately 128 mmcf/d of natural gas (with negligible amount of liquid) from its seven onshore gas fields (Saldanadi, Fenchuganj, Shahbazpur, Semutang, Shahjadpur-Sundalpur, Srikail and Begumganj) and is contributing significantly towards mitigating the increasing gas demand of the country. Besides, exploration and drilling activities in its awarded areas, BAPEX has also been offering drilling and work-over services to other sister concerns of Petrobangla since the very beginning.

Activities of BAPEX can be categorized under 9 (nine) broad categories:

- Geological Survey,
- 2D & 3D Seismic API,
- Drilling and Work-Over Operations
- Well services (Well cementing, Mud Engineering, Well Logging, Well Testing)
- Laboratory Services
- Data Management and Preservation
- Production (e.g. Process Engineering, Field Management, Maintenance etc.),
- Civil Engineering and,
- Joint Venture Co-operation.

For performing all the mentioned functions effectively and efficiently, currently there are 14 Divisions, 54 Departments and 111 Sections operating at BAPEX. According to the latest statistics, BAPEX now has around 1015 employees, against approved position of 1866. Out of this total manpower, number of total officer level employees stands at 399 while total number of staffs is 616 including 293 outsourced staff. BAPEX also deploys a significant number of employees on part time, project and contractual basis.

While on one hand BAPEX currently suffers from non availability of adequate number of people on roll to undertake different activities of the organization, lack of necessary skills and capabilities of the available manpower is also another important issue affecting performance.

In view of above, Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) has commissioned the services of Infrastructure Investment Facilitation Company, Dhaka, to undertake a study on its behalf covering “Institutional and Capacity Need Assessment of BAPEX and Re-design of existing Organogram with Allocation of Personnel along with Detail Job Descriptions”. Broad objective of this project includes:

- (i) Overall institutional assessment of BAPEX;
- (ii) Organization wide diagnosis of human resources;
- (iii) Identification and analyses of international best practices for capacity enhancement;
- (iv) Identification of gaps of current practices in BAPEX with those of the international standards and check their compatibility with BAPEX;
- (v) Recommend measures for structured capacity development at BAPEX and
- (vi) Preparation of Organizational set-up up to the Sectional Level, along with detail Job description of the Personnel.

As per Re-designed Organogram, proposed number of manpower against approved and existing is presented below:

Overall Manpower Scenario

Position	Officer	Staff			Total Manpower
		Permanent	Outsourced	Total	
Proposed	744	722	692	1414	2158
Existing	399	323	293	616	1015
Approved	656	917	293	1210	1866

Increase/Decrease(+/-) of Manpower Scenario

Position	Officer	Staff			Total Manpower
		Permanent	Outsourced	Total	
Proposed	744	722	692	1414	2158
Approved	656	917	293	1210	1866
(+/-)	(+ 88)	(- 195)	(+ 399)	(+ 204)	(+ 292)

Position-wise Break-up of Officer (Increased)

Position	MD	ED	GM	DGM	M	DM	AM	JO	Total (Officer)
Approved	1	2	14	63	116	149	234	77	656
Existing	1	0	10	51	91	92	111	43	399
Proposed	1	2	15	76	144	173	253	80	744
Increased (+)	0	0	(+ 1)	(+ 13)	(+ 28)	(+ 24)	(+ 19)	(+ 3)	(+ 88)

Abbreviations

ACR	Annual Confidential Report
AD	Assistant Driller
ADC	Assessment Development Centers
AM	Assistant Manager
API	Acquisition, Processing and Interpretation
BAPEX	Bangladesh Petroleum Exploration and Production Company Limited
BCF	Billion Cubic Feet
BGFCL	Bangladesh Gas Fields Company Limited
CBA	Collective Bargaining Authority
CDA	Conduct, Discipline Appeal
Com. Op.	Computer Operator
CNG	Compressed Natural Gas
CEO	Chief Executive Officer
DIC	Drilling –In-Charge
DM	Deputy Manager
DS	Drilling Superintendent
DGM	Deputy General Manager
DOP	Delegation of Power
EMRD	Energy and Mineral Resources Division
ED	Executive Director
E-PAR	Multidimensional Performance Evaluation System
ERD	Economic Relations Division
E&P	Exploration and Production
GIIP	Gas Initialy in Place
GM	General Manager
HCU	Hydrocarben Unit
HSE	Health, Safety and Environment
HRD	Human Resource Development
HRM	Human Resource Management
HR	Human Resource
ICT	Information & Communication Technology
IIFC	Infrastructure Investment Facilitation Company
IOC	International Oil Company
ITLOS	International Tribunal for the Law of the Sea
JD	Job Description
JO	Junior Officer
KRAs	Key Result Areas
KPLs	Key Performance Indicators
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
M	Manager
MD	Managing Director
MMCFD	Million Cubic Feet-Per Day
MPEMR	Ministry of Power, Energy and Mineral Resources

MIS	Management Information System
NGL	Natural Gas Liquids
OGDC	Oil and Gas Development Corporation
ONGCL	Oil and Natural Gas Corporation Limited
PMS	Performance Management System
PPE	Personal Protective Equipment
PPL	Pakistan Petroleum Limited
PCP	Project Concept Paper
PP	Development Project Proposal
PTT	PTT Public Company Ltd, Thailand
PSC	Production Sharing Contract
Rig. Mrg.	Rig Manager
ROI	Return on Investment
SGFL	Sylhet Gas Fields Limited
SWOT	Strength Weakness Opportunity Threats
TCF	Trillion Cubic Feet
TD	Trainee Driller
TOR	Terms of Reference
TP	Tool Pusher
TAPP/TPP	Technical Assistant Project Proposal/ Technical Project Proposal
T&D	Training &Development

1 Introduction

Preparing internship report is different from the reports we used to prepare for a specific course. Here as a post-graduate, we have to express our abilities and analytical findings gathered after finishing the internship program and need to portray in formal way. IIFC is a management consultancy under Economic Relation Department, Ministry of Finance.

The internship program was carried on the HR Department of IIFC. All information stated in this report was collected during the three-month long internship period in IIFC.

1.1 Objectives of the Report

The main objective of the report is to gain practical knowledge and experience on Human Resource and how to arrange organogram, job descriptions and how to handle other HR issues in an organization. The specific objectives are given below:

- Preparing this report is compulsory for completing BBA Degree
- To match my academic knowledge with the real corporate business set up.
- To enlarge my experience from a real corporate exposure.
- To know the overall infrastructures of Bangladesh
- To conduct organization wide diagnosis of human resources
- To describe the HR function, structure and its procedures, rules and regulation.
- Identify gaps of current practices with those of the international standards and check their compatibility
- Preparation of Organizational set-up up to the Sectional Level, along with detail Job description of the Personnel.
- To understand the internal and external environment of the organization.
- Provide related recommendations

1.2 Scope of the report

This report aims at reflecting the real life working environment to the fresh postgraduate students. This report on IIFC's working experiences with others organizations provides an opportunity to discover how in reality govt., non govt. organizations organize their HR functions, particularly the organograms, job descriptions, need analysis process. It gives a scope of learning with comparison between real life scenario and the subjective knowledge. This report will explain how proper policies are maintained for the organograms, job descriptions, need analysis process in such organizations.

The assignment is to be completed through the following tasks:

- Conducting Institutional Assessment of BAPEX
- Conducting division/department-wise diagnosis of human resources of BAPEX
- Identification of international best practices for human resources
- Identification of gaps in current practices in BAPEX with international Best practices
- Redesign of BAPEX Organogram
- Preparation of Recommendation Report

1.3 Methodology

For achieving the specific objectives of this study, data were gathered from both primary and secondary sources.

We study the existing HR issues of the organization, and compared these to international standards. We discussed with the various officials and collected informations, requirements, and incorporating their commens in the reports by keeping their mission, vision and practices in mind.

The organogram for BAPEX has been finalized considering

- The discussions held with the Steering Committee over the all meetings
- Guidance received from the MD,
- The consultants' understandings of the international practices for E&P industry.

Finally based on the inputs received from BAPEX, the Final report has been prepared and submitted as per agreed timelines for conclusion of the assignment.

1.4 Limitations

Due to limited scope and time constraints of internship program it is quite impossible to cover up all the activities of HR. This report may not provide the whole picture as IIFC has some secrecy and confidential factors they do not disclose all the information needed. The basic limitations faced in preparing the report were-

- The HR's policy of not disclosing some data and information for obvious reasons, which would have been very much useful for the report.
- Few officers sometime felt disturbed, as they were busy in their job. Sometime they didn't want to supervise me out of their official work.
- Sometimes it was difficult to collect data from their files, because important files are kept in confidential for safety.
- The whole HR system itself is a very sensitive issue. So many information are not been disclosed as sack of secrecy.
- It is difficult to make this information based report within a short time period.

2 Organization at a Glance (IIFC)

Infrastructure Investment Facilitation Company (IIFC), a global consulting company based in Bangladesh incorporated in 1999 as a company limited by guarantee under the Companies Act 1994. It became operational in January 2000. IIFC's objective is to provide a wide range of management consultancy services to the clients around the world.

IIFC is an advisory body of the Government of Bangladesh, under Economic Relations Division, Ministry of Finance for facilitating Public Private Partnership (PPP) in infrastructure development of Bangladesh. IIFC made valuable contributions in liberalization and reforms carried out in Bangladesh since 2000, especially in strengthening PPP capacity and ownership.

IIFC not only facilitated important government decisions for enhancing and encouraging PPP in the country, but also created real life opportunities for attracting private investment in infrastructure. IIFC maintains a pool of staff and experts and operates by engaging local and expatriate consultants. Both the payroll staff and retainers are renowned professionals in their respective areas of specialization and a large number of them have experience of working overseas in multi-national and multi-cultural teams.

IIFC is deeply involved especially, Public-Private Partnership (PPP) in port, power, energy, economic zones, roads, etc. IIFC is also involved in capacity building, institutional reforms, impact assessment, performance management system, monitoring and evaluation of projects etc. with a proven track record.

IIFC has credential in different countries around the world, mainly in, Africa and Sub-Saharan Countries. IIFC has implemented different projects related to PPP in those countries. IIFC has also acquired formidable cultural knowledge and norms regarding the regional countries mentioned above. IIFC's countries of experience include: Bangladesh, Sri Lanka, India, Pakistan, Nepal, Indonesia, Kenya, and Rwanda. Besides, IIFC's permanent staff consultants have experience in working in countries like Philippines, Indonesia, China, Hong Kong, Malaysia, India, Pakistan, Sri Lanka, Myanmar, Rwanda, Solomon Islands, Iran and Tahiti.

2.1 Human Resource Development and Management

The company is following a defined method of procuring and engaging the permanent staff, with proper advertisement and transparency ensured by creating separate recruitment committees at different levels. IIFC maintains a dedicated desk for advertising the positions, screening and taking interviews of the potential candidates. In fact, IIFC's recruitment system is inherited from the World Bank system of procuring services, when IIFC was born as a World Bank funded project of GOB, Private Sector Infrastructure Development Project (PSIDP). In fact, it was then mandatory for us to comply with World Bank and GoB procurement rules, for hiring employees and consultants.

Professional staffs are offered external visits and training programs, and assisted for their career planning and development. The high quality of professional outputs is ensured through a set of performance appraisal criteria of each staff to fulfill high-level satisfaction of the clients.

3 Experience as an Intern

MBA Program comes to end by finishing the Internship. This Internship program is one of the major parts of postgraduation. In Today's competitive world as a new entrant we need the practical experience rather than the bookish knowledge. So there is nothing more effective and helpful than the internship. This type of program helps the student to acquire practical knowledge through the direct involvement in various Organizations. Moreover the tenure of internship program helps the students to adjust in this new world and to become the future executive. Considering the start of once career the internship is the first and the lasting working experience for the fresh graduates.

As the part of MBA Program BRAC University assigned me to prepare the internship report on "Institutional and Capacity Needs Assessment Study, Re-Design of Existing Organogram with Allocation of Personnel Along with Detail Job Description for BAPEX " from the practical exposure. As an intern of Infrastructure Investment Facilitation Company I have given my best effort to complete this report. I was assigned as a research associate in one of the projects of HR department of IIFC. Although my internship period, I tried to valuable to the team and do my assignment not only as an intern but also give my best to it. I made frequent communication between the supervisor of my team as well as with manager which is vital to project success.

My supervisor would brief me with a project that was being worked on and assign me to a specific task; from there I would work on it until completion. As an intern, I was also pulled onto jobs in the HR Department and managed to work with BAPEX. For this type of work, I would meet with national and international HR experts and consult with them on various HR practices. This experience is preparing me in a number of ways from office etiquette, to working with deadlines, to gaining knowledge from hands on training. I have learned how a government office operates, who oversees what, and how to network with the different departments I've been exposed to. In the future I will be well prepared to embrace deadlines and make sure that I'm applying myself in the best manner to complete the project. This project gives me a clear knowledge on HR issues and practices which are very valuable and helpful to my future experience in corporate world.

4 Main Topic

Hydrocarbon industry of the country is dominated by natural gas, which provides its main source of energy. Natural Gas is the principal source of commercial energy which accounts for about 72% primary commercial energy supply in the country. It is used for generation of electricity, manufacturing of urea fertilizer, industrial, commercial and domestic purposes and also for burning of bricks, tea processing and as fuel for CNG operated vehicles. About 72.42% of the country's electricity generation is gas based while seven urea fertilizer factories use natural gas as feedstock. The number of discovered Gas fields in the country is 26. Presently, 20 gas fields are in production which produces in aggregate at a rate of about 2,600 MMCFD.

The Government of Bangladesh has a vision to become a middle income country by 2021 and a developed country by 2041. Bangladesh is one of the fast growing economies in the Asian region. Its GDP is growing at rate higher than 6%. A developing country's growth is generally coupled with the growth in energy consumption because of high dependence on the manufacturing sector. In other words, consumption of energy is one of the yardsticks of economic development. Dependable supply of energy at affordable cost is a precondition for sustainable growth. With fast paced growth and upliftment in the standard of living, demand for energy is growing rapidly in Bangladesh. In recent years, demand for natural gas has surpassed supply, leaving the country facing an energy shortfall.

4.1 Bangladesh Upstream Industry

Overview

Though it was not successful, the first exploration well in this region (now Bangladesh) was drilled in Sitakund of Chittagong in 1908. Since then till 1914, four wells were drilled having no success in discovery of oil and/or gas. Then after a long gap, the then Pakistan Petroleum Limited (PPL) discovered the first gas well at Haripur, Sylhet in 1955. It has been noted from available records that during 1904 to 2016 period 83 exploration wells were drilled excluding the one in Mobarakpur, Pabna. This exploration campaign led to discovery of 24 gas fields out of 63 on-shore exploration wells and 2 gas fields out of 20 off-shore exploration wells. Oil and Gas Development Corporation (OGDC) and Exploration Directorate of Petrobangla has drilled 13 of these exploration wells. Since inception on 1 July 1989, BAPEX has drilled 8 exploration wells and discovered 5 fields. The total proven reserve of these fields is 1.5 tcf. Further, in the end of October 2017, BAPEX discovered gas at Shahbazpur East-1 in Bhola Island, which may have around 700 BCF of gas reserve. Production Testing is being carried on.

Bangladesh Oil, Gas and Minerals Corporation (Petrobangla), on behalf of the Government, is the dominant national player (producer) in the country. Chevron is the main international player in Bangladesh, operating the Bibiyana, Jalalabad and Moulavibazar fields, which provide almost 50% of the country's gas production. There is however a strong possibility of Chevron's exit from Bangladesh in near future.

Bangladesh's offshore areas are largely untested and if explored and exploited successfully, this could be a potential bonanza for the nation affected by supply shortages. Subsequent to the 2008 licensing round, Petrobangla signed a contract with ConocoPhillips to explore two deepwater blocks in 2010; however operations in these blocks were adversely affected by maritime boundary dispute. Exploration activities could start in the blocks only after 2012 after successful resolution of the maritime boundary dispute with Myanmar through ITLOS. The block was subsequently relinquished by Conoco Phillips. Currently Daewoo, ONGCL and OIL are the only international E&P players working in offshore blocks in Bangladesh.

Reserves and Production

Figures in Billion Cubic Feet (BCF)

Gas field	Wells	GIIP	Reserve (Recoverable)	Production 2016-17	Cum. Production Jun-2017	Remaining Recoverable Reserve (Jul-2017)
Titas	26	8148.9	6367	191.0	4323.5	2043.5
Habiganj	7	3684.0	2633	81.2	2313.1	319.9
Bakhrabad	6	1701.0	1231.5	14.8	809.8	421.7
Narsingdi	2	369.0	276.8	10.3	186.0	90.8
Meghna	1	122.1	69.9	4.4	63.6	6.3
Sylhet	2	370.0	318.9	2.8	212.6	106.3
Kailashtilla	5	3610.0	2760	23.7	659.4	2100.6
Rashidpur	5	3650.0	2433	20.6	595.9	1837.1
Beanibazar	2	230.7	203	4.2	97.1	105.9
Saldanadi	1	379.9	279	1.9	88.5	190.5
Fenchuganj	3	553.0	381	8.8	152.3	228.7
shahbazpur	3	677.0	390	9.8	32.3	357.7
Semutang	2	653.8	317.7	0.8	12.4	305.3
Sundalpur	0	62.2	35.1	0.0	10.0	25.2
Srikail	3	240.0	161	15.0	61.9	99.1
Begumganj	0	100.0	70	0.0	0.9	69.1
Rupganj	1	48.0	33.6	0.4	0.4	33.2
Jalalabad	7	1491.0	1184	96.6	1094.2	89.8
Moulavibazar	5	1053.0	428	13.7	296.4	131.6
Bibiyana	26	7427.0	5754	436.9	2747.6	3006.4
Bangura	5	1198.0	522	34.8	376.8	145.2
Total	112	35768.6	25848.5	971.6	14134.6	11714.0
Not developed						
Kutubdia		65			0	45.5
Total		65			0	45.5
Production suspended						
Sangu		899.6	577.8		487.9	89.9
Chhatak		1039	474		26.5	447.5
Kamta		71.8	50.3		21.1	29.2
Feni		185.2	125		62.4	62.6
Total		2195.6	1227.1		597.9	629.2

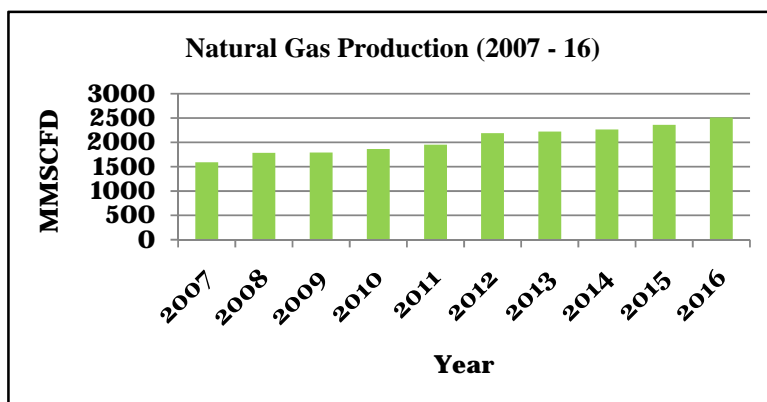
Gas field	Wells	GIIP	Reserve (Recoverable)	Production 2016-17	Cum. Production Jun-2017	Remaining Recoverable Reserve (Jul-2017)
Grand Total		38029.2	27121.1		14732.5	12388.7
In TCF		38.03	27.12		14.73	12.39

Key Players

The key players in the E&P sector include Petrobangla (operating through subsidiaries BAPEX, SGFL and BGFCL), Chevron, Niko Resources, Santos, Daewoo, ONGCL and Oil India Limited. Their areas of operation include

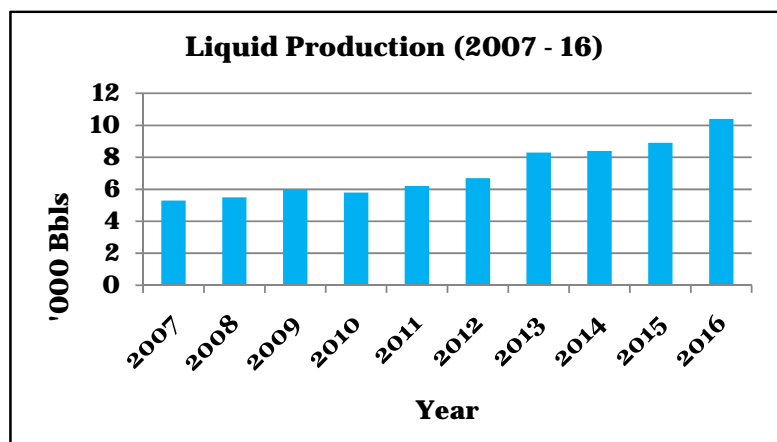
Company	Fields
Petrobangla – BGFCL, SGFL, BAPEX	Titas, Habiganj, Bakhrabad, Narsingti, Meghna, Sylhet, Kailashtilla, Rashidpur, Beanibazar, Saldanadi, Fenchuganj, Shahbazpur, Semutang, Sundalpur, Srikail, Begumgunj, Rupganj
Chevron (Himalaya Energy)	Bibiyana, Moulavi Bazar and Jalalabad
Niko Resources (BAPEX)	Feni, Chattak, Bangora
Santos / ONGC / OIL	Offshore Blocks awarded in 2012/ 2014

Petrobangla operates 17 fields in Bangladesh, through its three subsidiaries, Bangladesh Gas Fields Company Limited (BGFCL), Sylhet Gas Fields Limited (SGFL), and Bangladesh Petroleum Exploration and Production Company Limited (BAPEX). Eleven of these fields are currently producing. However, many Petrobangla operated fields are mature and on decline, and there has not been much addition to its reserves through exploration, primarily due to financial constraints. Chevron, now the largest producer in Bangladesh, successfully increased production at the Bibiyana field to over 1 bcfd in late 2014 taking its total production from its three fields to over 1,200 mmcfd.



Liquid production in the country has remained negligible from the very beginning. With no / limited discovery of conventional crude oil reserves, liquid production is limited to NGL.

¹Source: Wood Mackenzi



Sector-wise projected demand for natural gas over the next five years is indicated in the table below (Source HCU). This calls for significant increase in gas production potential from the current level to meet this demand.

Sector wise Gas Demand Forecast (2017-2022)					
Unit: Billion Cubic Feet					
	2017-18	2018-19	2019-20	2020-21	2021-22
Power	607	657	728	705	709
Captive	152	152	152	152	140
Fertilizer	98	98	98	98	98
Industry	191	253	321	366	390
Commercial	9	9	9	9	9
Domestic	133	133	134	133	133
Tea-Estate	2	2	2	2	2
CNG	41	41	41	39	34
Total	1235	1346	1487	1505	1516

4.2 Role of BAPEX

Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) was established in 1989 as the National Exploration company by abolishing the Exploration Directorate of Petrobangla with a view to accelerating oil and gas exploration activities of the country. BAPEX was transformed into an Exploration and Production company in 2000 with a view to making it self-reliant. Currently BAPEX operates seven onshore gas fields - Saldanadi, Fenchuganj, Shahbazpur, Semutang, Shahbadpur-Sundalpur, Srikail and Begumganj and produces natural gas at a rate of around 128 MMCFD (3.5 MMSCMD). BAPEX plays a major role in contributing to mitigate the increasing gas demand of the country. BAPEX is the only national hydrocarbon company mandated to undertake Exploration and Drilling activities, both in its areas of operations and in those of its sister concerns and IOCs operating in Bangladesh. In addition to the seven fields, BAPEX was awarded exploration blocks 8 & 11 along with some ring fenced onshore structures, where it is undertaking oil and gas exploration and development activities.

²Source: (www.chevronbangladesh.com/)

4.3 The Study

In order to prepare the Company to face its future business challenges in an effective and efficient manner and to perform satisfactorily in an increasingly competitive business environment, the Company has decided to seek the services of an Advisory Firm to recommend a new organogram supported by its manning pattern. Detailed recommendations will focus on the right organogram with reporting relationships to facilitate efficient business operations, optimal employee strength based on need assessment to efficiently man the organogram and deliver business results, qualification, experience and skill sets for such employees, a structured capacity development plan for BAPEX employees and detail job descriptions for generic positions within the organogram.

Keeping all of above in mind BAPEX engaged Infrastructure Investment Facilitation Company (IIFC), a leading strategy and business advisory firm in Bangladesh, to undertake a study on its behalf covering “Institutional and Capacity Need Assessment of BAPEX and Re-design of existing Organogram with allocation of personnel along with detail job descriptions.”

Objective of the Study

Specific objectives of this assignment are provided below:

- a) To conduct overall institutional assessment of BAPEX;
- b) To conduct organization wide diagnosis of human resources;
- c) To identify and analyze international best practices for capacity enhancement;
- d) Identify gaps of current practices with those of the international standards and check their compatibility with BAPEX.
- e) Recommend measures for structured capacity development at BAPEX; and
- f) Preparation of Organizational set-up up to the Sectional Level, along with detail Job description of the Personnel.

Scope of the Study

The Consultants will work with different divisions and departments of BAPEX, relevant public organizations (e.g. Petrobangla and other organizations under Ministry of Power, Energy and Mineral Resources), seek views and support from other leading individuals involved directly or indirectly with the Energy business in order to complete the assignment successfully. BAPEX will support the consultants by providing with all relevant and sharable information about the company including its future plans and programmes.

Technical scope of the study is subdivided into six specific tasks:

Task 1 Conducting Institutional Assessment of BAPEX

This task will involve conducting a high level assessment of BAPEX on as is where is basis. This assessment will include desk-based research, primary interviews with officials of BAPEX at different levels and other relevant functionaries outside of BAPEX. And will help the consultants to develop necessary understanding about BAPEX. Institutional assessment will include identifying and analyzing current constitution, charter and legal status of BAPEX; current strategy and operational framework of BAPEX; organizational structure, hierarchies, organogram, effective decision making process in and outside of BAPEX and inter-relationship of BAPEX with PETROBANGLA and the Government. Institutional assessment will also include analysis of the company’s financial performance to understand the organization’s current financial status and availability of resources for its future plans and programmes.

In addition to that consultants will also review all the relevant future plan documents of the government.

Task 2 Conducting division/department-wise diagnosis of human resources of BAPEX

Primary focus of this task will be on current capacity and need assessment of BAPEX with special focus on human resources. Detailed analysis will include identifying the number of employees working at different divisions and departments. Number of employees of each department will be compared with that volume and complexity of operation of each department. Qualification of the current officers and staffs will be analyzed. Moreover, we will analyze and forecast current and future level of operation of BAPEX which will enable us in recommending short, medium and long term human resource requirement of BAPEX.

Task 3 Identification of international best practices for human resources

We will assess whether current policies and strategies are adequate for the current and future operational needs of BAPEX. We will also review human resource management and capacity development system followed by some of the reputed petroleum exploration companies in the region. Considering socio-economic similarity, we will review operational process of some of the reputed energy companies in South Asia and South East Asia. While screening some of the international best practices we will also look at their compatibility with local cultural context. We will share our findings and views with government officials, thought leaders and other stakeholders and also make sure that any such recommendations comply with legal and constitutional framework of BAPEX.

Task 4 Identification of gaps in current practices in BAPEX with international Best practices

After analyzing the current scenario and also after reviewing some international best practices we will prepare a framework highlighting all the gaps existed. We will follow a systematic framework for identifying the gaps and should include gaps in policy level, strategy level, operational level, technological and human resource level and will also present rationale steps to be taken for filling all those gaps.

Task 5 Redesign of BAPEX Organogram

Leveraging all the outcomes of the previous steps, we will make some critical recommendations regarding the existing organogram of BAPEX. This will include in-depth analysis of current organogram and inter alia decision making process of BAPEX. Qualitative analysis of the effectiveness of current organogram will be conducted and will be compared with international best practices. Along with the international best practices we will also consider economic and cultural context before making any recommendations.

After thorough institutional assessment and need analysis, we will Re-design the present Organizational Set-up, showing different Divisions, Departments and Sections. Consultants will also assign requisite number of Officers and Staffs, keeping in mind the diversified activities of BAPEX, analyzing the set up of the Local and International Organizations, doing similar nature of work. We will also prepare Job

description of all the key personnel up to the Sectional level, along with minimum qualification and experience for each position.

Task 6 Preparation of Recommendation Report

After successful completion of the previous steps, we shall prepare a final recommendation report describing pathway for capacity enhancement of BAPEX. We will subdivide all the recommendations in three sub groups: short term, mid-term and long-term. Addition to that we will also indicate action plan needs to be adopted by BAPEX for materializing all the three recommendations. We will also indicate budget and resources required for undertaking all the recommendations.

4.4 Composition of Study Team

The study team was comprised of the following key/non-key experts:

	Name of Key Expert	Positions
1.	N K Bharail	Team Leader/HR specialist (International)
2.	Anwar Hossain Khan	Deputy Team Leader
3.	Neeta Mathur	HR analyst (International)
4.	Md. Zasim Uddin	HR Management Expert
5.	Non Key Staff	
6.	Munsi Shahid Anis	Project Manager
7.	Maitrayee Roy	Research Associate
8.	Abontee Barua	Research Associate

Commencement of the study

IIFC along with its associates Protecon BTG Pvt. Ltd., India started the study work through a Kick-Off Meeting with BAPEX followed by a meeting with the Steering Committee of BAPEX specially constituted to facilitate the project. The Consultants made a detailed presentation on its Implementation Methodology to the Steering Committee to seek its views and in principle agreement. The Committee whole heartedly supported the implementation strategy proposed by the consultants.

Meeting with the Steering Committee was followed by a series of meetings with the Senior and Mid-Level officers (number limited only by availability of physical infrastructure to accommodate participants) of different Divisions of BAPEX over a period of four days. The Divisions and departments covered included Production Division, Drilling Division, Engineering Division, Company Secretariat, Data Management Division, Planning Division, Audit Department, Construction Division, Geological Division, Geophysical Division, Accounts & Finance Division, Technical Division, Administrative Division, Laboratory Division and Chittagong Regional Office. These meetings were held to have first-hand idea about the employees' views and thought process regarding Vision, Mission, Current and Future Plans of the organization, current status of its functioning, manpower strength, quality and utilization pattern, issues related to capacity and skill building, physical resource availability to support operations, conducive working conditions, issues related to health, safety and environment etc. The consultants also had detailed deliberations with the Managing director of BAPEX, members of its Collective Bargaining Authority (CBA) and the

Director Finance of Petrobangla.

Identification and Assessment

4.5 Institutional Assessment of BAPEX

This assessment for the Company represents our understanding about the current status of BAPEX and the same has been arrived at through desk-based research of different documents collected from BAPEX, materials available in its website and other secondary sources, and primary interviews / discussions with officials of BAPEX at different levels. Though as per time-line for submission of deliverables, a report titled ‘Identification and Assessment Report’ has already been submitted to BAPEX, yet many of the issues covered in that report are also covered here for the sake of clarity and continuity.

The focal areas of this assessment cover the Company’s Vision, Mission and Strategies (current and future)for achieving them, existing Business Model and operational framework, current organizational structure, hierarchies, the decision making process in and outside of BAPEX, inter-relationship of BAPEX with PETROBANGLA and the Government, etc. The report also covers our analysis of the financial performance of BAPEX over the last few years to understand reasons for performance variation and also availability or otherwise of adequate financial resource base of BAPEX to meet its current and future business linked financial commitments.

Vision, Mission and Strategies

VISION

“To be the leading National Company in the country by conducting expeditious exploration and exploitation of hydrocarbon for the sustainable economic growth of Bangladesh.”

The Vision of the Company focuses on the following components

- Contribute towards Sustainable Economic Growth of Bangladesh.
- Establish itself as the leading National Company through activities in the hydro-carbon sector.

MISSION

“To carry out geological and geophysical investigation, drilling for the purpose of exploration, development and production of hydrocarbon as well as undertaking other businesses that support BAPEX for becoming a financially sound and self-reliant Company.”

The table below provides a snap shot of Vision Mission statements of some of the leading companies, national as well as international. In most cases these have been created through the process of visioning exercise:

Company	Vision	Mission
Google	To provide access to the world’s information in one click.	To organize the world’s information and make it universally accessible and useful.
Microsoft	To help individuals and businesses realize their full potential.”	Empower people through great software anytime, anyplace, and on any device
Walmart	To become Worldwide Leader in Retailing	To help People Save Money so that they can live better
BP	To have the Best Competitive Corporate, Operating and Financial Performance To improve, to be inclusive, accessible and diverse	In all our activities, we seek to display some unchanging fundamental qualities: integrity, honest dealing, treating everyone with respect and dignity, striving for mutual advantage and contributing to human
Chevron	To be the global energy	Our foundation is built on our values, which distinguish

Company	Vision	Mission
	company most admired for people, partnership and performance	us and guide our actions. We conduct our business in a socially responsible and ethical manner. We respect the law, support universal human rights, Protect the environment and benefit the communities where we work.
General Electric	We bring good things to life	General Electric's Mission statement form their core Values – "Passionate, curious, Resourceful, Accountable, Team Work, Committed, Open, Energizing always with Unyielding Integrity
ONGCL	To be global leader in integrated energy business through sustainable growth, knowledge excellence and exemplary governance practices.	<p><u>World Class</u> Dedicated to excellence by leveraging competitive advantages in R&D and technology with involved people. Imbibe high standards of business ethics and organizational values. Abiding commitment to safety, health and environment to enrich quality of community life. Foster a culture of trust, openness and mutual concern to make working a stimulating and challenging experience for our people. Strive for customer delight through quality products and services.</p> <p><u>Integrated In Energy Business</u> Focus on domestic and international oil and gas exploration and production business opportunities. Provide value linkages in other sectors of energy business. Create growth opportunities and maximize shareholder value.</p> <p><u>Dominant Indian Leadership</u> Retain dominant position in Indian petroleum sector and enhance India's energy availability.</p>
BAPEX	To be the leading National Company in the country by conducting expeditious exploration and exploitation of hydrocarbon for the sustainable economic growth of Bangladesh	To carry out geological and geophysical investigation, drilling for the purpose of exploration, development and production of hydrocarbon as well as undertaking other businesses that support BAPEX for becoming a financially sound and self-reliant Company.
SGFL	To strive for leadership in the gas industry in Bangladesh; be the driver of the national economy by supplying natural gas and gas-based liquid fuels. We aspire to be a leading producer of gas and other petroleum by-products ensuring efficient and environment-friendly process operations.	To build our company into an efficient and market driven institution by nurturing talent to develop leaders within the organization. To recover gas-condensate and Natural Gas Liquids (NGL) in the course of gas processing and to split these products into motor spirit, diesel and kerosene and octane keeping environmental concerns into consideration. To diversify the company activities through undertaking new projects. To enhance production capacity by drilling new gas/oil wells through integration of state-of-the-art technology at all levels.
BGFCL	Leading Strategic Producer of Natural gas and its By Products	Meeting country's Growing demand of Natural gas by Implementing dev projects. Managing Uninterrupted and Sustainable Gas Supply by improving surface facilities. Developing skilled work force adapting new technology to face challenges.

BAPEX’s Mission statement describes the Organization’s functions (physical activities) and talks about supporting the organization to become financially self-reliant. The statement primarily focuses on reflecting on the company’s functional activities with no or limited reflection on its core value system. Contrast this with the Mission Statements of most of the leading companies shown above, who make special efforts to reflect their strong value systems through their Mission statements. There is a genuine scope for customizing this statement to better reflect BAPEX as a business entity with strong value systems with the support of internal stakeholders.

Strategy to Achieve Vision

Business strategy is the firm's working plan for achieving its vision, prioritizing objectives, competing successfully, and optimizing financial performance with its business model. Strategies are created keeping in mind the Firm's Strengths, Vulnerabilities, Resources, Opportunities, Competition and the Market. A strategy is also a management road map for achieving the desired results and considers four perspectives:

- Financial or Stakeholder Perspective – Profitability and Sustainability
- Customer Perspective – Satisfaction, Loyalty, Innovation (New Products)
- Internal Process Perspective – Quality and Cost, Transparency, Technology
- Learning and Growth Perspective – Training and Exposure / Skill Building

4.6 SWOT for BAPEX

Keeping all of above in mind, considering the hydrocarbon business environment, available documents about BAPEX and its performance, discussions with cross section of BAPEX employees, a SWOT analysis has been carried out for the organization. The analysis also takes into account the current state of affairs in the Company.

<p>STRENGTHS:</p> <ul style="list-style-type: none"> • National exploration and production company with strong Government support • Currently only domestic player with hydrocarbon exploration capabilities in Bangladesh • Experienced Geo-Scientists to lead and support Exploration activities are on board • Own and Operate Resources across majority of E&P value chain (Integrated Resource Base) • Positive Track Record of Exploration Success in the Past • Capable of Offering specialized services in the Geo-Scientific field to third party 	<p>WEAKNESSES:</p> <ul style="list-style-type: none"> • Totally dependent on the Government for Business Opportunities as well as Funds • Non availability of regular business on a continuous basis leading to sub optimal utilization of resources • Non availability of a minimum tenure for the MD/CEO to drive strategic initiatives • Revenue stream largely dependent on Government policies • Lack of / Limited Empowerment for Company Management • Inadequate Delegation of Power within the organization • Lack of teamwork, poor internal communication system, not so progressive policies and practices • Poor HSE practices • Old Equipment affecting availability, Insurance and Maintenance costs. • Slow in Technology Induction / Lack of Digitization
<p>OPPORTUNITY:</p>	<p>THREATS:</p>

<ul style="list-style-type: none"> • Assured long term Business Opportunity (Future projects approved till 2021) • Increasing Demand for Natural Gas • Potential for Enhancing Resource (reserve) Base and increasing Production • Opportunity for Joint Operation with IOCs for both Offshore and Onshore blocks to build Capabilities for International Operations • Availability of in-house resources to offer oilfield services to third parties 	<ul style="list-style-type: none"> • Political Environment / Change in Political Power • Bureaucratic Interference • Entry of IOCs and Increased Competition • Loss of trained, experienced and competent manpower to Competitors (IOCs) • Political Influence on Gas pricing
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Long Term Plan for BAPEX

BAPEX has drawn up an ambitious plan aimed at enhancing the hydrocarbon reserves base of Bangladesh and also to increase the country’s production potential to meet the growing demand for energy. The plan provides for undertaking seismic activities to identify leads and drilling locations, drilling of 53 exploration wells, 35 development wells and undertaking work-over operations in 20 wells requiring interventions to maintain / enhance production. The entire plan has a timeline of six years starting from 2015 – 16 to 2020 – 21. Successful outcome of activities undertaken under this plan would ensure better availability of fossil fuels and have positive impact on the nation’s desire to move towards self-sufficiency and energy security. To facilitate implementation of this ambitious plan, an initiative has been taken to subdivide the deliverables into a number of projects termed Roopkalpa spread over the entire timeline. Execution of a plan of this magnitude requires a comprehensive approach taking into account physical and financial resource availability, policies and practices of the organization, empowerment and decision making process etc. Current resource base of BAPEX, both in terms of physical resources (rigs and equipment) and human resource appears grossly inadequate to undertake such an initiative within the specified timelines. The only possible alternative would be to outsource a large portion of the work to outside agencies and service providers as is being planned. Large scale changes in the areas of Empowerment, Staffing, Teamwork and Commercial Contracting need to be immediately affected in BAPEX’ policies, practices and culture to ensure successful implementation of the plans. It must also be appreciated that a failure in handling this project in the desired manner can have extremely long term negative impact on BAPEX as a national company, its aspirations including reputational loss in the international market.

4.7 Organization-wide Diagnosis of Human Resources of BAPEX

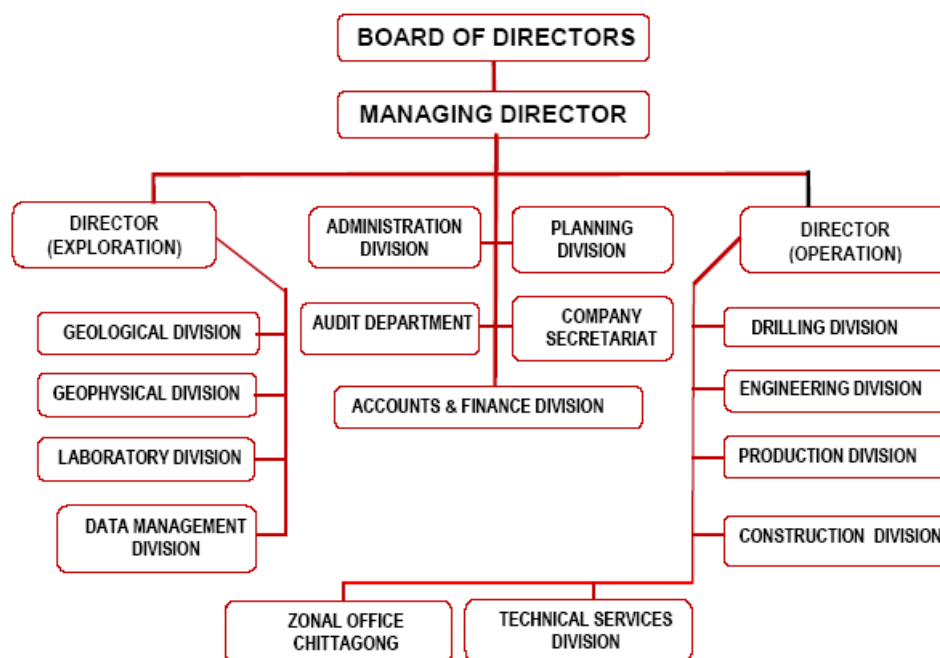
BAPEX and its Structure

As discussed in the introduction part, BAPEX evolved out of Petrobangla (its Exploration directorate) to undertake hydrocarbon exploration activities on behalf of the Government. For financial sustainability the Company operates seven onshore gas fields with a combined production of around 3.5 MMSCMD (128 MMCFD).

Structurally BAPEX is managed by an independent board, currently headed by the Secretary, Energy and Mineral Resource Division (EMRD). The other members are Chairman, Petrobangla; Addl. Secretary, EMRD; Director (Operation & Mines), Petrobangla; two independent Directors from the Business and Political fraternity and the MD, BAPEX. The organization’s decision making process is completely top driven with majority of decisions, financial and managerial powers residing with the Board with limited delegation to the MD.

Below the board the organization has several functional Divisions divided between two groups – Exploration and Operations. Structurally the two groups are to be headed by two senior functionaries designated as Directors (not board members). There are also a few staff

functions reporting the MD directly. A pictorial representation of the organization's structure is as under:



Although the above structure was adopted in the year 2011, the two positions of Directors – Director (Exploration) and Director (Operation) have not been operative. Consequently the MD is left with the unenviable task of coordinating amongst all the Divisional Heads for all day to day activities and lacks adequate time and opportunity to devote on strategic issues related to growth and development of the organization. Situation can improve largely and organizational efficiency enhanced if the two positions of Directors are actively operated with adequate empowerment for decision making.

Looking at the current level and dimensions of the activities undertaken by BAPLEX, physical resources available with it and the credentials (qualification and professional experience) of its employees, BAPLEX can be considered as an **integrated upstream hydrocarbon company** with competence to undertake most activities along the upstream hydrocarbon value chain. For undertaking all of above functions in an efficient and effective manner, BAPLEX currently operates with 14 Divisions, 54 Departments and 111 sections. The activities of the divisions are summarised in the following paragraphs.

Exploration Directorate

This directorate has responsibilities for locating and acquiring prospective areas that may contain oil and gas, for conducting geological and geophysical studies, and in some cases for supervising the drilling of exploratory wells. The exploration activities are delegated to several divisions within the directorate.

■ Geophysical

Main role of the division is to undertake Geophysical Surveys in the areas allocated for such activities. Operations undertaken by the Division cover the entire value chain of Geophysical surveys – Acquisition, Processing and Interpretation (API) for both, 2D as well as 3D seismic surveys. In addition the division extends technical support to PSC and JVA partners by arranging technical logistics for the equipment/systems/machinery. The Division also involves itself in joint activities with the Geological Division for identification of prospective

structures and proposal of drilling locations.

■ **Geological**

The Division also monitors production data from the producing fields and works jointly with the Production Division towards realizing optimal production from the fields under production. The Division is also responsible for recommending well intervention / work over operations in producing wells. The functions of the division are focused on –

- Field Geology
- Basin Study
- Seismic Data Interpretation
- Prospects Evaluation for Oil and Gas
- Drilling Location Recommendation
- Well Site Geology
- Mud logging Services
- Log Interpretation and Zone Selection for Testing
- Reserve and Resource Estimation

■ **Laboratory**

The Division provides support services related to testing of different rock, core, oil and gas samples required for exploration and exploitation of hydrocarbons. The Division possesses and uses sophisticated laboratory equipments such as Digital Core Measurement Unit, Digital Resistivity Meter, Digital Core Photographic unit, Fluid (Water/Oil/Gas) Saturation Measurement Unit etc. Assessment of petrophysical and other properties of core samples (porosity, permeability, grain density, fluid saturation, capillary pressure, rock & water resistivity etc) is one of the major functions of the Division. This division also provides laboratory services to other oil-gas companies, power plant and research organizations within Bangladesh.

■ **Data Management**

The Division provides support with respect to data management services required for G&G functions. This division is mainly responsible for –

- Geological and Geophysical Digital Data Storage
- Preservation of Reports
- Data Sales

Operation Directorate

Their Activities are briefly discussed below:

■ **Drilling**

The Drilling division is responsible for all Drilling and Completion Services of new wells and Workover activities in old wells of BAPLEX. In addition it also undertakes such activities on behalf of other national oil and gas production companies in Bangladesh. The Division utilizes both, internal resources (in-house rigs) and external resources (hired rigs) for its functions.

■ **Engineering**

The division functions through Rig Building Department, Rig Maintenance & Operation Department and Central Motor Transport Workshop Section. It is responsible for the following activities

- Maintain inventory of all Rig and Rig equipment, vehicles, transport/special transport, crane, earth moving equipment etc. and ensure their serviceable conditions.
- Prepare lay out drawing of derrick and Rig equipment and follow up civil works of Rig foundation in the location.

- Conduct mobilization/demobilization of Rig and Rig equipment, drilling materials, chemicals, well service equipment etc. safely from Rig base/drilling project to new location as per requirement.
- Perform repair, maintenance, installation, testing & commissioning of Rig and Rig equipment.
- Prepare indent of spare parts of Rig and Rig equipment, heavy vehicles, crane, earth moving equipment etc. for procurement.
- Fabrication Services to sister concerns of Petrobangla and IOCs.

■ **Production**

Production Division is responsible for planning production & development and operations of Company's gas fields and uninterrupted gas supply from all fields of the Company. It takes care of the Process Engineering, Reservoir Engineering/Management and Maintenance and Engineering Modification through its departments namely Production Planning, Reservoir Engineering & Field Development Department, Field Operation and Maintenance Department and a dedicated Gas Field Department per location which is in production stage. Currently there are six Gas Fields under this division which are operating through their dedicated Production, Processing & Maintenance sections. They compute and monitor production data and ensure testing and analysis of gas, condensate, water and glycol. The division as a whole also has to ensure environmental safety and safe operations of process plants.

■ **Construction**

Construction Division takes care of all Civil Engineering Works of drilling and other projects of BAPEx including land acquisition/ requisition. With Planning, Design, Estimation Department and Construction & Maintenance Department, this division takes care of Well site development for drilling and Site development for production facilities. It also renders construction services to other companies.

■ **Technical Services**

Technical Services Division finalizes and approves Mud (Drilling Fluid), Cementation, Testing program to ensure rendering smooth Mud Engineering services while drilling an exploratory / appraisal / development well and co-ordinates with Geological and Drilling divisions for finalizing drilling / DST/Production Testing program. It is supported by three departments - Well Cementing, Mud Engineering and Well Testing (Surface Facilities).

■ **Zonal Offices**

Chittagong based Zonal Office is a central warehouse and a workshop of all material and equipment of the company. It facilitates clearing, forwarding and shipping activities and controls materials by keeping stock in order of consumption for routine repair, maintenance and emergency use for the equipment item-wise. The Zonal Office is also involved in organising preventive maintenance programme of all stocked equipment and material. Though its Central Workshop Department it maintains all transport & vehicles for shifting rig and rig equipment. The other three departments within the Zonal Office are – General Store, Drilling & Production Store Department and Central Matching Shop & Drilling Department.

Directorate of the Managing Director

■ **Planning**

Planning Division has three distinct departments which theoretically could create synergies. Planning Department within Planning Division is responsible for Project Conception, Project Formulation and Preparation of Long Term Plan including ADP, Three Year Rolling Program, Five Year Plan, etc. and submission of PCP, PP, TAPP, etc. to Petrobangla, GOB

and follow up approval. The department assists the project implementing units for completion of projects in compliance with the procedures of donor agencies and Government/Corporation rules and procedures and also guides project implementing units in conducting feasibility studies of new projects. Its responsibility is to maintain close cooperation with Planning Directorate of Petrobangla, Planning Cell of P&W.R. Division, Planning Commission and the ERD for the development of oil and gas exploration and production activity. Compilation and preparation of annual physical and financial schedule for ADP along with various progress-reports on a weekly, monthly and annual basis to Petrobangla is one of the main work areas.

The other department is Information, Communication & Technology Department responsible for all tasks associated with software development, installation, maintenance and support. The third department is Human Resource Management. Mainly training nominations and co-ordination of the same is associated with this part of Planning Division.

■ **Company Secretary**

To act as Secretary to and attend meetings of the Board, Record proceedings and prepare minutes of the meetings. Also acting as Attorney and Agent on behalf of the Company and signing all Contracts/Agreements on behalf of the Company. The division also assists the company in all legal matters and public relations.

■ **Administration**

This division is responsible for all personnel and establishment matters of all employees of the organisation at all locations and follows the Service Rules as per GOB. From recruitment to the exit of the employees, the entire life cycle is managed through administration centrally with exception to the training function. This would include selection, appointment, pay-fixation, annual performance review through confidential reports, promotion, transfers, all kind of leaves, exit and then management of retrial benefits, if applicable. This division also has Medical Department which is responsible for the health and check-ups of the employees through a qualified medical practitioner and team. Purchase Department too is a part of the Administration and is the central point for all purchases being made within the organisation. The department is responsible for the implementation of procedures of the “Public Procurement Regulation” and Rules and practices prevailing in the company.

■ **Audit**

Audit Department reports directly to the Managing Director and acts like in-house inspector of all transactions above the value of Tk five thousand. They conduct a pre-audit and post audit of all transactions across organisation and report cases of embezzlement or serious financial irregularities, if any.

■ **Accounts & Finance**

Account & Finance division has two departments Accounts and Finance and a Field Management Section. While the departments are responsible for all activities pertaining to Accounts and Finance, the Field management section looks after the casual labour payments, daily allowance of all those working in sites/ field offices. The division functions as per the Corporate Accounting Manuals for Petrobangla which was developed by E&Y.

Manpower Strength

Distribution of the 54 Departments and 111 sections among the 14 Divisions in the company is as under:

SI No	Divisions	Department	Sections
1.	Geological	4	11
2.	Geophysical	5	16

3.	Drilling	5	10
4.	Engineering	3	3
5.	Production	8	8
6.	Laboratory	3	6
7.	Planning	3	8
8.	Administration	7	14
9.	Accounts, Finance & Audit	4	11
10.	Zonal Office, Chittagong	4	14
11.	Construction	2	2
12.	Data Management	3	4
13.	Technical Services	3	4
14.	Company Secretary	-	-

Total approved manpower strength of BAPEX is 1,866 consisting of 656 Officers and 1210 staff (Permanent 917 and Outsourced 293) and presently BAPEX is functioning with 1410 employees - 399 Officers and 1011 Staff (320 Permanent and 691 Outsourced).

Designation wise breakup of the officers currently in office and on deputation / study leave is as under:

	GM	10	
	DGM	57	
	Manager	91	
	Deputy Manager	92	
	Assistant Manager	111	
	Assistant Officer	36	
	Total (In Office) (A)	397	
	Study Leave	2	
Some the strength provided below:	Working on deputation	3	more details as gathered about manpower of BAPEX are
	Total (Study Leave / Deputation) (B)	5	
	Grand Total (A) + (B)	402	

Sl. No.	Description	Number
1.	Head Office, Officers working in Dhaka	208
2.	New recruited officers	69

Sl. No.	Description	Number
1.	Deputed Officers	3
2.	Outsourcing Staffs	293
3.	Female Officers	(1 person in deputation) 44
4.	Female Staffs	12

The total number of officers on deputation is 03. As of now the total number of female officers is 44 (including one person on deputation) and this takes the strength of female officers (in the total officer community) to 11 percent.

Alongside this manpower, there are also some more employees involved with BAPEX on part time, project and contract basis. The management has an apprehension about optimal distribution of manpower among the different functional divisions in the approved organogram to deliver the best results for the Company. The issue assumes greater significance given the situation that the E&P industry, world over, is becoming more technology oriented and also highly competitive. Further, non-availability of a structured capacity building cum skill development agenda for the organization based on scientific training and development need assessment initiatives seems to have affected quality of the available manpower and hence overall performance of the organization. Training programmes undertaken for the employees have been found to be neither regular nor customized to the needs.

4.8 An Assessment of the HR Function

This part of the assessment is based on multiple interviews conducted with senior management and other officials of different divisions of BAPEX at the head office. Various documents and data as provided were reviewed to gather necessary inputs and information to support the analysis with appropriate evidence. A contemporary model for effective human resources was used to assess the HR function of the organization. The current assessment is being made under the following parameters:

- i. Strategic HR Management,
- ii. Manpower planning/Organogram,
- iii. Staffing and Recruitment,
- iv. Compensation and benefits,
- v. Methods and standards of performance,
- vi. Human resource development / Training,
- vii. Safety, health and environment
- viii. Governance and Management systems

HR Policies of BAPEX – A Diagnosis

Any progressive organization would have four well structured and detailed major HR policies in hand for effective HR management – Recruitment Policy, Job Rotation and Transfer Policy, Promotion or Career Progression Policy and Training and Development Policy. Performance Management System, Compensation and Benefit Rules, Conduct, Discipline and Appeal Rules etc are other laid down policies and practices which support the above policies and HR governance. In case of BAPEX all HR related policies are covered within the Employees Service Rules -2002 (Amended-2010) and all major HR processes covering the entire life cycle of an employee beginning with recruitment and ending with exit through retirement or resignation evolve out of these Rules. These Service Rules have been designed in line with the policies of the national Government of Bangladesh. The HR policies of

BAPEX, in whatever form they are available, are discussed in details in the following paragraphs keeping in mind what are the basic requirements of such policies for a progressive organization.

Recruitment Policy

A recruitment policy is a statement of principles, outlining how an organisation conducts its recruitment and selection process. The aim of such a policy is to ensure that a transparent and unbiased recruitment and selection process is followed; one that results in the appointment of the best candidate, based solely on merit and best-fit with the organisational values, philosophy, and goals. Such a policy not only ensures that the right candidates based on merit and competence get recruited, but also enhances the reputation of the organization in the eyes of the potential candidates and in the industry. A robust recruitment policy clearly spells out the different steps of the recruitment procedure and the processes to be adopted for each such step. The Recruitment Policy ensures the following:

- Job descriptions of the positions and qualifications of potential candidates meet business requirements;
- Candidates are assessed against consistent selection criteria at every stage;
- The recruitment process is in line with the law of the land;
- The candidate is confident the process will culminate into a genuine job offer; and
- The process is transparent to all stakeholders.

The recruitment process involves the following specific steps which are well documented in the recruitment policy of the organization.

Identification of Vacancy: This could be a position falling vacant in the approved organogram of the organization, which needs to be filled or a new position arising out of business need. This is generally done at the division / department level and given to HR group for processing the recruitment

Completion of Employee Requisition: Ensuring that there is a fair opportunity provided to eligible internal candidates within the division / organization to offer themselves for that vacant position

Approval for the recruitment: New recruitment is authorized by competent authority as spelt out in the policy

Advertisement for the New Position: The advertisement could be internal for consideration of internal candidates or external for both internal as well as external candidates, where internal candidates are required to compete with external candidates

Candidate Short listing: Applications received are collated by HR and given to the Division initiating the recruitment process for scrutiny and short listing the candidates meeting the eligibility criteria as advertised. In certain cases to save time and expenses, a merit list (based on pre decided criteria) is prepared and only a pre decided number of candidates (in order of merit) is invited for the next step.

Tests / Personal Interviews for Selection: Could be in one stage if number of candidates is low or in two different stages where the list of eligible candidates is large. In case of a two stage process only those candidates, who qualify in the written test, are invited for the interview stage. The written test could be conducted in-house or outsourced to competent service providers. For Equity and Fairness the interviews are conducted by a panel of two or three interviewers consisting of subject matter experts and HR representatives.

Merit List and Job Offer: At the end of all of above a merit list of candidates based on performance in both, the written test and the interview is prepared and job offers are made to the candidates for the number of vacancies advertised in accordance with the merit list. To

provide for the contingent situation that some of the selected candidates do not join or are found unsuitable for employment medically, a waiting list is also prepared from the remaining candidates in order of merit.

In case of BAPEX, one chapter in the Service Rules briefly discuss the recruitment process and prescribe the following methods for filling in vacant positions in organizational structure:

- (a) Direct recruitment through advertisement for permanent positions
- (b) By promotion
- (c) Through transfer on deputation
- (d) Through adopting
- (e) On contract basis
- (f) On-part time basis

The rules provide for creation of Scrutinizing Committee for recruiting; however details about composition of such committees and their specific roles are not provided. This offers scope for ambiguity and biases. The rules are also devoid of specific mention about what and how of recruitment advertisements.

The Schedule of Service Rules clearly specifies the eligibility criteria for prospective candidates related to age, educational qualification and experience required. Conditions for probation and its successful completion are covered in the Recruitment Rules.

Transfer / Job Rotation Policy

Efficiency of an organization depends largely on level of utilization, improvement and retention of its human resources. Rotation of employees between different jobs within the job families lead to better development as well as utilization of available human resources. Job rotation is the systematic movement of employees from one job to another within the organization to achieve different human resources development objectives such as

- Orientation of new employees
- Exposure of employees to wider professional areas,
- Enriching job knowledge,
- Enhancing career development opportunities,
- Preventing job boredom or burnout and enhancing motivation.

Service Rules in BAPEX do cover some of the operational aspects of transfer of an employee such as number of days of leave and type of leave, various conditions of availing leaves while joining at the place of transfer etc. However the rules are silent on eligibility of an employee for transfer, frequency of such transfers etc. leading one to conclude that BAPEX does not have any specific policy covering transfer and job rotation of its employees. Need based transfers are done to cover operational exigencies, however no systematic policy based practice is adopted for selecting people for transfer. The process is not transparent and could, at times, lead to serious consequences of using transfer as a weapon for settling professional scores or punishment.

Job rotation is another concept hardly in practice in BAPEX with no policy / service rule covering the same. The concept of job rotation even for new employees to provide them with better exposure about the organization and its work, the type of work he / she will be required to be associated with is absent in the Company as a whole. During discussions with different employees, not much of an enthusiasm was observed regarding introduction of the concept of job rotation in the company. It was however revealed that selected employees were at times transferred / rotated to other Divisions so as to improve their chances for promotions to a

higher position based on the division's organogram and emerging vacancies. Having clear conditions laid down for transfer within the organization can minimise such practice, a source of discontentment. A well thought out and suitable Transfer and Job Rotation policy can help BAPEX usher in transparency and professionalism in these areas which can lead to far reaching positive consequences.

Promotion Policy

Promotion generally serves the following purposes.

- Helps in utilizing employee skill, knowledge at the appropriate level in the organizational hierarchy resulting in organizational effectiveness and employee satisfaction.
- Helps develop competitive spirit and inculcate interest in the employees to acquire skill, knowledge etc, required for higher level jobs.
- Helps reduce employee turnover or attrition by building loyalty and boosting morale
- Helps in rewarding committed, efficient and loyal employees.

Organizations generally develop a policy clearly outlining the basis on which promotions are to be made. The parameters generally considered for promotion cover

Merit: Merit denotes an individual employee's skill, knowledge, ability, efficiency and aptitude as measured from educational qualification, training and past employment record (performance standards). However objective and reliable determination of merit of individual employees is the single most important challenge in merit based promotion process.

Seniority or Experience: Seniority or experience represent the length of professional service of an employee in an organization (including that in earlier places of work) and is an easy parameter to be measured objectively. A seniority based promotion scheme generally minimizes scope for grievances but often leads to attrition of more competent and better lot of employees who may not be keen to wait their turn for promotion. It also hampers the process of development of employees since their professional development is hardly considered while deciding their eligibility for promotion.

Seniority-cum-Merit: A prudent policy could be one balanced between merit and seniority. A well thought out process balanced between Seniority and Merit can take care of many of the issues identified above.

In case of BAPEX promotion has been mentioned as one of the methods of recruitment or

Training and Development Policy

A model T&D policy provides for, among others, clear processes for

- a) Training need identification on an annual or more frequent basis considering the organization's and the employees' needs
- b) Selection of deserving employees for undergoing training
- c) Selection of competent training programmes and service providers – in-house and external
- d) Qualitative / Quantitative Assessment of Return on Investment on Training

Unfortunately BAPEX does not seem to have any documented T&D policy and even the Service Rules are rather silent in the area of Training and Development. From interactions with employees at different levels in BAPEX it could be gathered that an annual training budget is allocated to cover training needs of all categories of employees, in an ad-hoc manner, in the beginning of the year. This budget is allocated for providing in-house, domestic and foreign trainings to the employees selected for training during the year.

There is no formal process for training need assessment across the company and each division nominates employees for training in the beginning of the year. The basis of nominations, selection of the training courses etc., as expressed by many employees, is subjective and leads to discontentment. There are also instances of employees being sent for training in areas which have no / very limited relevance to their present or likely future work. This also reflects on the type and level of attention being paid to the crucial employee development areas by the company management and if continued can lead to serious consequences for the organization in the long run. It must also be appreciated that need based training interventions can help faster development of employees with professional potential who can contribute positively towards achieving BAPEX vision.

Leave Rules /Compensation and Benefits Policy /Conduct, Discipline and Appeal Rules /Social Security Policy

Since all of above evolve out of Government policies and rules with limited scope for variations, BAPEX has the option of presenting them in a better manner to avoid misinterpretation leading to complications. For example in case of leave rules

- The ownership of the leave maintenance process has not been specified as it states “The leave accounts of each officer/employee will be preserved by the company in prescribed rules and methods”. A simple flow chart for the process can enhance the implementation efficacy and accountability of this very important benefit to the employees.
- The rules lay down a general version for each type of leaves and do not go into details about specific conditions which may affect entitlement of number of days of leave for an employee (like number of days an employee works in a financial year)..

BAPEX follows the pay scales including benefits and bonuses as prescribed by the government rules. The operational aspect of pay fixation at the time of joining and method of calculation of increment are well spelt out in the Service Rules. Similarly other employee entitlements like Travelling Allowance, Honorary Allowance, Duty Allowance and Festival Bonus etc are also dealt with in the Service rules.

Gap Analysis of Current Practice in BAPEX with International Best Practice

The following table summarises the gaps between BAPEX and the IOCs in the HR arena under three levels

- Policy
- Operational
- Technological

The last column also talks about some of the likely long term implications of such gaps.

Level	BAPEX	IOCs	Gap / Implications
Recruitment Policy			
Policy	<ul style="list-style-type: none"> • No Separate Policy, Recruitment Procedure is part of Service Rules • Limited Clarity on issues such as composition of committees, delegation of power etc • Non regular recruitment schedules 	<ul style="list-style-type: none"> • Well documented Transparent Policy • Total Clarity on issues / processes related to recruitment / composition of committees • Regular (annual) recruitment schedules 	<ul style="list-style-type: none"> • Lack of a comprehensive recruitment policy with total clarity on provisions / issues / processes etc. – a basic requirement for all progressive organizations to attract talents • BAPEX could starve for experienced personnel at different intervals (IOCs)

Level	BAPEX	IOCs	Gap / Implications
	<ul style="list-style-type: none"> No system for campus recruitment for specialist positions 	<ul style="list-style-type: none"> Campus recruitment is a regular practice mandated by policy 	<ul style="list-style-type: none"> likely to have a continuous pipeline). Non specification of committee composition may affect uniform standard of recruitment / biases creeping in. Loss of opportunity for faster and less expensive recruitment process for specialist positions.
Operational	<ul style="list-style-type: none"> Very generic Job Descriptions with limited clarity on Job requirements Lack of defined timelines to complete a recruitment process Lengthy approval process 	<ul style="list-style-type: none"> Specific professional Job descriptions with clarity Clearly spelt out time lines for completing the entire process Clear delegation of powers to approve helping save time. 	<ul style="list-style-type: none"> Need for professionally created Job descriptions specifying Responsibilities / Interfaces / Reporting Channels / KRAs and KPIs Delay in each stage of the recruitment process and lack of accountability for slippages Lack of adequate delegation for approval Lengthy recruitment process may lead to loss of good talents, who may seek alternative employment.
Technological	<ul style="list-style-type: none"> Continuing with manual processes. Yet to adopt digital management for online application, short listing and communication 	<ul style="list-style-type: none"> Entire process (including tests in some cases) digitised 	<ul style="list-style-type: none"> Lack of in-house competence and resources for digitising the process Loss of opportunity for cutting down the total time for recruitment
Transfer / Job Rotation Policy			
Policy	<ul style="list-style-type: none"> No separate policy for Transfer and Job Rotation. Basic transfer provisions covered under Service Rules Job Rotation is almost a nonexistent policy 	<ul style="list-style-type: none"> Well defined policy covering both Transfer and Job Rotation with clarity on provisions Job rotation policy used as a development tool through multifunctional exposure 	<ul style="list-style-type: none"> Non availability of well documented policy leading to loss of employee development opportunity
Operational	<ul style="list-style-type: none"> No structured process on transfer Opportunity for using transfer as a reward / 	<ul style="list-style-type: none"> Structured process with transparent provisions – making it easy to implement 	<ul style="list-style-type: none"> Lack of clarity complicates implementation efforts Misuse of transfer provision likely to lead to

Level	BAPEX	IOCs	Gap / Implications
	punishment tool		de-motivation
Promotion Policy			
Policy	<ul style="list-style-type: none"> • No Promotion Policy – certain provisions in Service Rules • Closed Performance Appraisal System / No policy for Self Appraisal and feedback. • Lack of clarity on Impact of performance on promotion / No Provision for Appeal 	<ul style="list-style-type: none"> • Well documented Promotion Policy • Open, objective and transparent Performance Appraisal System backed by Self Appraisal • Clarity on influence of performance on career progression 	<ul style="list-style-type: none"> • Need for a well documented Promotion Policy with Clear, unambiguous provisions • Lack of a transparent and open Performance Appraisal system with provision for self appraisal • Need for Well documented appeals provision • Lack of transparent Promotion and Performance appraisal policies can encourage motivated actions harming Company's interest
Operational	<ul style="list-style-type: none"> • Non specific processes with lack of clarity on parameters being considered for promotion • Lack of clarity on composition of committees • Lack of pre-fixed objective parameters (targets / KPIs) for performance evaluation • Absence of feedback sessions to discuss performance and developmental needs 	<ul style="list-style-type: none"> • Clearly defined processes • Total clarity on composition of committees, accountability and delegation of power • Performance appraisal based on prefixed parameters mutually identified by appraiser and appraisee • Feedback / Midterm review sessions focussed on performance appraisal / identification of developmental needs 	<ul style="list-style-type: none"> • Need for total clarity on composition of promotion committees, its power and accountability • Need for joint identification of parameters for performance appraisal • Lack of review / feedback session hampers training need identification (a development need)
Technological	<ul style="list-style-type: none"> • Manual, paper based system for Performance appraisal 	<ul style="list-style-type: none"> • Online, digitised system in place for performance appraisal 	<ul style="list-style-type: none"> • Need for digitising the performance appraisal system, which can bring in transparency, convenience in handling
Training and Development Policy			
Policy	<ul style="list-style-type: none"> • Without HR functional group for people Development • No T&D policy for 	<ul style="list-style-type: none"> • Major functional group to oversee employee Development • Formal T&D Policy 	<ul style="list-style-type: none"> • Need for an empowered functional group tasked with People Development in a structured manner • Lack of a transparent T&D

Level	BAPEX	IOCs	Gap / Implications
	structured approach	with clear provisions	policy with clear provisions
Operational	<ul style="list-style-type: none"> No formal process for Training Need Assessment for organization as well as individuals Role of people entrusted with T&D responsibilities limited to co-ordination rather than being directional Subjectivity (biases) in programme selection and people nomination Ad-hoc budget allocation rather than need based annual training budget often affecting training calendar midway No accountability for T&D outcome 	<ul style="list-style-type: none"> Structured Training Need Assessment process either annually or more frequently during Annual / Midterm Performance Review Sessions Empowered functionaries to guide development process based on organization's need Clear cut candidate selection process minimizes bias Budget allocation governed by structured training need assessment exercise T&D group formally responsible for developmental outcome 	<ul style="list-style-type: none"> Lack of Performance Review and Feedback Session where training needs can be formally discussed and identified Non availability of Empowered group to work out long term training needs for the organization based on business vision A clearly defined candidate selection process to minimize biases / reduce employee discontentment Need for a processes for assessment of T&D ROI
Technological	<ul style="list-style-type: none"> Lack of digitisation, a major constraint for authentic past training data 	<ul style="list-style-type: none"> All training records fully digitised and available at a click of mouse 	<ul style="list-style-type: none"> Digitisation of training records for the organization / individual employees

4.9 Conceptual Framework for Re-designing Organizational Structure of BAPEX

Organization Structure

Organizational structure is basically a process or system used to define the hierarchy within an organization. It identifies each job, its function and where it reports to within the organization. The structure is developed to establish how an organization operates and it assists an organization in achieving its goals and future growth. The structure is illustrated using an organizational chart.

Purpose

- Businesses require structure to grow and be profitable. Organizational structure provides guidance to all employees by laying out the official reporting relationships that govern the workflow of the company. Clearly laid down reporting relationships allow all members of the organization to understand what their responsibilities are and to know to whom they are accountable. Each employee benefits by knowing who they can turn to for direction or guidance. More importantly these clear relationships make it easier for managers to supervise those in lower organization levels.
- At the same time an optimal and fit for purpose organization structure helps top management understand the human resource requirements of the company and ensure that there are enough human resources to accomplish the goals set forth in the

company's plans and programmes.

Significance

- Without a formal organizational structure, the reporting relationship among the employees (who they officially report to in different situations) remain vague and unclear leading to confusions and inefficient business outcomes. A well defined Organizational structure improves operational efficiency by providing clarity to individual employees about their roles and responsibilities and allowing all concerned to work like well-oiled machines, focusing their time and energy on productive tasks.
- A clearly outlined structure is also a roadmap for internal career progression for employees and allows them to visualize their future in the organization at the entry level itself.

Decision Making

- Organizational structure has a major role to play in the process of decision making in an organization. Flat structures, with limited number of reporting levels (mostly common in smaller organizations where individual employees generally need to take numerous responsibilities), often contribute towards quicker decision making in view of the inherent flexibility within the structure. Tall structures with well defined levels and layers, on the other hand, have formal decision making processes, running through several levels. Though slower at times, such decisions (especially on technical issues) could be more prudent since they have the benefit of the wisdom of a larger number of people at different levels.

Communication

- The organizational structure plays a crucial role for communication within the organization. A well designed structure ensures that individuals and departments that need to coordinate their efforts have distinct and clearly defined lines of communication built in. Easy and structured flow of information is a critical element for organizational decision making process and the organization structure plays a major role in ensuring the same.

Evaluating Employee Performance

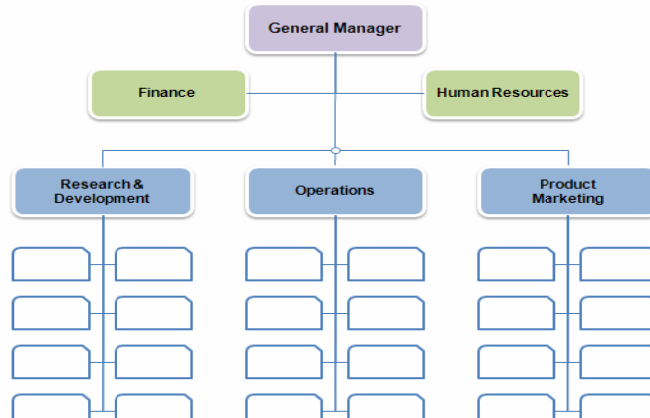
Evaluation of Employee Performance, either continuously or at pre decided cycles, is one of the most critical Human Resource functions for an organization. An organization structure, with clearly laid down reporting relationships, is extremely critical for the employee performance evaluation process. The structure facilitates the supervisors to better evaluate the skills their subordinate employees demonstrate, how they get along with other workers, and the timeliness in which they complete their work etc. on a continuous basis. Consequently, supervisors can more readily complete semi-annual or annual performance appraisals, which are mandatory inputs for career development and progression of individual employees.

Types of Organizational Structure

An organization structure helps define the roles and responsibilities of the members of an organization and clearly outlines the reporting relationships. In other words it is generally a system of tasks and reporting policies in place to give employees a direction to work effectively together in the organization. While there are a number of views and theories on the types of organization structures, commonly organizations opt for one of the following four structures - functional, divisional, matrix and project-based.

Functional Structure

Functional Organizational Structure

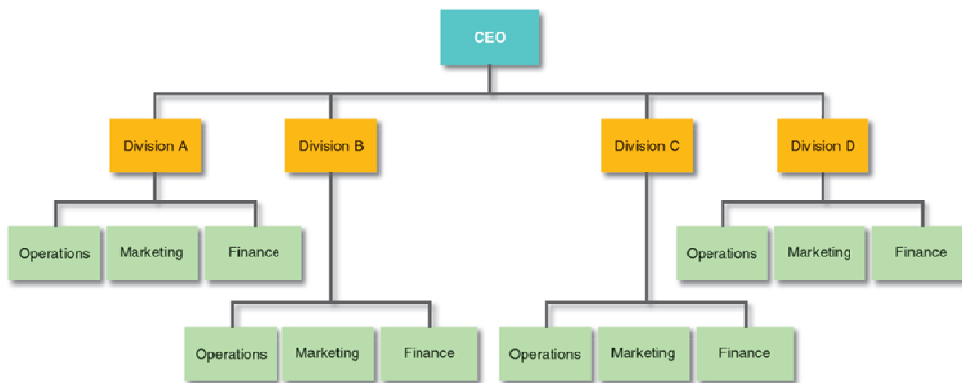


Divisional Structure

Structure Based on Geographic Division

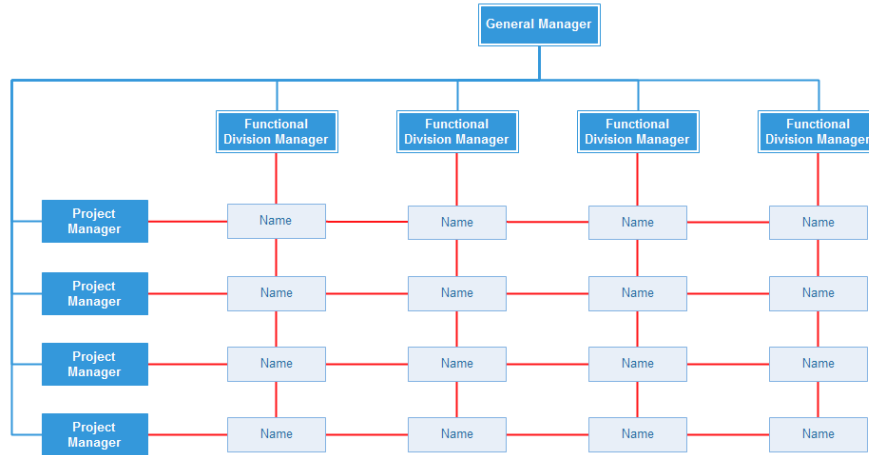


Structure Based on Product Division

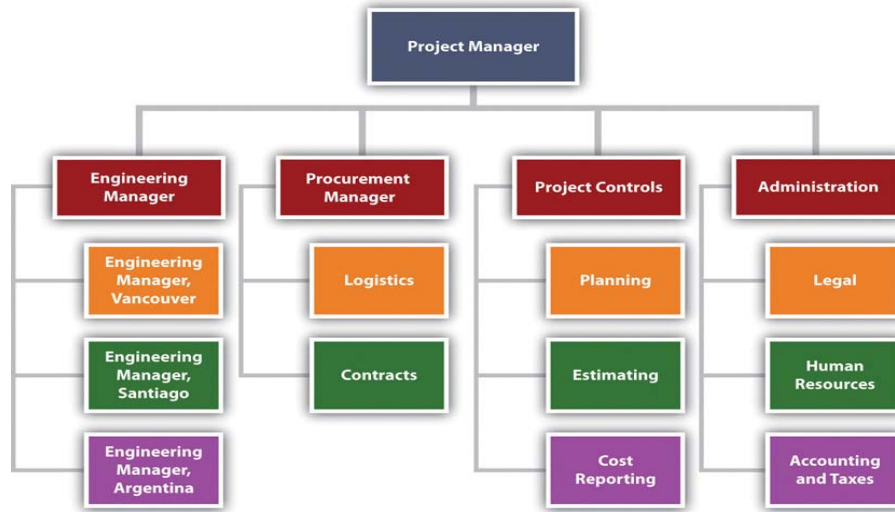


Matrix Structure

Matrix Org Chart Template

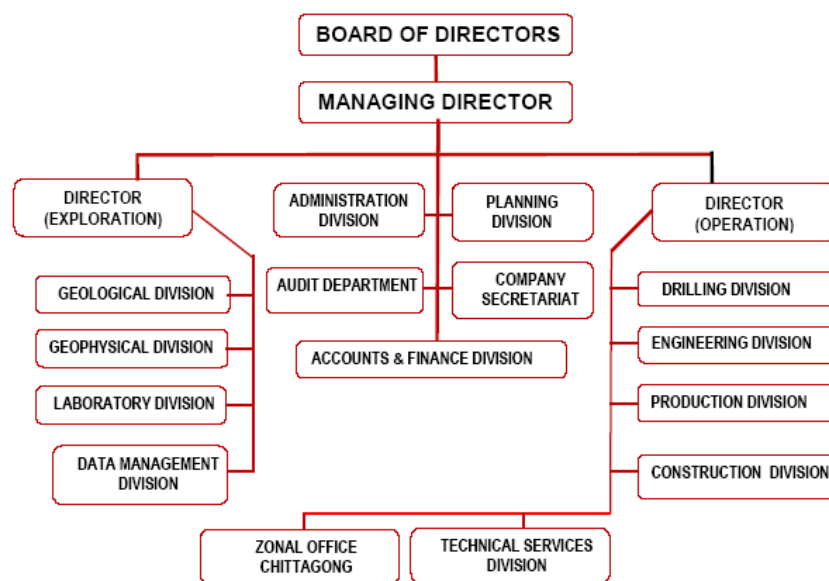


Project Organization Structure



4.10 The Current Organizational Structure of BAPEX

The current organogram of BAPEX, as represented in the following diagram is primarily function based with the major functions being grouped into two groups – Exploration and Operation. All the other functions, which do not fall into either of the two functional groups above, remain independent and report directly to the CEO.



From operational point of view, all activities of BAPEX are controlled from a single location headquarters at Dhaka. Its field activities are currently spread over three gas fields, exploration blocks in different parts of the country (for geological / geophysical surveys) and a zonal office to support a series of activities consisting of commercial activities like receipt and storage of imported materials, customs clearance; maintenance activities for rigs and heavy vehicles etc. All activities of the organization are run by the Managing Director (CEO) of the company under direct guidance of a high powered board of Directors. For better control and monitoring of business activities the structure provides for two additional senior functionaries to head the Exploration and Operation groups. The other functional groups like administration, planning, audit, company secretariat and accounts and finance, which represent corporate functions, remain independent divisions.

Each of the divisions in the company handles specific functions - technical, commercial or administrative. Divisional functions are sub-grouped into different departments, where departmental functions within a division, in most cases, have close professional similarity. Employees within a division, who perform similar tasks, have similar qualifications.

4.11 Framework for the proposed Organizational Structure

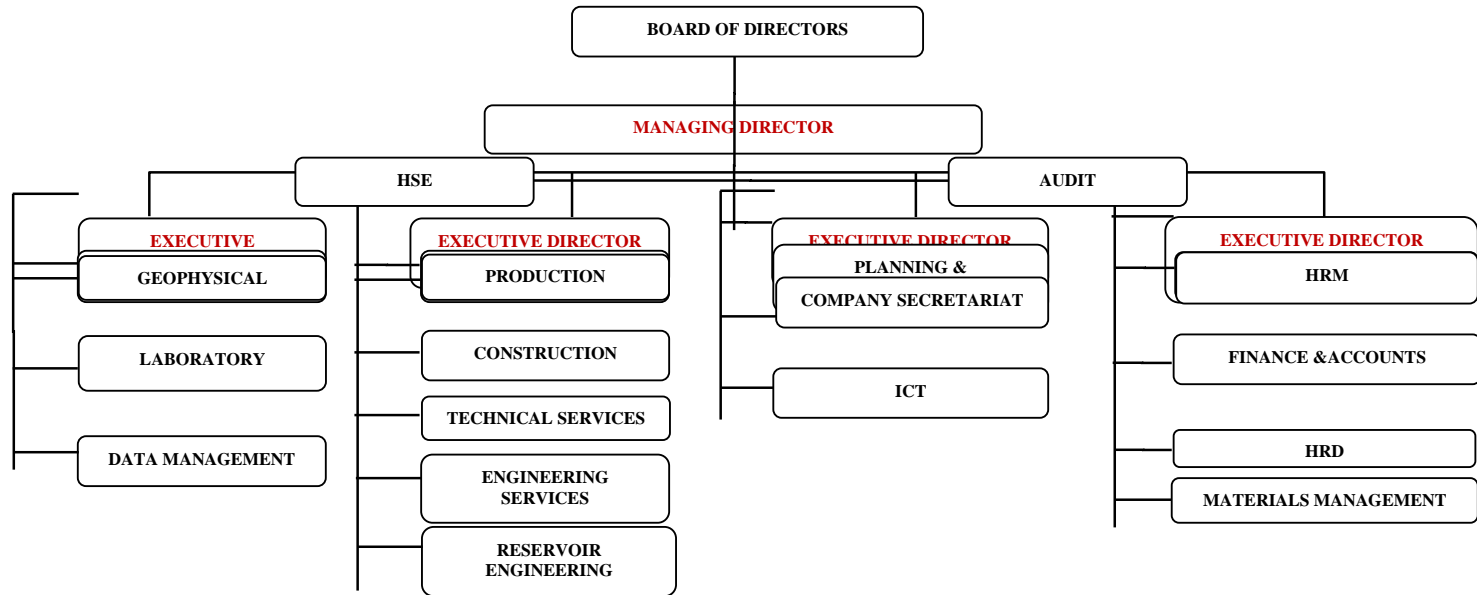
Restructuring of the organization and staffing the same with optimal size of manpower with professionally created Job Descriptions is one of the major requirements of the current assignment. Suggesting such a structure diligently covering all important angles such as business requirement, operational convenience, expectations of different stake holders (including employees) and most importantly implementable from a practical point of view would require additional work, which will be completed in due course. There could be more number of issues which will need to be considered before recommending a final structure and staffing pattern. However based on our understanding of the organization till now – its activities, future plans etc., the following structure is being proposed with the following notes regarding Chittagong Zonal Office:

- Chittagong Zonal Office has been merged function wise.
- There is no relocation of the manpower, only reorganization of work-flow.
- The successor for the current GM at Chittagong may be decided as per work situation in coming years.

Issues related to structuring within the Divisions / Departments, manpower staffing and actual roles and responsibilities of the functionaries within the structure and the reporting relationships will be covered in the subsequent part of the assignment.

The Proposed Organization Chart is placed in the next page.

4.12 ORGANIZATION CHART



Note:
Chittagong Zonal Office has been merged function wise.
There is no relocation of the manpower, only re-organisation of the work flow.
The successor for the current GM at Chittagong may be decided as per the work situation in coming years.

4.13 Rationale for the Proposed Organizational Structure

Rationale based on Observations on the Current Structure

Based on available documents and discussions with functionaries within the company, a few issues have been observed for better understanding towards making suggestions on the structure for enhanced efficiency, productivity and ease of governance. These include:

- Although the organization's activities involve significant amount of procurement on a regular basis (as is the norm for any E&P company), there is no separate commercial division overseeing procurement and inventory management. While procurement remains the responsibility of the Administration division (an unrelated activity), responsibility for storage and inventory control / management is entrusted with zonal office. This could be convenient from logistic point of view since the Zonal office is located at Chittagong port, but it may not represent an optimal structure from commercial and control points of view.
- Currently the zonal office also is responsible for rig repair and maintenance at yard and also rig movement from yard to drilling site. On the other hand the Engineering group is responsible for all rig maintenance activities at drill site, including rig building activities. This appears to be a division of related activities between two different groups, where the advantages of professional synergy is lost.
- Similarly two different groups – Engineering and Zonal office are responsible for vehicle maintenance activities with two separate establishments (workshops). While the Engineering group is responsible for maintenance of light vehicles in its workshop at Dhaka, the heavy vehicle maintenance function is attached to Zonal office. Truly speaking these are purely engineering function and the Engineering group needs to be responsible for it for synergistic advantages.
- Zonal office is also responsible for activities like Customs Clearance, which are completely commercial functions.
- From all of above it is observed that the zonal office is responsible for a mix of activities which have limited similarities. However all these activities have similarities with activities carried out in other divisions like Procurement, Engineering (rig and Vehicle maintenance), Administration etc. This has led to duplication of skill sets in these areas. For greater efficiency, control and accountability, it may be worthwhile redistributing the activities of the zonal office among the concerned departments including the new Materials Management group being proposed. More specifically, the commercial functions like Customs Clearance, Maintenance of Stock (stores) and inventory presently with Zonal office and the procurement function (presently with Administration group) could be brought under the Materials Management function, which will also ensure single point responsibility. The role of the Engineering department is to be enlarged to undertake all maintenance activities related to rig, heavy and light vehicles, rig movement etc. This will ensure greater functional synergy for overall benefit of the organization. Issues like manpower, redistribution of senior positions etc. can be suitably addressed in a pragmatic manner which can provide greater opportunities for growth.
- There is no dedicated division to look after the activities related to HR function – one of the most critical activities for any progressive organization. While the traditional transactional HR activities are entrusted to the administrative division, the activities related to development of employees fall in the domain of planning division. An amendment to the structure to provide for a dedicated HR group to cover the entire gambit of activities related to an employee's life cycle – from entry (recruitment) to exit (superannuation / resignation) is an immediate requirement for BAPEX, which will ensure long lasting benefits.
- For an organization like BAPEX all professional activities are field related. The Administrative Division needs to remain fully focused on general and field administration

activities, which are large in dimension. All administrative functions of the Zonal office also need to be fully covered under the Administrative Division. Administration Division also needs to fully support the management in the area of external administrative liaison.

- For greater attention and to ensure that all statutory requirements are fully covered there is a need for an independent group to look after HSE function.
- All functional groups other than those covered under the Exploration and Operation Directorates report directly to the CEO as per the current structure. This increases the workload of the MD leaving him / her with limited time and opportunity for strategic work, the major function of an MD. Similarly there are a few key activities driven directly by the CEO (under his supervision), which include Corporate Planning; Board matters looked after by the company secretariat, legal matters, Audit function and HSE. For sake of independence and objectivity the audit and HSE functions are always kept independent of all groups and report directly to the CEO or the board in all professional companies. A similar provision is suggested. The remaining corporate functions are grouped under the new group or Directorate called Corporate Affairs to be headed by a senior functionary.
- Reservoir Engineering is an important and critical function for any E&P company having developed and producing assets. Appropriate reservoir management initiatives can truly enhance the life and value of any E&P property. Currently BAPLEX's Reservoir Engineering function is attached to the Data management Division under the Exploration Directorate. Reservoir Engineering is however truly an operational function required support field development, production enhancement and optimization, reserves estimation activities jointly with other functional groups of Geo-Science and Production. This function in BAPLEX is also currently constrained by lack of resources – both experienced reservoir engineering personnel and technical tools (reservoir management soft-wares, computer systems etc). Keeping in mind the ambitious future plans of BAPLEX aimed at enhancing production and overall recovery from its fields, there is a genuine requirement of a dedicated Reservoir Engineering group reporting to the ED (Operations). While there could be arguments to include this group within the Production Division, such an action has often resulted in loss of independence for the Reservoir Engineering group because of pressure to maintain daily production level.
- The Administration Division is also tasked with maintenance of BAPLEX's offices and field installations. For maintenance activities requiring Civil Engineering services, Construction Division could be mandated to support the Administrative Division by offering such services.
- While from a socialistic point of view, a national company like BAPLEX is mandated to generate large employment opportunities for its citizens; from a business point of view such national companies must also deploy commercial prudence to remain commercially viable. For E&P companies like BAPLEX there are many essential but non-core activities, which can add to the cost of operations significantly. There is a genuine need to look at such non-core activities / services objectively and decide if some of those could be outsourced at a fraction of the cost. Maintaining company owned light / passenger vehicles involving large capital and maintenance cost could be one such issue.

Proposed Changes

The following changes have been proposed on the basis of above rationale:

- Creation of two new Directorates namely, Corporate Affairs and Administration & HR and Commercial
- Creation of Executive Director positions for all four directorates – Exploration, Operations, Corporate Affairs and Administration & HR and Commercial
- Separating Administration and HR functions
- Shifting Planning to Corporate Affairs Directorate and moving the HRM and T&D functions to HRM & HRD group.

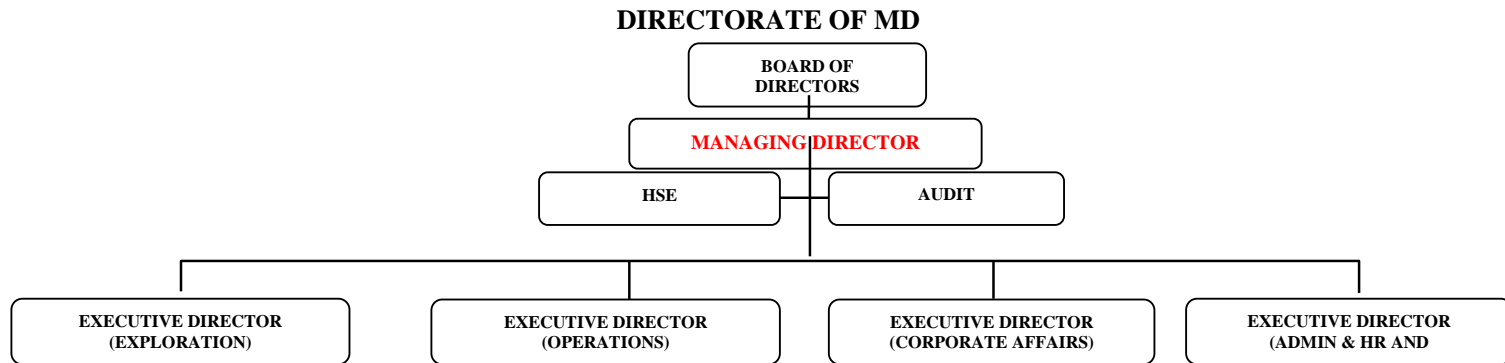
- Introduction of a Centralized Division/Department for Materials Management covering all activities related to procurement, stores, inventory control, salvage and scrap disposal.
- Diluting the Zonal Office concept and distributing its different functions to respective directorates / groups dealing with similar activities. **The recommended dilution will lead only to Re-organization and not Re-location of personnel.**
- The office at Chittagong to be presently considered as a Base Office for liaison. **The Base office for liaison concept could be duplicated in the long run in other new areas away from Dhaka, where BAPEX undertakes business activities.**

4.14 Workflow for Functional Groups

The work-flow in the different functional groups i.e. in the different directorates has been provided with their functions and responsibilities are placed in the following pages.

The directorates are:

- Directorate of Managing Director
- Directorate of Exploration
- Directorate of Operations
- Directorate of the Corporate Affairs
- Directorate of Administration & HR and Commercial



WORKFLOW FOR FUNCTIONAL GROUPS			
<p>Exploration Directorate</p> <ul style="list-style-type: none"> - Locating and acquiring prospective areas that may contain oil and gas. - Conducting geological and geophysical studies - Supervising the drilling of exploratory wells 	<p>Operations Directorate</p> <ul style="list-style-type: none"> - Safely manage the drilling - exploratory drilling and development drilling - Production operations (gas field production) of the organization. 	<p>Corporate Affairs Directorate</p> <ul style="list-style-type: none"> - Forward Planning as well as operational planning - Business Development for new business opportunities - Legal matters and public relations 	<p>Administration & HR and Commercial Directorate</p> <ul style="list-style-type: none"> -All administrative activities like security, housekeeping and travel desk etc. -HR functions pertaining to complete life cycle of an employee like HR policy formulation, Recruitment, Performance Management System, Transfers, Training & Development functions.
	<p>Audit</p> <ul style="list-style-type: none"> Controlling and Managing total auditing system of the company. Managing all matters related to 	<p>Health, Safety & Environment</p> <ul style="list-style-type: none"> Managing all HSE policy matters and implementation of same across organisation. 	<ul style="list-style-type: none"> -Finance & Accounts functions covering all areas under this domain other than Audit. -Material Management manages all

internal audit,

procurement centrally following PPA and storing all equipment, materials and resources for smooth functioning of the organisation.

DIRECTORATE OF EXPLORATION

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

GEOLOGICAL

EXPLORATION

FORMATION EVALUATION

2D & 3D SEISMIC DATA ACQUISITION

INTERPRETATION

LABORATORY

GEOLOGICAL LAB

PETROPHYSICAL

GEO-CHEMICAL

DATA MANAGEMENT

CARTOGRAPHIC &

DATA PRESERVATION

WORKFLOW FOR FUNCTION

Geophysical

- Undertaking Geophysical Surveys in the areas allocated.
- Covering the entire value chain of Geophysical surveys – Acquisition, Processing & Interpretation (API) for 2D & 3D seismic surveys.
- Extending technical support to PSC and JVA partners by arranging technical logistics for the equipment / systems / machinery.
- Joint activities with the Geological function for identification of prospective

Geological

- Proposal of areas for Geological and Geophysical survey and locations for drilling exploratory, development and appraisal wells along with monitoring of drilling operation.
- Spot investigation of any reported gas /oil seepages.
- Estimates potential resource base in areas under survey and proposes locations for Exploratory, appraisal and Development drilling (post

Laboratory

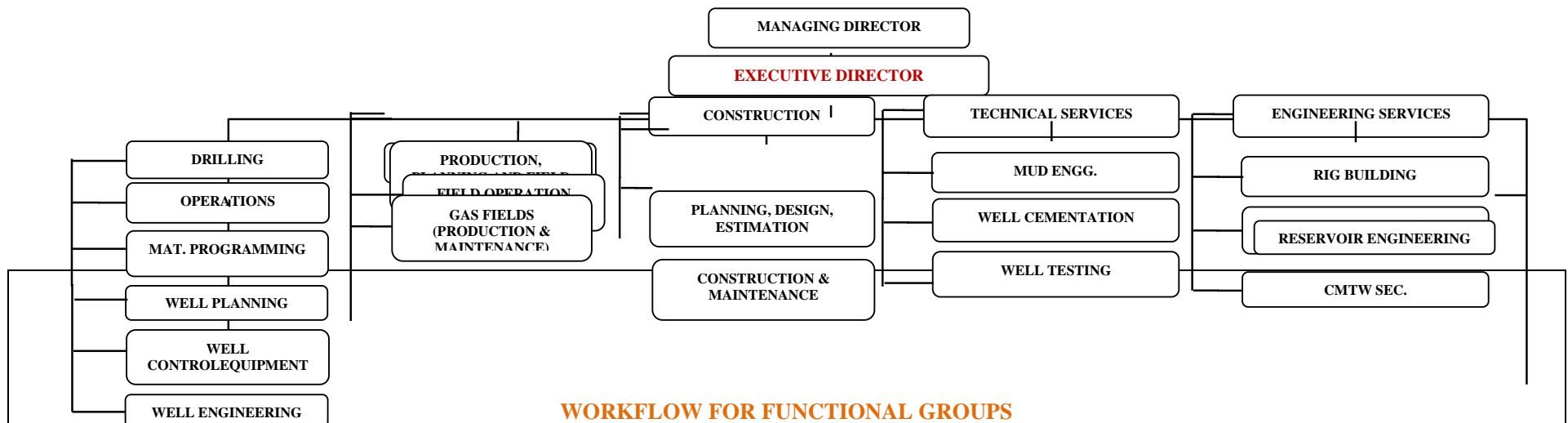
- Support services related to testing of different rock, core, oil and gas samples required for exploration and exploitation of hydrocarbons.
- Provides laboratory services to other oil-gas companies, power plant and research organizations within Bangladesh.

Data Management

- Provides support with respect to data management services required for G&G functions.
- Mainly responsible for:
 - Geological and Geophysical Digital Data Storage
 - Preservation of Reports / Data in physical form
 - Data Sales

<p>structures and proposal of drilling locations.</p>	<p>discovery) using inputs available from Geophysical and drilling control.</p> <p>- Works jointly with the Production towards realizing optimal production from the fields</p>		
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DIRECTORATE OF OPERATIONS

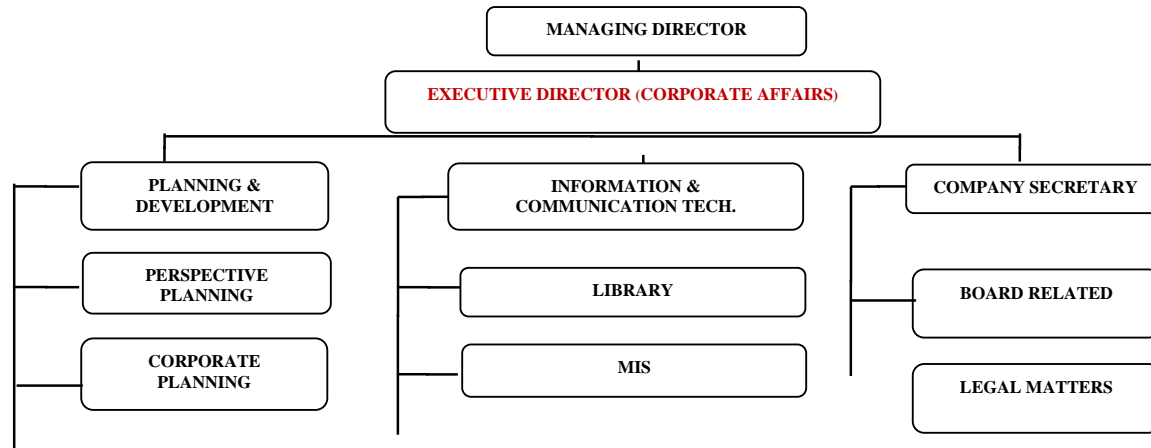


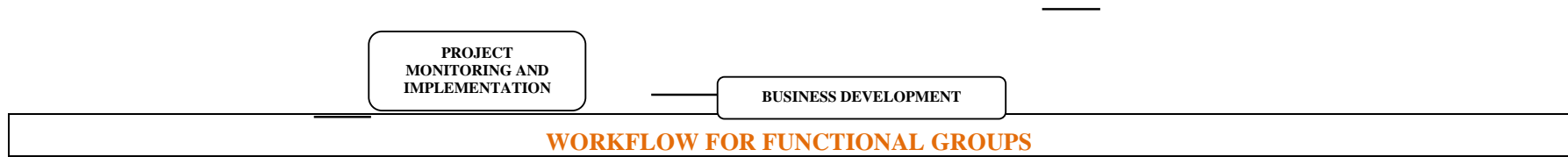
WORKFLOW FOR FUNCTIONAL GROUPS

Drilling	Construction	Engineering Services	Reservoir Engineering
<p>-Responsible for all Drilling and Completion Services of new wells and Work over activities in old wells.</p> <p>-Undertakes such activities on behalf of other national oil and gas production</p>	<p>- All Civil Engineering Works of drilling and other projects of BAPEx including land acquisition/ requisition.</p> <p>also renders construction services</p>	<p>- Rig Movement, Rig Building, Rig Maintenance (yard and on-site), operation and maintenance of heavy vehicles including cranes, earth moving equipment required for field operations, maintenance of light</p>	<p>-Providing inputs for optimal field management and act as an Advisory Cell to ED (Operations).</p> <p>- Responsible for formation evaluation and reserves estimate of the producing</p>

companies in Bangladesh.	to other companies. -Maintenance of BAPEX Bhavan	vehicles etc. - Provide fabrication services to sister concerns of BAPEX and IOCs.	fields of Bangladesh.
Production	Technical Services		
<p>-Responsible for planning production & development and operations of Company’s gas fields and uninterrupted gas supply from all fields of the Company.</p> <p>- Responsible for Process Engineering, Plant Maintenance, Engineering Modification, Commissioning Newly Discovered Fields in a safe environment friendly manner.</p>	<p>- Responsible for all activities related to provision of Mud Engineering (Drilling Fluid), Cementation, Well Testing Services for exploratory / appraisal / development wells in co-ordination with Geological and Drilling divisions.</p>		<p>- Also will arrange and supervise in-house study of the production data together with geological, geophysical, drilling and laboratory data of different gas fields and prepare integrated field evaluation reports.</p>

DIRECTORATE OF THE CORPORATE AFFAIRS





Planning & Development

- Responsible for Perspective Planning for growth and sustainability of BAPEX in the long run.
- Undertake operational planning related to design and successful implementation of the approved projects under Government Guidelines.
- Maintaining close coordination with Petrobangla, Planning Commission and the ERD
- Undertaking initiatives for seeking third party business opportunities

Company Secretary

- Deals with all works related to the Board of Directors, Convening Board Meetings, Recording and Circulating Minutes, Meeting all Statutory Requirements.
- Responsible for communication with company stakeholders.
- Ensure all legal compliances of the organisation.
- Responsible for Public Relations
- Share related activities

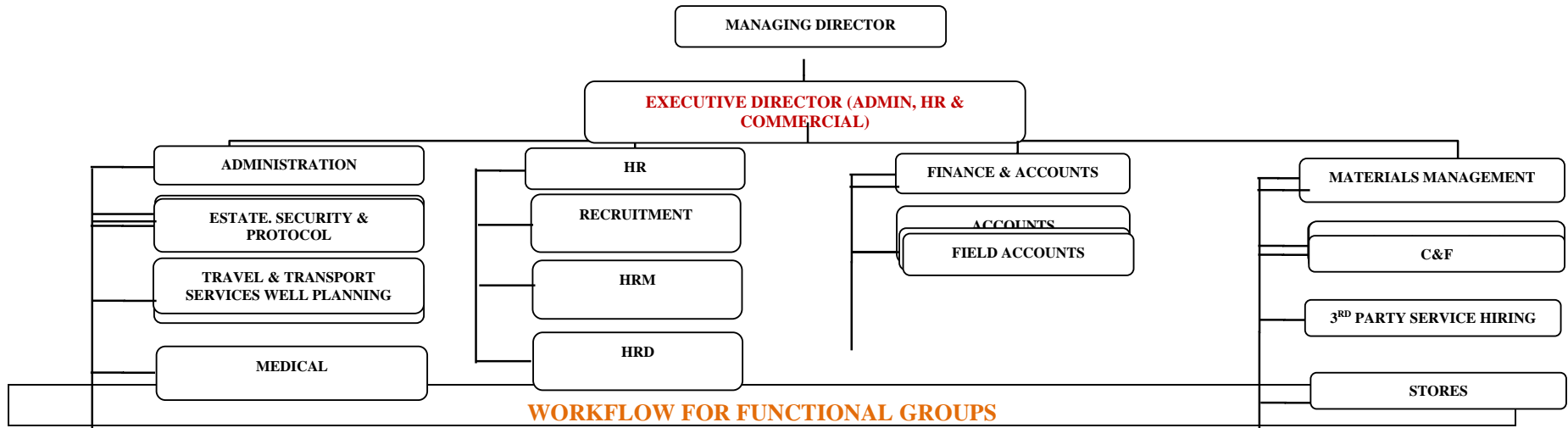
Information & Communication Tech

Will be fully responsible for all tasks associated with software development, installation, maintenance and speedy and complete digitisation of activities of the Company.

Facilitate technology induction for improved performance. ICT is responsible for.

Responsible for Supporting Management with necessary MIS.

DIRECTORATE OF ADMINISTRATION & HR AND COMMERCIAL



Administration

Housekeeping, Estate, Security, Protocol, Travel and Transport, Health Services and Field Management functions for the organization.

All administrative functions of the Chittagong base / Any future Base Office

HR

All activities related to people processes and people development.

Responsible for creation and execution of policies and practices pertaining to recruitment, induction, placement, compensation and benefits, promotion, performance appraisal, training and development and all other people development activities.

Finance & Accounts

All activities pertaining to Accounts and Finance, accounting for and receipt of sales proceeds, JV accounting, bill payments, payments of wages, salaries and benefits for all employees working in corporate office, sites/ field offices.

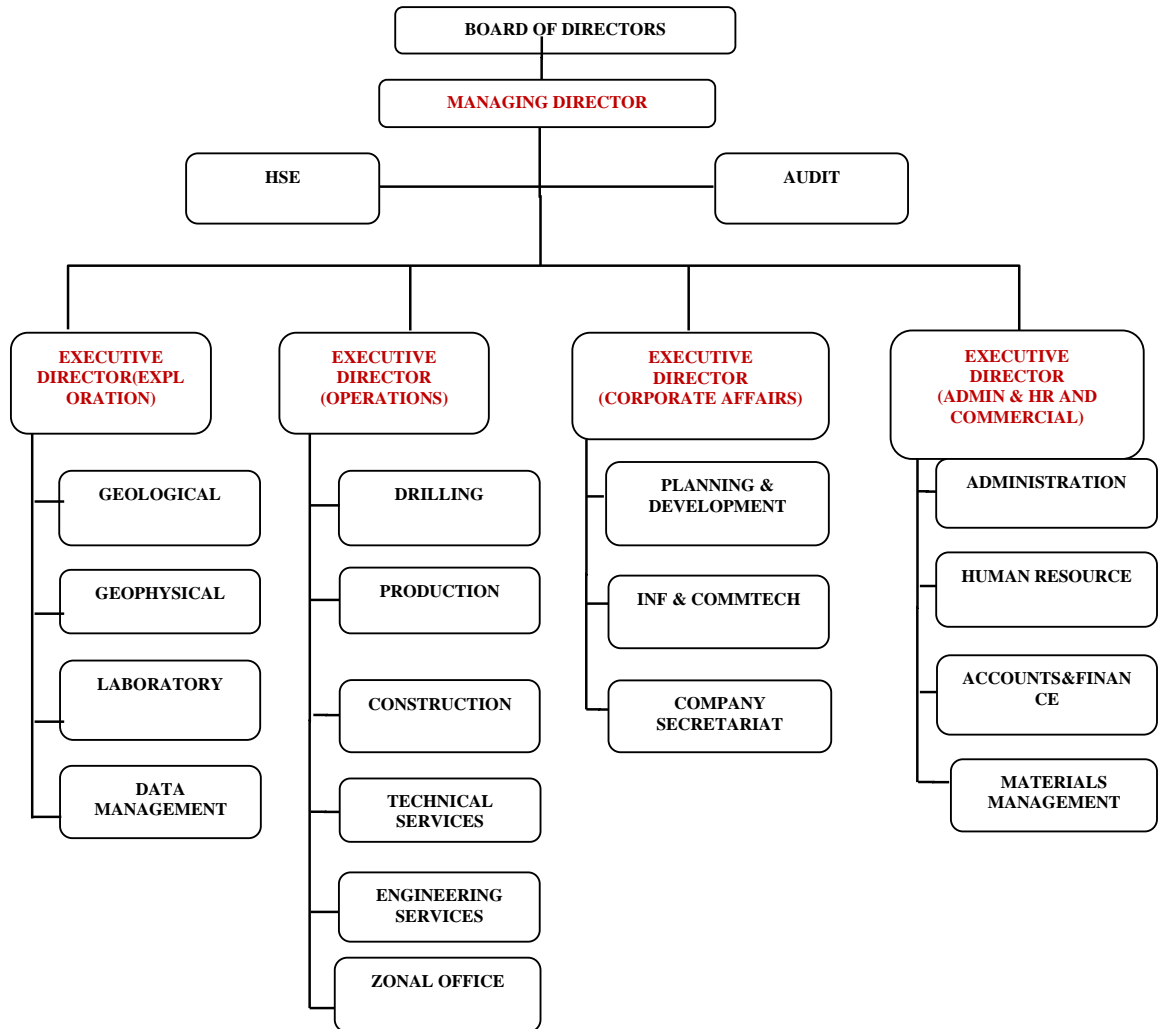
Also responsible for the C&F activities currently under the Zonal office.

Materials Management

A centralised function with responsibility for all purchases being made of equipment, machinery, vehicles and materials including stationary, storage and inventory management

The group also takes responsibility for the C&F activities being handled by the Zonal office under the existing structure.

A pictorial representation of the draft structure is provided below:



4.15 The Revised Organogram

Considering the major changes from the current organization structure of BAPEX proposed in the revised organogram are as under:

- To bring in focus on the Commercial functions of the organization a new Directorate – ‘Commercial Directorate’, is created, which will be responsible for the commercial functions, namely Materials Management and Finance and Accounts.
- Materials Management function primarily consists of Materials planning, Procurement, Storage and Inventory control. Currently these functions are distributed over two Divisions – Administration Division for Procurement and the Zonal Office for Customs Clearance, Storage and Inventory Management. Under this organogram it is proposed to club all these activities into a new division – Materials Management in the Commercial Directorate.
- In order to facilitate maintenance operations of the Mud Logging Units and the Well Logging truck (s) available with BAPEX, the same are being placed under the Technical Services Division. However actual professional services for the Mud Logging Units at well-sites and the Log interpretation / Formation evaluation function will continue to be

under the geological division to maintain synergy and facilitate ease of career progression.

- The Zonal office is responsible for a mix of activities which have limited similarities.
- However all these activities have similarities with activities carried out in other divisions like Procurement, Engineering (rig and Vehicle maintenance), and Administration etc. It is therefore proposed to redistribute such functions from Zonal office into functional Divisions which have core competence in these areas for functional synergy. However this proposal is only for functional reorganization without any physical relocation of facilities / materials or personnel. The role of the Zonal office under this reorganization will be limited to liaison and administrative supervision of the Chittagong base office.
- Introducing a Centralised Division for Materials Management covering all activities related to procurement, stores and inventory control. The division will have two departments – Purchase, which is currently with the Administration Division and Central Stores, which is currently under Zonal office.
- Reorganization of the Engineering group with introduction of a Transport & Logistic department and a Central workshop department. Both these functions are a part of the zonal office currently. This will enhance the role of the Engineering department and it will become responsible for undertaking all maintenance activities related to rig, heavy and light vehicles, rig movement etc., in the fields as well as at Chittagong base.
- Renaming the Administration Division as Administration and HR Division. HR management and HR development are two very closely linked functions. Under the current structure while HR management functions are under the Administration Division, the HR development functions like training and development are being coordinated by the Planning division. To ensure greater productivity and a more synergistic approach for the total HR function, it is proposed to shift the Training function from the Planning Division to the Admin and HR Division.
- E&P companies across the globe have a dedicated Petroleum Engineering group advising the Operation Head for ensuring prudent exploitation of the hydrocarbon resources. The current structure of BAPLEX does not provide for such a support group for the Operations Head. It is therefore proposed to create a Petroleum Engineering section with adequate technical resources reporting directly to the ED (Operation).

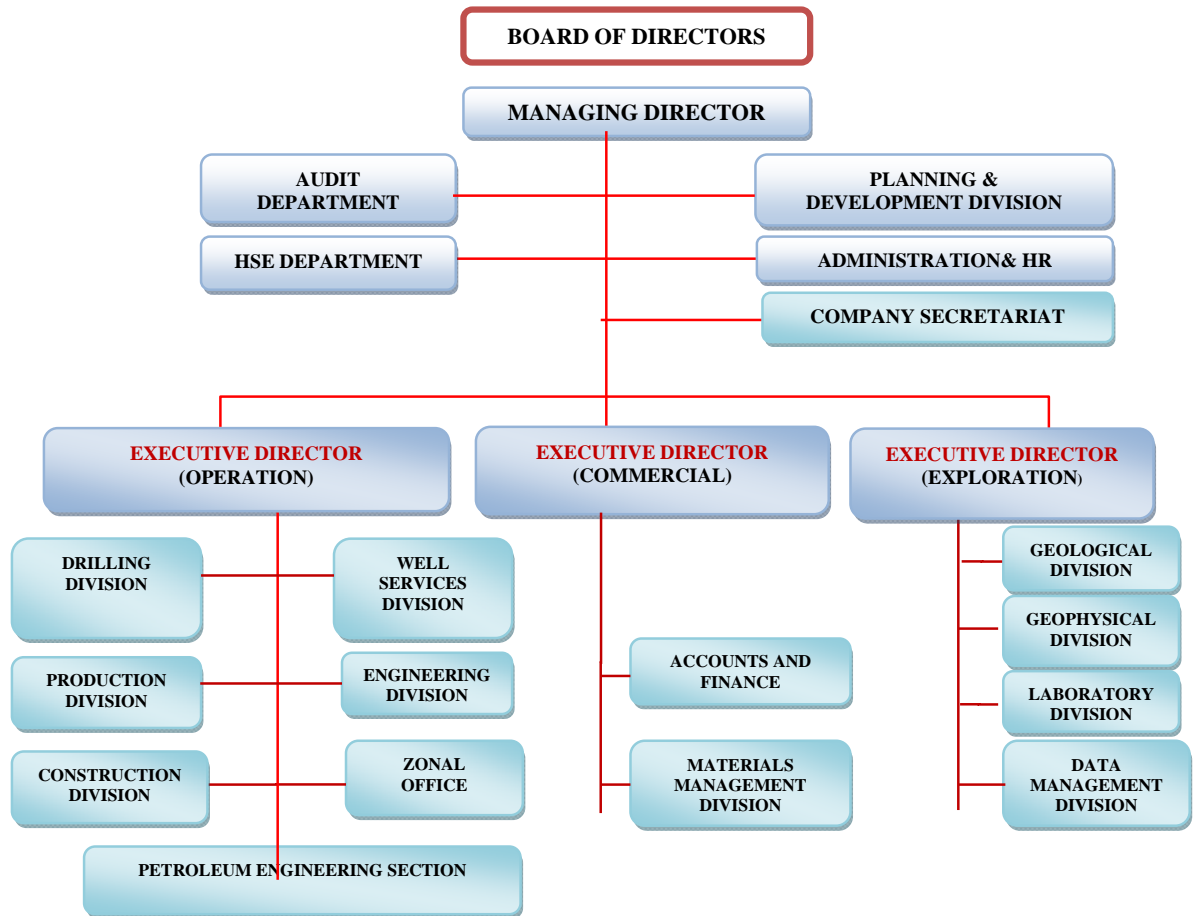
Under the recommended Organogram

- The staff functions – Planning and Development, Administration and HR, Company Secretariat, Audits and HSE will report directly to the Managing Director. These groups together will form the MD's Directorate. The training function will move from the Planning Division to the Administration and HR Division. The Purchase function will move to the Materials Management Division under the newly proposed Commercial Directorate. Keeping in mind the importance of the HSE function for an E&P company like BAPLEX, a new section / department for HSE is proposed which will report directly to the MD.
- Other than the MD's Directorate, there will be three Directorates – Exploration Directorate, Operation Directorate and Commercial Directorate. Each of these Directorates will be headed by an Executive Director (ED) with adequate Operational, Administrative and Financial Powers and reporting to the MD. The pay scales of the EDs would be similar to that of the MD / Senior GMs of Petrobangla and it is strongly recommended that these positions be filled from the GM positions of BAPLEX by Promotion.
- The Exploration Directorate will consist of the Geological, Geophysical, Laboratory and Data Management Divisions. The Maintenance functions of the Mud Logging Units and the Well logging Unit will move out of the Geological Division to the Technical Services Division. However operational activities for the MLUs (gas logging, gas

chromatography, sample analysis etc.) and the log interpretation and formation evaluation activities will remain the responsibility of the Geological Division.

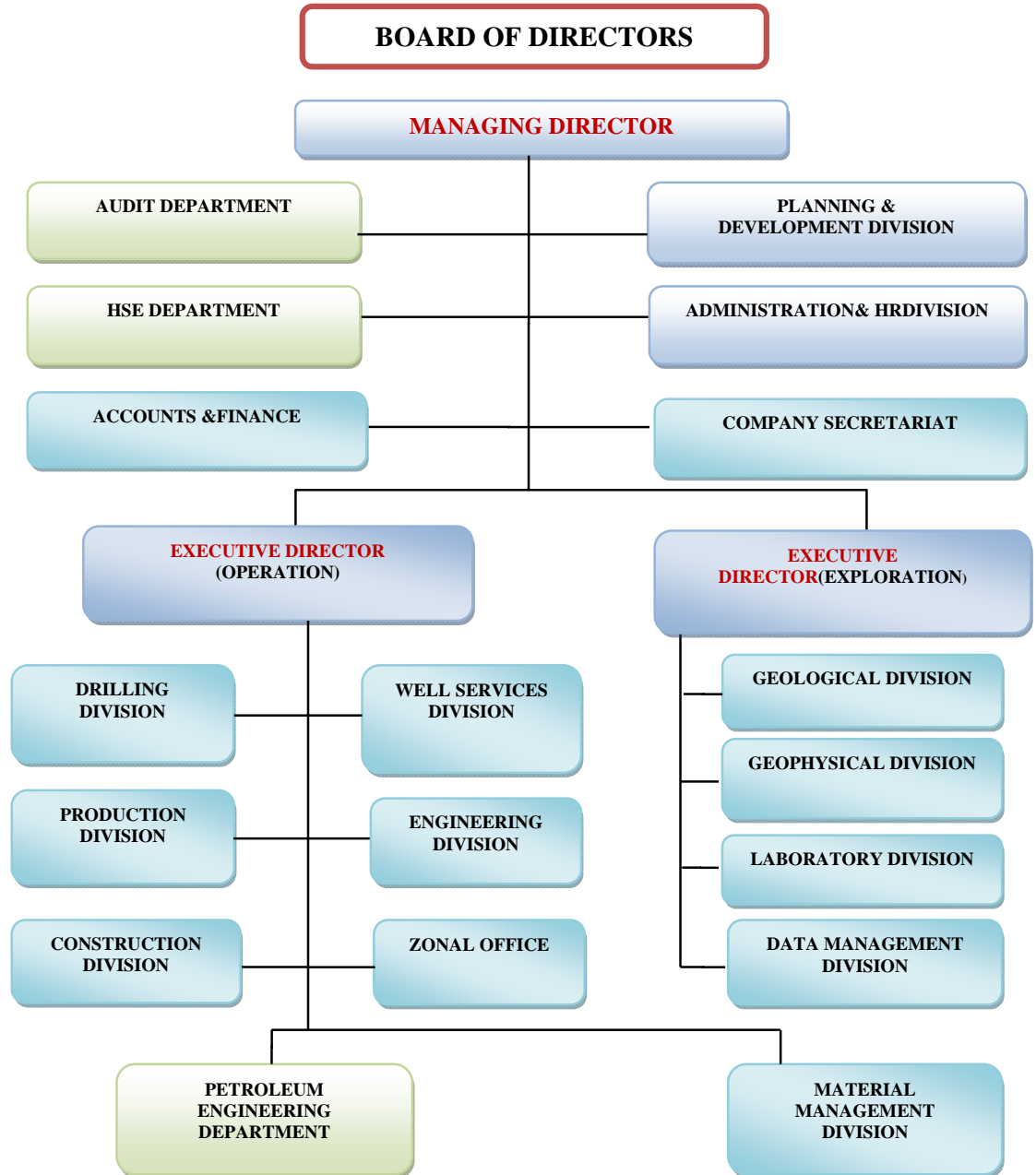
- The Operation Directorate will have six Divisions – Drilling, Production, Construction, Well Services (renamed version of Technical services), Engineering and the Zonal office (with liaison and administrative role). The Well Services Division will have enhanced responsibility for maintaining the Mud Logging units and the Well Logging truck(s), which were till now looked after by Geological Division. Similarly Engineering division will have enhanced responsibilities for all maintenance activities related to the Rigs and transport vehicles, both at Field and yard; and all rig movement activities. The zonal office under the Operation Directorate will continue to function for liaison activities; however the professional responsibilities for the Stores and Inventory Management functions, Maintenance functions and other Administrative functions will be with the respective Divisions. A new section / department for Petroleum Engineering advisory to the ED (Operation) and GM (Production) is being proposed as Petroleum Engineering Department, which will report directly to the ED (Operation) for ensuring professional independence.
- The proposed new Directorate – Commercial Directorate under a newly created position of ED (Commercial) will have two Divisions – Accounts and Finance, and Materials Management.

4.16 A pictorial representation of the proposed organogram is as under:



4.17 The Final Organogram

The pictorial presentation of the Re-designed Organogram (Final), created after considering all inputs received is placed as under:



4.18 Workflow for the Final Organogram

Office of the Managing Director

13.1 The workflow for the MD's Directorate with six Divisions / Departments is presented in the following matrix:

WORKFLOW FOR MD'S DIRECTORATE			
Planning & Development	Administration & HR	Company Secretariat	Accounts and Finance
<ul style="list-style-type: none"> Responsible for Perspective Planning for growth and sustainability of BAPEX in the long run. Undertaking operational planning related to design and successful implementation of the approved projects under Government Guidelines. Maintaining close coordination with Petrobangla, the ERD and Planning Commission Undertaking initiatives for seeking third party business Development, Installation and Maintenance of fit for purpose software Digitisation of all activities of the Company Supporting Operating and Staff functional groups in identifying and inducting suitable technology Supporting Management with real time MIS 	<ul style="list-style-type: none"> Housekeeping, Estate, Security, Protocol, Travel and Transport, Health Services and Field Management functions for the organization. Creation and execution Human Resource Management policies and practices pertaining to Recruitment, Induction, Placement, Compensation and Benefits etc Human resource development activities including Promotion, Performance Appraisal, Training and development etc. 	<ul style="list-style-type: none"> Deals with all works related to the Board of Directors, Convening Board Meetings, Recording and Circulating Minutes, Meeting all Statutory Requirements Responsible for communication with company stakeholders. Ensure all legal compliances of the organisation. Responsible for Public Relations Share related activities 	<ul style="list-style-type: none"> Preparation of annual Budget with inputs from all divisions All activities pertaining to Accounts and Finance – Revenue accounting and collection, Management Accounting, Insurance, Bill Payments, Letter of Credit, Foreign Exchange, C&F etc. Accounting for and receipt of sales proceeds, JV accounting, bill payments Payments of wages, salaries and benefits for all employees working in corporate office, sites/ field offices. All statutory responsibilities and compliances
	Audit	Health, Safety & Environment	
	<ul style="list-style-type: none"> Controlling and 	<ul style="list-style-type: none"> Managing all HSE 	

WORKFLOW FOR MD's DIRECTORATE			
Planning & Development	Administration & HR	Company Secretariat	Accounts and Finance
	<p>Managing total auditing system of the company.</p> <ul style="list-style-type: none"> Managing all matters related to internal audit 	<p>policy matters and implementation of same across organisation.</p> <ul style="list-style-type: none"> Regular Analysis of all safety incidents across the company for preventive actions for future. <p>Organize safety week celebrations for BAPEX employees as well as general public to create strong awareness about safety issues.</p>	

Exploration Directorate

The workflow for the Exploration Directorate remains the same except for the maintenance activities of the Well Logging Unit and the MLUs under Geological Division, which move to the Well Services Division.

WORKFLOW FOR EXPLORATION DIRECTORATE			
Geophysical	Geological	Laboratory	Data Management
<ul style="list-style-type: none"> Covering the entire value chain of Geophysical surveys – Acquisition, Processing & Interpretation (API) for 2D & 3D seismic surveys for BAPEX. Extending technical support to PSC and JVA partners by arranging technical logistics for the equipment / systems / machinery. Working jointly with Geological group for identification of prospective structures and proposing drilling locations etc. 	<ul style="list-style-type: none"> Identification of blocks / areas for Geo-Scientific surveys. Basin Modelling Joint work with Geophysics Division for Prospect identification, location proposal for drilling Monitoring and supporting drilling operation. Spot Investigation of any reported gas /oil seepages. Estimation of Hydrocarbon Resource and Potential Base. Formation Evaluation Other Reservoir Engineering activities for BAPEX fields and fields of other Operators (as and when requested) 	<ul style="list-style-type: none"> Source Rock Studies for oil and gas Petrophysical studies for Cores, Rock Sample Sedimentology and Bio- Stratigraphic studies Studies related to Environmental Quality Control Oil and gas sample analysis Lab Maintenance activities Providing laboratory services to other oil-gas companies, power plant and research organizations within Bangladesh. 	<ul style="list-style-type: none"> Digital Storage and Management for Geological and Geophysical Data Cartography and Reproduction activities for Geo-scientific Data Data / Reports Preservation in physical form Data Sales on behalf of Bangladesh Government

4.19 Operation Directorate

Workflow for Operations Directorate			
Drilling	Production	Engineering	Construction
<ul style="list-style-type: none"> Field planning for all drilling activities Drilling and Completion Services for all new wells All Work over activities in old wells for BAPEx. Offering above services to other national oil and gas production companies in Bangladesh. 	<ul style="list-style-type: none"> Planning for and Creation of Field infrastructure for hydro carbon production Process Engineering, Plant Maintenance, Engineering Modification, for new and old field Installations Maintaining and Optimizing production from the Company's gas fields as per set targets Supply of quality gas from all fields of BAPEx to consumers 	<ul style="list-style-type: none"> Rig Movement, Rig Building and Rig Maintenance (at yard, zonal office and on-site) Complete operation and maintenance of heavy vehicles including cranes, earth moving equipment required for field operations Maintenance of light vehicles etc. Fabrication services for sister concerns of BAPEx and other IOCs. 	<ul style="list-style-type: none"> Land Acquisition for Drilling and other Projects All Civil Engineering Works for drilling and other projects of BAPEx Rendering Construction services to other Oil and Gas Companies. Civil Engineering Maintenance of Corporate office of BAPEx
Zonal Office, Chittagong	Well Services	Petroleum Engineering	Materials Management
<ul style="list-style-type: none"> All liaison activities at Chittagong on behalf of BAPEx Local administration of zonal office 	<ul style="list-style-type: none"> Mud Engineering Services for new as well as Work over wells Cementing services for new as well as old wells Well Testing Services for all new wells (including DST) / Work over wells Maintenance of MLUs / Well Logging Unit 	<ul style="list-style-type: none"> Scientific Production optimization studies and analysis for producing fields Creation and maintenance of complete production data base Supporting ED (Operations) and senior Management with data based optimization advisory 	<ul style="list-style-type: none"> All Procurement functions on behalf of the Company – local, domestic as well as foreign Storage of all Materials including chemicals, maintenance of Stores in Dhaka, Chittagong and other field installations Inventory Management to ensure zero stock out situation Negotiating and finalizing all third party contracts for services

4.20 Manpower Assessment and Staffing for The Final Organogram

Considering the level of activities, nature of the jobs, statutory requirements and the practices followed in other international companies, a manpower assessment has been made for the Divisions proposed in the organogram. While the following table provides the summarized view of the proposed manpower, a division wise breakup of the same follows in the subsequent paragraphs.

Overall Manpower Scenario (Grade-wise)

Sl. No.	Designation	Approved Manpower	Existing Manpower	Proposed Manpower	Increase/ Decrease (+/-)
1	Managing Director (MD)	1	1	1	0
2	Executive Directors	2	0	2	0
3	General Manager (GM)	14	10	15	1
4	Dy. General Manager (DGM)/Drilling Superintendent (DS)	63	51	76	13

5	Manager (M)/Tool Pusher(TP)	116	91	144	28
6	Deputy Manager (DM)/Driller	149	92	173	24
7	Asstt. Manager (AM)/ Asstt. Driller(AD)	234	111	253	19
8	Junior Officer (JO/SAE/TD)	77	43	80	3
9	Total Officer	656	399	744	88
10	Total Permanent Staff	917	323	722	-195
11	Total Outsourced Staff	293	293	692	399
	GRAND TOTAL (9+10+11)	1866	1015	2158	292

Note:

1. These positions of Executive Director are proposed to be in the similar pay scale of the MD/Sr. GM (Petrobangla) but from administrative point of view, they are to report to the Managing Director who is the CEO and to be filled in by promotion only from the General Manager of BAPEX.

Directorate / Division/Department wise Manpower Position

Sl.	Name of the Directorate/ Division/ Department	Approved			Proposed		
		Officer	Staff	Total	Officer	Staff	Total
1.	Managing Director	03	04	07	03	04	07
2.	Executive Directors ^(a)	04	04	08	04	04	08
3.	Geological Division	47	25	72	43	20	63
4.	Geophysical Division	79	58	137	79	64	143
5.	Drilling Division	104	195	299	104	202	306
6.	Engineering Division	29	143	172	45	221	266
7.	Production Division	71	317	388	75	380	455
8.	Laboratory Division	24	32	56	24	35	59
9.	Planning & Development Division ^(b)	33	13	46	29	12	41
10.	Administration & HR Division ^(c)	86	165	251	80	157	237
11.	Accounts & Finance Division	60	40	100	74	31	105
12.	Zonal Office, Chittagong	36	116	152	30	110	140
13.	Company Secretariat	07	06	13	11	09	20
14.	Well Services Division ^(d)	29	45	74	55	56	111
15.	Data Management Division	17	15	32	17	18	35
16.	Construction Division	09	24	42	22	38	60
17.	Material Management Division ^(e)	-	-	-	26	40	66
18.	Audit Department	09	08	17	12	08	20
19.	HSE Department ^(f)	-	-	-	06	02	08

20.	Petroleum Engineering Department (g)	-	-	-	05	03	08
GRAND TOTAL		656	1210 (293)	1866 (293)	744	1414 (692)	2158 (692)

Note:

- (a) Earlier position of Director has been proposed as Executive Director
- (b) Earlier name was Planning Division
- (c) Earlier name was Administration Division
- (d) Earlier name was Technical Services Division
- (e) Newly proposed Division under Executive Director (Operation)
- (f) Newly proposed Department under Managing Director
- (g) Newly proposed Department under Executive Director (Operation)

* Figures within parenthesis indicate staffs on outsourcing basis from which required number of staff may be re-arranged within the division.

Table showing Manpower Comparison between Approved and Proposed

Sl.	Name of the Directorate/ Division/ Department	Approved			Proposed with Increased/Decreased Number					
		Officer	Staff	Total	Officer		Staff		Total	
					Proposed	(+/-)	Proposed	(+/-)	Proposed	(+/-)
1	Managing Director	03	04	07	03	0	04	0	07	0
2	Executive Directors ^(a)	04	04	08	04	0	04	0	08	0
3	Geological Division	47	25	72	43	-4	20	-5	63	-9
4	Geophysical Division	79	58	137	79	0	64	06	143	06
5	Drilling Division	104	195	299	104	0	202	07	306	07
6	Engineering Division	29	143	172	45	16	221	78	266	94
7	Production Division	71	317	388	75	04	380	63	455	67
8	Laboratory Division	24	32	56	24	0	35	03	59	03
9	Planning & Development Division ^(b)	33	13	46	29	-4	12	-1	41	-5
10	Administration & HR Division ^(c)	86	165	251	80	-6	157	-8	237	-14
11	Accounts & Finance Division	60	40	100	74	14	31	-9	105	05
12	Zonal Office, Chittagong	36	116	152	30	-6	110	-6	140	-12
13	Company Secretariat	07	06	13	11	04	09	03	20	07
14	Well Services Division ^(d)	29	45	74	55	26	56	11	111	37
15	Data Management Division	17	15	32	17	0	18	03	35	03
16	Construction Division	18	24	42	22	04	38	14	60	18

Sl.	Name of the Directorate/ Division/ Department	Approved			Proposed with Increased/Decreased Number					
		Officer	Staff	Total	Officer		Staff		Total	
17	Material Management Division ^(e)	0	0	0	26	26	40	40	66	66
18	Audit Department	09	08	17	12	03	08	0	20	03
19	HSE Department ^(f)	0	0	0	06	06	02	02	08	08
20	Petroleum Engineering Department ^(g)	0	0	0	05	05	03	03	08	08
GRAND TOTAL		656	1210	1866	744	88	1414	204	2158	292

Overall Scenario of Proposed Manpower

Sl.	Name of the Directorate/ Division/ Department	Position of Officer with numbers								Total Manpower (Proposed)			
		MD	ED	GM	DG M	Manager	D M	A M	JO/A O	Total Officer	Total Staff	Total	Outsourcing
1	Managing Director	01	0	0	0	01	01	0	0	03	04	07	02
2	Executive Directors ^(a)	0	02	0	0	0	02	0	0	04	04	08	0
3	Geological Division	0	0	01	05	10	10	17	0	43	20	63	13
4	Geophysical Division	0	0	01	06	14	17	31	10	79	64	143	15
5	Drilling Division	0	0	01	14	22	24	23	20	104	202	306	91
6	Engineering Division	0	0	01	06	10	09	13	06	45	221	266	119
7	Production Division	0	0	01	08	10	19	37	0	75	380	455	236
8	Laboratory Division	0	0	01	03	05	07	08	0	24	35	59	10
9	Planning & Development Division ^(b)	0	0	01	02	09	07	10	0	29	12	41	09
10	Administration & HR Division ^(c)	0	0	01	07	10	12	30	20	80	157	237	79
11	Accounts & Finance Division	0	0	01	05	13	16	29	10	74	31	105	15
12	Zonal Office, Chittagong	0	0	01	03	06	08	09	03	30	110	140	19
13	Company Secretariat	0	0	01	02	03	02	03	0	11	09	20	07
14	Well Services Division ^(d)	0	0	01	05	13	14	22	0	55	56	111	18
15	Data Management Division	0	0	01	03	04	04	04	01	17	18	35	15
16	Construction Division	0	0	01	02	03	05	05	06	22	38	60	18
17	Material Management Division ^(e)	0	0	01	02	04	08	07	04	26	40	66	18
18	Audit Department	0	0	0	01	04	04	03	0	12	08	20	04
19	HSE Department ^(f)	0	0	0	01	01	02	02	0	06	02	08	02
20	Petroleum Engineering Department ^(g)	0	0	0	01	02	02	0	0	05	03	08	02
GRAND TOTAL		01	02	15	76	144	173	253	80	744	1414	2158	692

4.21 Re-Designed Organogram Structure

The Proposed Re-designed Organizational Structures (Final) are placed in the following order:

1. Managing Director
2. Executive Directors (Exploration)
3. Executive Directors (Operation)
4. Audit Department
5. HSE Department
6. Geological Division
7. Geophysical Division
8. Laboratory Division
9. Data Management Division
10. Drilling Division
11. Engineering Division
12. Production Division
13. Construction Division
14. Well Services Division
15. Petroleum Engineering Department
16. Administration & HR Division
17. Accounts and Finance Division
18. Planning & Development Division
19. Company Secretariat
20. Zonal Office, Chittagong
21. Materials Management Division

Some of them are as follows:



**Summary of Manpower
(MD's Office)**

Designation	A	P
MD	01	01
Manager	-	01
DM	01	01
AM	01	-
Total Officer	03	03
Total Staff	04	04
Total Manpower	07	07
*Staff on outsourcing basis	00	04
A = Approved,P= Proposed		

Note:

- (i) The positions of Personal Staffs of the MD's office have been upgraded keeping in mind the status of MD.

Managing Director

Executive Director (Exploration)'s Office

Pers: 2 + (0+ 2*) = 4

1 x Executive Director

1 x DM (Coordination)

1 x Driver*

1 x Office Helper*

Summary of Manpower

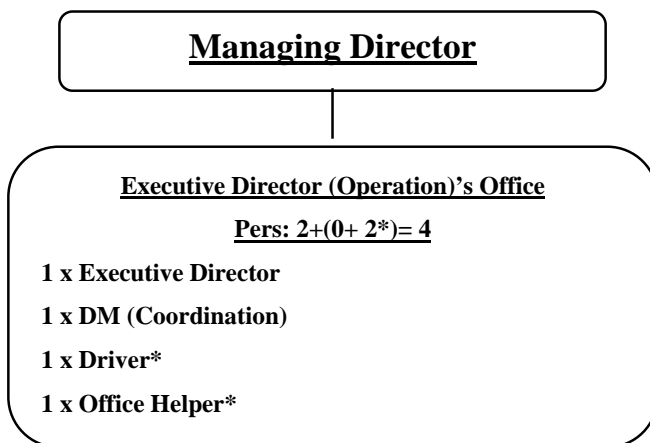
ED (Exploration)'s Office

Designation	A	P
ED	01	01
DM	-	01
AM	01	-
Total Officer	02	02
Total Staff	02	02
Total Manpower	04	04

*Staff on outsourcing basis	00	02
A = Approved, P= Proposed		

Note:

- (i) The position of Executive Director (Exploration) is proposed to be in the similar pay scale of the MD/Sr. GM (Petrobangla) but from administrative point of view, he/she is to report to the Managing Director who is the CEO and to be filled in by promotion only from the General Manager of BAPEX.
- (ii) The position of personal staff of the Executive Director has been upgraded keeping in mind the status of ED.



Summary of Manpower

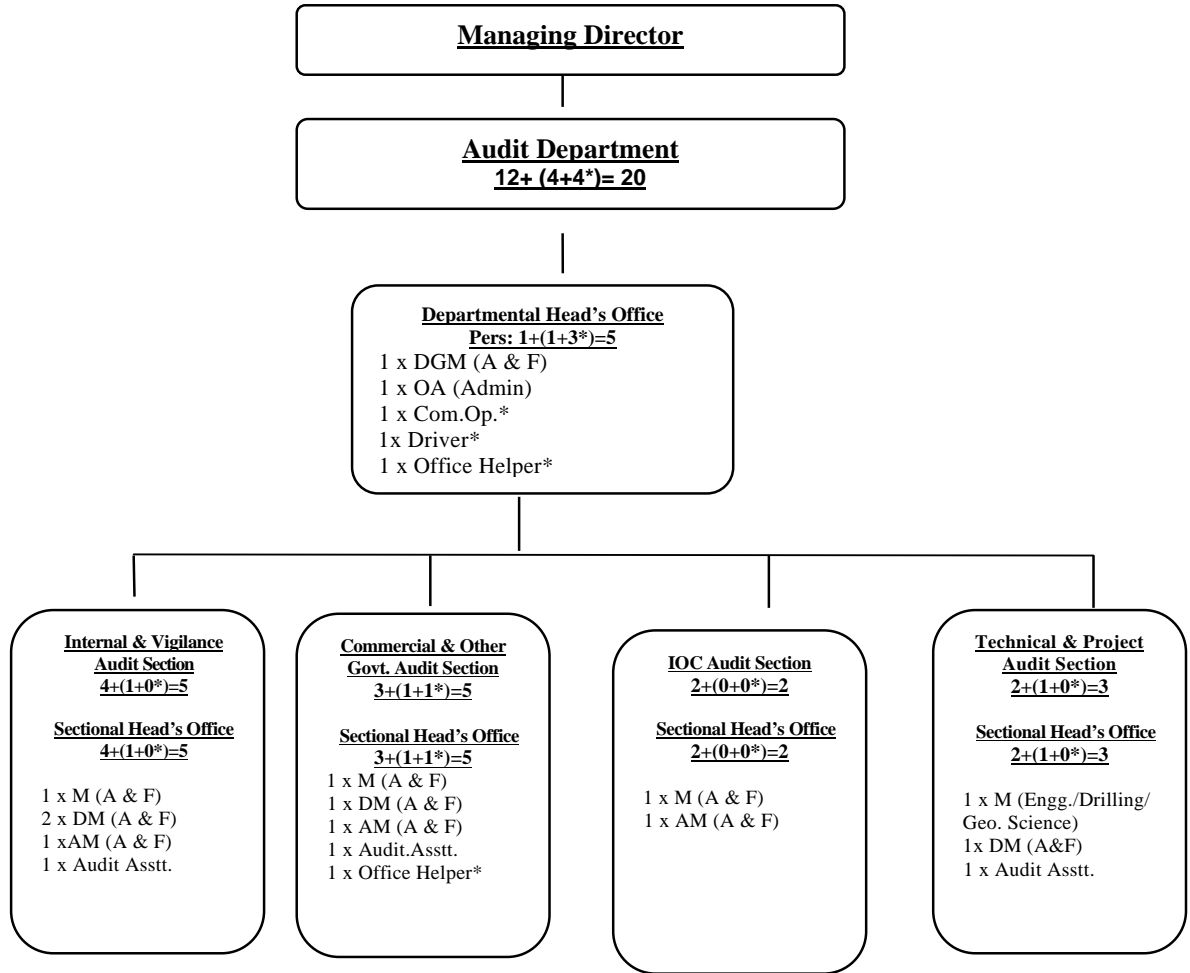
ED (Operation)'s Office

Designation	A	P
ED	01	01
DM	-	01
AM	01	-
Total Officer	02	02
Total Staff	02	02
Total Manpower	04	04
*Staff on outsourcing basis	00	02
A = Approved, P= Proposed		

Note:

- (i) The position of Executive Director (Operation) is proposed to be in the similar pay scale of the MD/Sr. GM (Petrobangla) but from administrative point of view, he/she is to report to the Managing Director who is the CEO and to be filled in by promotion only from the General Manager of BAPEX. .
- (ii) The position of Personal-staff of the Executive Director has been upgraded keeping

in mind the status of ED.

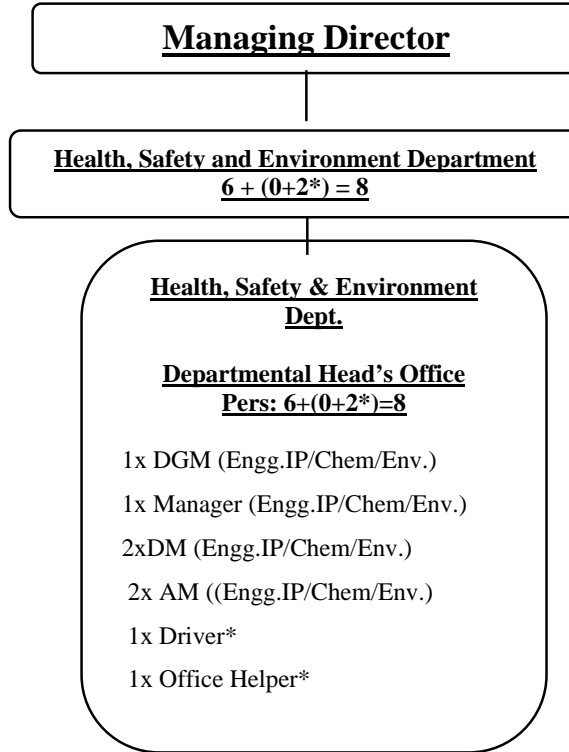


Summary of Manpower
(Audit Department)

Designation	A	P
DGM	01	01
Manager	02	04
DM	03	04
AM	03	03
Total Officer	09	12
Total Staff	08	08
Total Manpower	17	20
*Staff on outsourcing basis	01	04
A = Approved,P= Proposed		

Note:

- (i) A new section titled “Technical and Project Audit Section” has been proposed with officials from Engg./ Drilling/ Geo-Sciences/ Accounts & Finance.

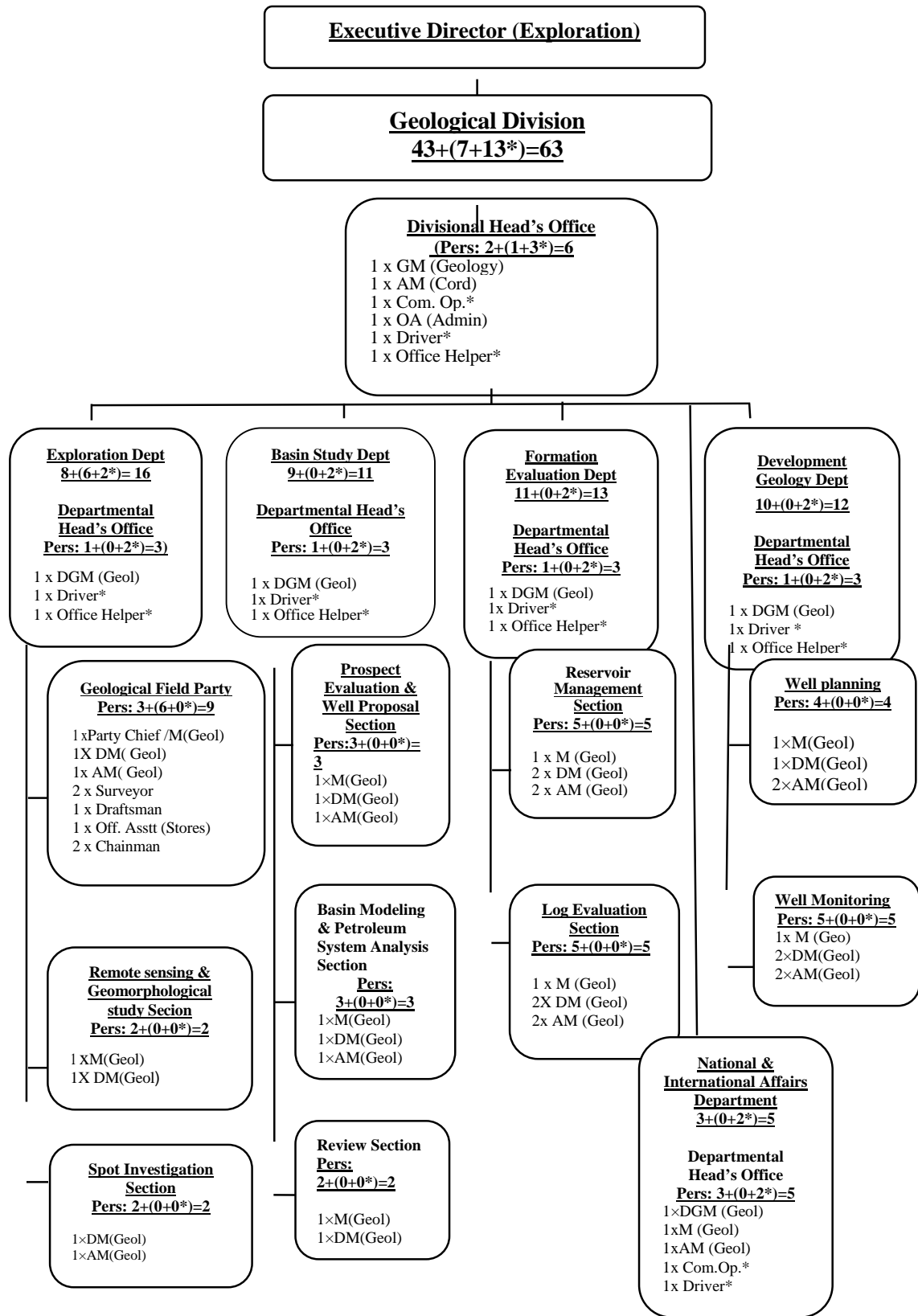


Summary of Manpower
(HSE Department)

Designation		P
DGM	Newly Proposed Department	01
Manager		01
DM		02
AM		02
Total Officer		06
Total Staff		02
Total Manpower		08
*Staff on outsourcing basis		02
A = Approved, P= Proposed		

Note:

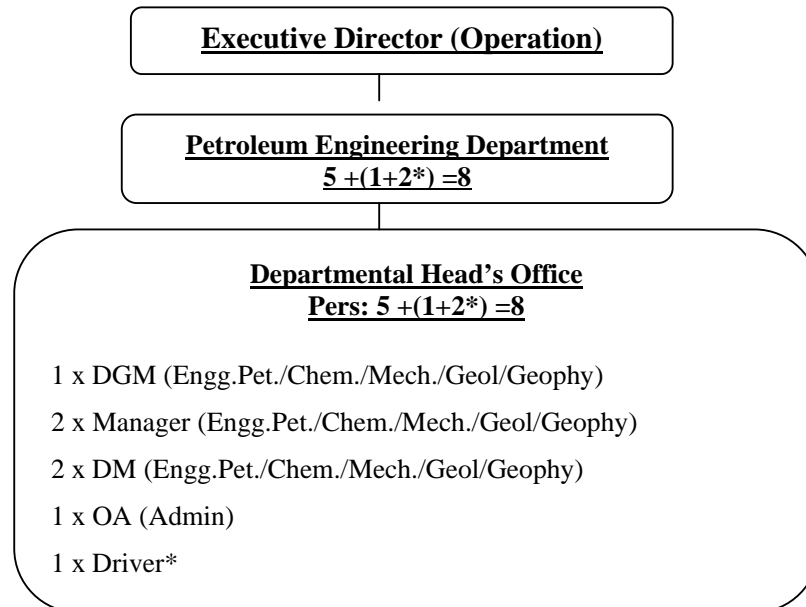
- (i) It is proposed to have officers in any position, from Drilling and Production divisions till the Company recruits qualified HSE professionals.



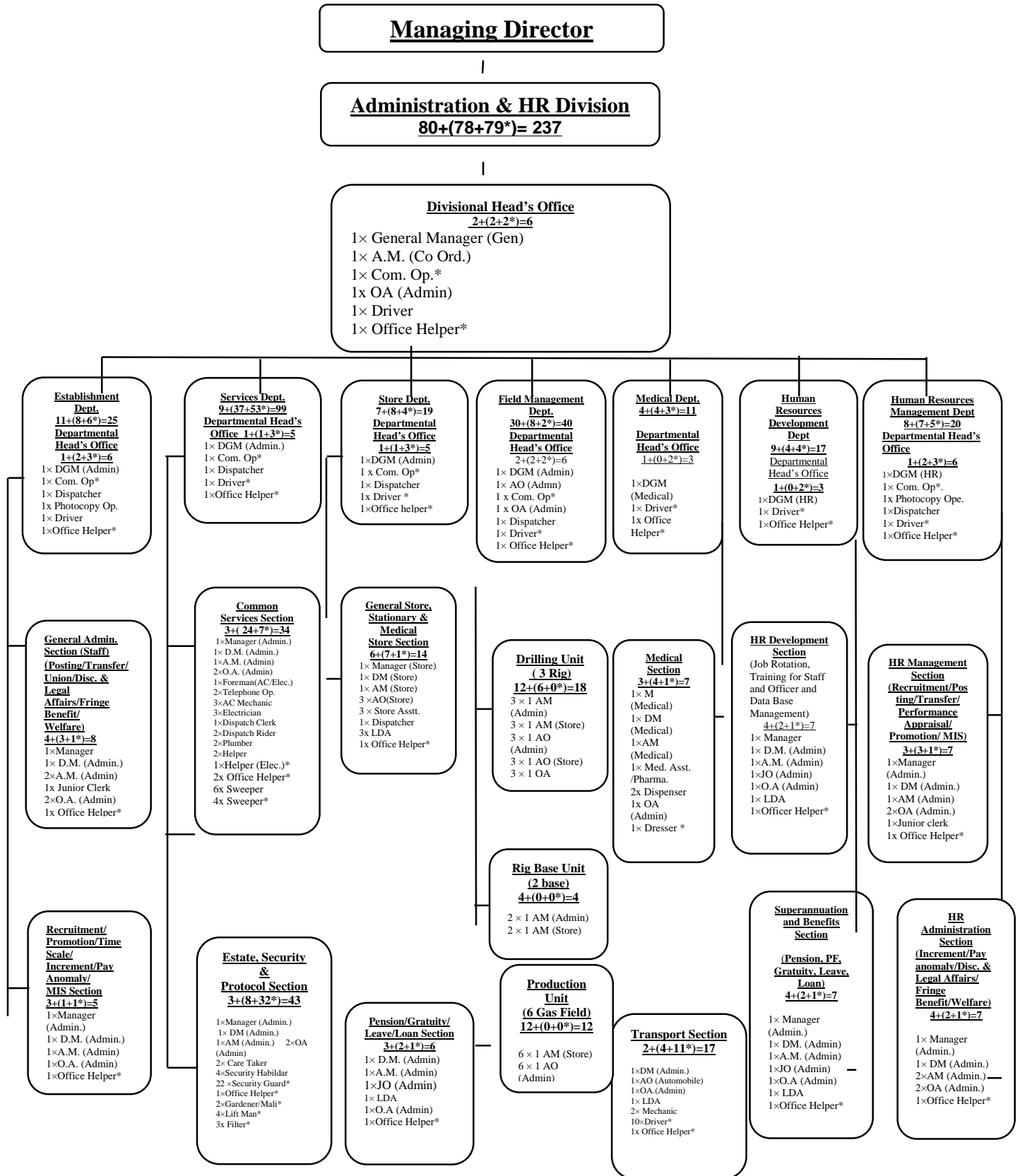
Summary of Manpower		
Geological Division		
Designation	A	P
GM	01	01
DGM	04	05
Manager	11	10
DM	12	10
AM	19	17
Total Officer	47	43
Total Staff	25	20
Total Manpower	72	63
*Staff on outsourcing basis	04	13
A = Approved, P= Proposed		

Note:

- (i) The Maintenance Section along with MLU-I, II & III and Wire-line Logging services shifted to Well Services Division.
- (ii) A new department titled National & International Affairs is introduced.
- (iii) During field operation, required number of workers shall be engaged by the Party Chief.



Summary of Manpower			
Petroleum Engineering Department			
Designation	Newly Proposed Section under ED (Operation)	Proposed	Remarks
DGM		01	These positions will be filled in from Geology/Geophysics/Engineering (Petroleum / Chemical /Mechanical)
Manager		02	
DM		02	
Total Officer		05	
Total Staff		03	
Total Manpower		08	
*Staff on outsourcing basis		02	



Summary of Manpower		
Administration & HR Division		
Designation	A	P
GM	01	01
DGM	07	07
Manager	12	10
DM	15	12
AM	30	30
AO/JO	21	20
Total Officer	86	80
Total Staff	165	157
Total Manpower	251	237
*Staff on outsourcing basis	42	79
A = Approved, P= Proposed		

4.22 Job Description

Office and The Directorate of the Managing Director

- a. Managing Director
- b. Executive Director (Exploration)
- c. Executive Director (Operation)
- d. Audit Department
- e. HSE Department
- f. Accounts & Finance Division
- g. Planning & Development Division
- h. Administration & HR Division
- i. Company Secretariat

Exploration Directorate

- a. Geological Division
- b. Geophysical Division
- c. Laboratory Division
- d. Data Management Division

Operation Directorate

- a. Drilling Division
- b. Production Division
- c. Construction Division

- d. Well Services Division
- e. Engineering Division
- f. Zonal Office
- g. Material Management Division
- h. Petroleum Engineering Department

4.23 A few of Job descriptions as we recommended for BAPEX are give below:

1. Managing Director

Job Title:	Managing Director	Directorate:	MD's Office
Division:		Location:	Dhaka
Position Type:	Full Time	Travel Required:	<i>Yes, Field Locations / Base Offices</i>
Level/Grade:	Managing Director	Pay Scale:	2 nd Grade
Reporting To:	Board of Directors	Direct Reports:	<i>All EDs / GMs, Head of Audit Head of Quality/HSE Company Secretary</i>
Internal	All divisions / departments / Base offices / Field Installations of the organization Central Bargaining Authority		
External	Senior govt. officials and relevant ministries in Bangladesh & overseas, Petrobangla, EMRD, external experts, directors of other oil & gas companies, JV partners, industry associations, key funding agencies, press and others relevant Stake holders. All customers of E&P, Drilling and related services and Pipeline services All 3rd party service customers		
Job Purpose:			
Managing Director is the Member of the Board and also the CEO of the company. This role is responsible for both short and long-term performance – market, assets (balance sheet and gas reserves), cash flows and profits. He is the owner of the overall corporate strategy and direction and is responsible for ensuring its implementation and achievement of objectives.			
Job Description:			
<p>Role and Responsibilities</p> <ol style="list-style-type: none"> 1. Formulate corporate strategy, review and approve business plan and budgets. 2. Set performance targets for all divisions and monitor performance. 3. Review and manage overall risk profile of BAPEX's initiatives, investments and joint ventures. 4. Create a top management and second in line leadership, which will ensure continuity of direction, formulation and execution of strategies and business plans that, will ensure future growth and profitability. 5. Manage relationships with all critical external interfaces including joint venture partners, oil & gas companies, internal and overseas governments to manage all strategic opportunities and threats and to ensure that corporate strategy and business plan is achieved. 6. Make Corporate Policies taking inputs from Divisional heads. 7. Manage top management to ensure that they execute the strategies and business plans to achieve business and operational targets 8. Review and approve budgets, overall cash flow vis-à-vis budgets and planned cash flows. 9. Ensure BAPEX's adherence to statutory, legal and corporate governance requirements. 10. Facilitate the board and provide all required inputs and data and ensure that relevant board approvals are obtained. 11. Decide on the corporate image to be presented by BAPEX and ensure execution. 12. Periodic review of organisation structure to assess its suitability to attaining strategic objectives and making necessary changes. 13. Ensure that the structure and systems promote knowledge management across the entire organisation. 14. Ensure that cost management systems are implemented across the organisation. 			

15. Ensure implementation of Health, Environment & Safety policies and monitor the same continuously
16. Ensure digitisation of BAPEX as per the international norms.
17. Responsibility for all administration, training and development related issues of top management / all Divisional heads.
18. Resolve critical / unresolved issues related to usage of all corporate resources and capabilities.
19. Responsible for nominating his stand in whenever he is unavailable / on leave, etc. to take care of his role / responsibilities during such absence and setting the limits on the stand-in's powers.
20. Ensure zero comments from CAG during annual stator audits of BAPEX
21. Participate in identified forums and create new forums if required, for policy formulation, planning, investment and business performance monitoring and opportunity identification.

QUALIFICATIONS AND EDUCATION REQUIREMENTS

At least Second-Class Post Graduate or equivalent Degree or B.Sc. Engineering having 20 years relevant experience.

Preferred Skills and/or Competencies

Proven entrepreneurial, leadership, organization building, delegation, government interfacing, business planning, people management and policy formulation skills.

Delegation of Power

Administrative/ Operational/ Financial powers as delegated by the Board for smooth operation of BAPEX

Reviewed By:		Date:	
Approved By:		Date:	
Last Updated By:		Date/Time:	

2. Manager (Coordination)

Job Title:	Manager (Coordination)	Directorate:	MD's Office
Division:		Location:	Dhaka
Position Type:	Full Time	Travel Required:	No
Level/Grade:	Manager	Pay Scale:	
Reporting To:	Managing Director	Direct Reports:	DM (Coordination) Staff in MD's Office
Internal	All divisions / departments / Base offices / Field Installations of the organization		
External	Senior govt. officials and relevant ministries in Bangladesh, Petrobangla, EMRD etc.		

Job Purpose:

To facilitate the Managing Director office by coordinating MD's routine affairs to enable him to meet his objectives.

Job Description:

Role and Responsibilities

1. Acting as the point of contact between MD and employees/clients.
2. Facilitating and coordinating with all concerned for formulation of corporate strategy.
3. Coordination with all top management/divisional heads for setting performance targets for all divisions.
4. Facilitation of preparation of various reports and MIS for MD's review.
5. Managing MD's calendar by planning and scheduling meetings, conferences, teleconferences, and travel etc.
6. Corresponding on behalf of MD's office on routine affairs with approval from MD.
7. Maintains confidentiality of the MD's office operations.
8. Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; participating in professional societies.
9. Contributes to team effort by accomplishing related results as needed.
10. To perform any other duties assigned to him from time to time by his superiors.

QUALIFICATIONS AND EDUCATION REQUIREMENTS

At least Second-Class Post Graduate or equivalent Degree having 12 years relevant experience.

Preferred Skills and/or Competencies Writing Skills, Reporting Skills, Organizing Skills, Scheduling, Microsoft Office Skills, Presentation Skills and Verbal Communication abilities.			
Delegation of Power The decision-making powers attached to the position like type approvals which could be granted etc.			
Reviewed By:		Date:	
Approved By:		Date:	
Last Updated By:		Date/Time:	

3. Head – Exploration

Job Title:	Head – Exploration	Directorate:	Directorate of Exploration
Division:		Location:	Dhaka
Position Type :	Full Time	Travel Required:	<i>Yes, Field Locations / Base Offices</i>
Level/Grade:	Executive Director	Pay Scale:	2 nd Grade
Reporting To:	Managing Director	Direct Reports:	<i>All Divisional Heads of Exploration Directorate</i>

Customer Interface:

Internal	All divisions / departments / Base offices / Field Installations of the organization
External	Third party Vendors assisting in providing services. Government Administrative Officials, Petrobangla, EMRD etc. Stake holders in field installations.

Job Purpose:

The role is responsible to look after overall activities of exploration directorate through Geophysical, Geological, Laboratory and Data Management Divisions. Overall head of all exploration, development, well construction activities and reservoir management strategy for optimal production in the short and long term. This role is responsible for timely completion and success or failure of all geological exploration & development activities for unexplored acreage / indicated reserves

Job Description:

Role and Responsibilities

1. To act as administrative head and is responsible for overall administration of this Directorate.
2. Responsible for success rate in exploration and development activities.
3. Review technical, commercial and risk aspects of E&D drilling location release proposals.
4. To exercise full technical/financial control over all divisions within this directorate as delegated.
5. To approve annual budget for the Directorate and arrange for effective budgetary control over the expenditures incurred by different divisions/departments/units.
6. To visit field parties during field season and to inspect progress. Also, to take suitable measures in removing difficulties/bottlenecks, technical/administrative/financial, faced by any of the Divisions.
7. To formulate policies regarding welfare of manpower's working in the Division.
8. To organize technical support to Petrobangla & its Companies as and when necessary.
9. To extend technical support to PSC and JVA partners as per requirement.
10. To ensure submission of technical reports in time to the Management/Board.
11. Responsibility for all administration, training and development related issues of all Divisional heads.
12. Responsible for nominating his stand-in whenever he is unavailable / on leave, etc. to take care of his role / responsibilities during such absence and setting the limits on the stand-in's powers.
13. Participate in identified forums and create new forums if required, for policy formulation, planning, investment and business performance monitoring and opportunity identification in the exploration domain.

Qualifications and Education Requirements

At least Second-Class Post Graduate or equivalent Degree in Geology, Geophysics, Electronics, Chemistry having 20 years relevant experience.

Preferred Skills and/or Competencies			
Updated domain specific technical skills, related to the E&P industry with focus on Exploration and Development domain.			
Delegation of Power			
All Administrative, Operational and Financial powers as delegated by the MD for running the Directorate.			
Reviewed By:	Name	Date:	Date
Approved By:	Name	Date:	Date
Last Updated By:	Name	Date/Time:	Date/Time

4. Deputy Manager

Job Title:	Deputy Manager	Directorate:	Directorate of Exploration
Division:		Location:	Dhaka
Position Type:	Full Time	Travel Required:	No
Level/Grade:	Deputy Manager	Pay Scale:	
Reporting To:	Executive Director (Exploration)	Direct Reports:	Staff in ED's Office
Internal	All divisions / departments / Base offices / Field Installations of the organization		
External	Senior govt. officials and relevant ministries in Bangladesh, Petrobangla, EMRD etc.		

Job Purpose:

To facilitate the Executive Director's office by coordinating routine affairs to enable him/her to meet his/her objectives.

Job Description:

Role and Responsibilities

1. Acting as the point of contact between ED and employees/clients.
2. Facilitating and coordinating with all concerned for formulation of corporate strategy.
3. Coordination with all top management/divisional heads for setting performance targets for all divisions.
4. Facilitation of preparation of various reports and MIS for ED's review.
5. Managing ED's calendar by planning and scheduling meetings, conferences, teleconferences, and travel etc.
6. Corresponding on behalf of ED's office on routine affairs with approval from ED.
7. Maintains confidentiality of the ED's office operations.
8. Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; participating in professional societies.
9. Contributes to team effort by accomplishing related results as needed.
10. To perform any other duties assigned to him from time to time by ED.

QUALIFICATIONS AND EDUCATION REQUIREMENTS

At least Second-Class Post Graduate or equivalent Degree having 7 years relevant experience.

Preferred Skills and/or Competencies

Writing Skills, Reporting Skills, Organizing Skills, Scheduling, Microsoft Office Skills, Presentation Skills and Verbal Communication abilities.

Delegation of Power

The decision-making powers attached to the position like type approvals which could be granted etc.

Reviewed By:		Date:	
Approved By:		Date:	
Last Updated By:		Date/Time:	

5. Head – Operation

Job Title:	Head – Operation	Directorate:	Directorate of Operation
Division:		Location:	Dhaka
Position Type :	Full Time	Travel Required:	Yes, Field Locations / Base Offices
Level/Grade:	Executive Director	Pay Scale:	2 nd Grade

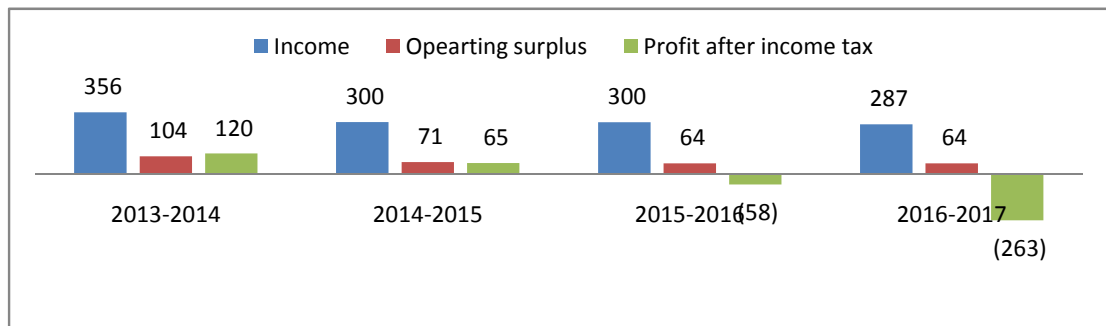
Reporting To:	Managing Director	Direct Reports:	<i>All Divisional Heads of Operation Directorate Head (Pet. Engg.)Department</i>
Customer Interface:			
Internal	All divisions / departments / Base offices / Field Installations of the organization		
External	Third party Vendors assisting in providing services. Government Administrative Officials, Petrobangla, EMRD etc. Stake holders in field installations		
Job Purpose:			
The role is responsible to safely manage the drilling (Exploratory, Appraisal and Development drilling), work over and production operations of the organization through six divisions – Drilling, Production, Engineering, Construction, Technical Services and Zonal Office.			
Job Description:			
<p>Role and Responsibilities</p> <ol style="list-style-type: none"> 1. To act as administrative head and is responsible for overall administration of this Directorate. 2. Minimize cost of operation and maintenance of existing drilling operations. 3. Ensure timely delivery of agreed quantity of gas to clients by ensuring that all drilling rigs and field units along with the support systems are functioning and available and functioning at optimum efficiencies. 4. Ensure that quality of all the gas being produced is checked and HSE norms are being followed. 5. Ensure timely availability of spares and consumables at appropriate locations to ensure smooth operations. 6. Ensure allocation of adequate resources for all production, operations and maintenance related activities. 7. Ensure that adequate security is provided to all heavy equipment and other assets. 8. Ensure strict compliance of all HSE standards in all field operations. 9. Review outsourcing options and decide on outsourcing based on cost effectiveness. 10. Initiate and review proposals for drilling operations related technology up-gradation, major equipment replacement, process improvement and cost reduction, and follow-up with Management and Petrobangla for approvals. 11. Responsible for success rate in drilling and production activities. 12. To exercise full technical/financial control over all divisions within this directorate as delegated. 13. To approve annual budget for the Directorate and arrange for effective budgetary control over the expenditures incurred by different divisions/departments/units. 14. To visit field units to inspect progress. Also, to take suitable measures in removing difficulties/bottlenecks, technical/administrative/financial, faced by any of the Divisions. 15. To formulate policies regarding welfare of manpower's working in the Division. 16. To organize technical support to Petrobangla & its Companies as and when necessary. 17. To extend technical support to PSC and JVA partners as per requirement. 18. To ensure submission of technical reports in time to the Management/Board. 19. Responsibility for all administration, training and development related issues of all Divisional heads. 20. Responsible for nominating his stand-in whenever he is unavailable / on leave, etc. to take care of his role / responsibilities during such absence and setting the limits on the stand-in's powers. 21. Participate in identified forums and create new forums if required, for policy formulation, planning, investment and business performance monitoring and opportunity identification in issues related to operations and maintenance. <p>Qualifications and Education Requirements At least Second-Class Post Graduate or equivalent Degree or B.Sc. Engineering having 20 years relevant experience.</p> <p>Preferred Skills and/or Competencies Updated domain specific technical skills in the fields of exploration, production, engineering, technical services under Petroleum Industry.</p> <p>Delegation of Power All Administrative, Operational and Financial powers as delegated by the MD for running the Directorate.</p>			

Reviewed By:	Name	Date:	Date
Approved By:	Name	Date:	Date
Last Updated By:	Name	Date/Time:	Date/Time

4.24 Financial Assessment

The following table summarizes the financial performance of BAPEX over the last four financial years.

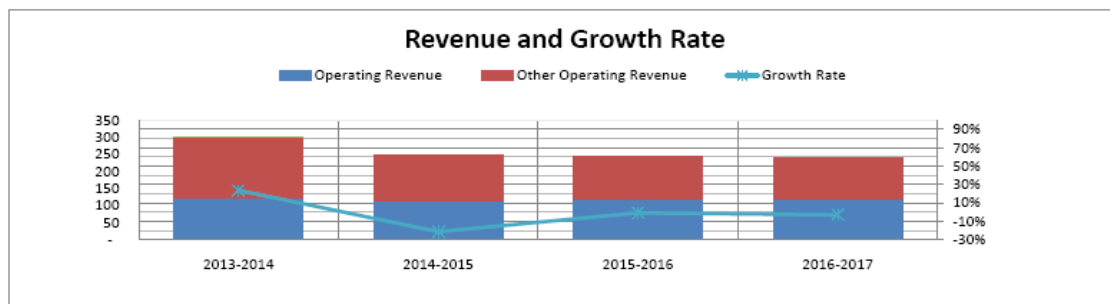
Particulars	BDT Amount			
	2013-2014	2014-2015	2015-2016	2016-2017
Income	3,563,597,694	3,002,555,955	2,995,386,976	2,870,365,957
Operating surplus	1,039,673,918	708,265,028	638,896,082	641,822,671
Profit before income tax				(2,614,059,189)
	1,733,191,453	1,006,074,907	(559,426,047)	
Profit after income tax	1,204,690,634	653,948,689	(579,230,709)	(2,633,292,030)
Total Assets	32,888,553,928	38,613,531,544	42,732,856,682	44,219,903,547
Share Capital	500,000	500,000	500,000	500,000
Retained Earnings	19942501020.53	21,292,079,550	21,065,522,185	18,450,051,490
No. of Shares	5,000	5,000	5,000	5,000
Earnings Per Share	240,938	130,790	(115,846)	(526,658)



Graph 1: Income, Operating Surplus and Profit after Income Tax (Tk Crore)

Operating Revenue and Growth:

Particulars	(Tk. Crore)			
	2013-2014	2014-2015	2015-2016	2016-2017
Operating Revenue	123	114	119	118
Other Operating Revenue	176	133	126	121
Total Operating Revenue	299	246	244	239
Growth Rate	23.66%	-21.36%	-0.90%	-3.03%



Revenue Expenses:

(Taka Crore)

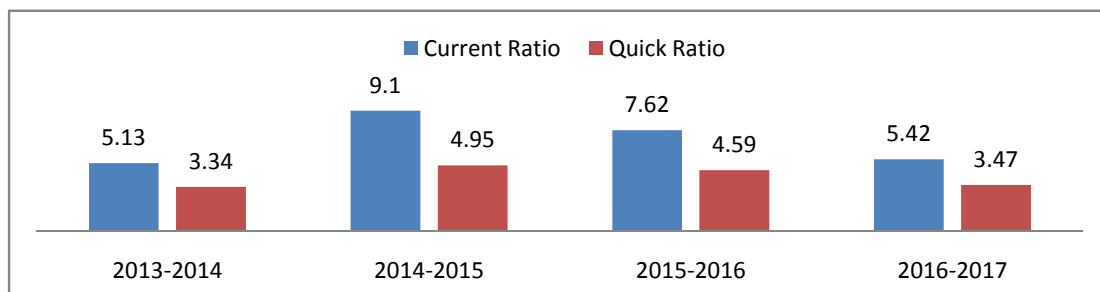
Expense Head	2013-2014	2014-2015	2015-2016	2016-2017
Employee Cost	66.65	65.353	116.52	134.29
Office Expenses	13.46	12.085	68.86	22.30
Depreciation	48.93	47.735	81.59	295.89
Operating Cost	19.27	41.711	54.63	53.72
Interest Expenses	24.91	25.921	32.1	40.30
Repair and Maintenance	0.68	0.55	1.78	1.94
Total	173.9	193.355	355.48	548.44

From the above tables and graphs the following can be inferred:

- The revenue of the company is declining gradually as shown in the graph 1. This decline can be attributed to a) decline in gas production volume, b) a reduction in revenue from other operative income like BAPEX margin, Jobbing works, PSC Block # 9. This is also reflected by the CAGR for Revenue for the year 2016-2017 which stands at (-) 3.03 % .
- Although there is a further reduction in gas production in the year 2015-16 and no change in gas price, there appears to be an increase in revenue from gas sales compared to the previous year. This issue was difficult to understand. This also resulted in arresting the fall in CAGR arrested to (-) 0.9% compared to the previous year.
- Consequently the net profit after tax has also shown a steady decline and the Company incurred losses in 2015-2016 and 2016-2017. The profit to revenue ratio has also gone down steadily over the four years from 33% to 21.3% to (-) 19.3% to (-) 91.74%. The major reasons for decline of profit in the year 2016-2017 is substantial increase in the Employee Cost (46.79% of revenue), and depreciation (103% of revenue).
- While the Company has limited control over the Employee costs (dependent on Government policies), there is considerable scope for focusing on the areas of office expenses and operating costs to improve financial performance.

Liquidity Analysis (Current Ration and Quick Ratio):

Particulars	Basis/Formula	2013-2014	2014-2015	2015-2016	2016-2017
Current Ratio	Current Assets : Current Liabilities	5.13 : 1	9.10 : 1	7.62 : 1	5.42:1
Quick Ratio	Quick Assets : Current Liabilities	3.34 : 1	4.95 : 1	4.59 : 1	3.47:1



Liquidity position in terms of current ratio and quick ratio represents 5.42 times and 3.47 times in the financial year 2016-2017 indicating that the company has sufficient short term and liquid assets available to meet its short term obligations but the current ratio and quick ratio declined compared to last two financial years. While this improves the credit worthiness of the organization, it may also be a situation of lost opportunity since such available liquid asset can be gainfully invested to enhance non-operating (interest) income.

Accounts Receivable Collection Period:

Particulars	2013-2014	2014-2015	2015-2016	2016-2017
Accounts Receivable Limit (On bill submission basis)	5 Months 4 days	5 Months 24 Days	8 Months 5 Days	5 Months 23 days

The accounts receivable turnover period, a significant element of working capital cycle, appears high. Availability of abundant liquid asset in hand in the year 2015-2016 (as observed from the previous table) may also, be a reason for such deterioration in collection cycle, reflecting on financial management.

Recommendations with Action Plans

Recommendations for Operational / Organizational, Policy Gap, Service Rules & General Issues

This has been prepared on the basis of institutional assessment along with the diagnosis of HR related functions, gap analysis, observations made during the process of revision of the organogram, inputs gathered during discussions with BAPEX employees, Government officials and outside experts in Bangladesh, and practices followed by different international E&P companies.

e) Operational / Organizational Issues:

Present Situation & Recommended Steps for Improvement

<i>Present Situation</i>	<i>Recommended Steps for Improvement</i>
Strategic HR Management	
<ul style="list-style-type: none"> Organogram of BAPEX has one division - Administration Division, which takes care of all personnel and establishment matters in BAPEX. This is done through two departments -Personnel and Establishment within the division, while a department in Planning Division co-ordinates the training activities for all officers and employees. Such an arrangement basically covers the traditional areas of the HR function covering hiring, training and development, 	<ul style="list-style-type: none"> Modern Human Resource Management (HRM) practices have moved significantly beyond the traditional role and involve a strategic approach. While traditional HRM focuses on recruiting and hiring the best employees and providing them with compensation, benefits, training and development opportunities that they require to be successful within an organization; strategic human resource management takes these responsibilities one step further by aligning these with the goals of other departments and overall with the mission, vision, values, and goals of the organization. In doing so HR plays the role of a strategic partner to all other functions in the organization. As such there is a compelling need in BAPEX for HR to assume a strategic role and partner with other functional

<i>Present Situation</i>	<i>Recommended Steps for Improvement</i>
<p>employee relations, compensation, benefits etc.</p>	<p>groups in executing strategy, recommending improvements to work processes to enhance efficiency, and representing employees' concerns to senior leaders, creating a healthy workplace culture and enhancing employee value proposition.</p> <ul style="list-style-type: none"> As recommended in the revised organogram, BAPEX needs to immediately reorganize the HR function with two distinct departments covering the HR Management (HRM) and HR Development (HRD) activities. While HRM takes care of the HR administrative functions, HRD would focus on employee development initiatives to better prepare them for meeting the organizational needs.
Manpower Planning	
<ul style="list-style-type: none"> The entire manpower planning process in BAPEX is influenced by rules and policies of the Government. More importantly as of now the organization does not follow a structured process for manpower planning with annual or more frequent review of its staffing needs. There is also no visible effort towards succession planning and preparing employees in a structured manner to take up higher responsibilities 	<ul style="list-style-type: none"> It is strongly recommended that BAPEX takes up manpower planning on a regular basis as a part of the annual budgeting process. Through this exercise BAPEX needs to identify its staffing requirements based on the budgeted work volume, available manpower resources, superannuation profile, past attrition history etc. and initiate necessary actions on an annual basis to meet the shortfall, if any. At the same time employees need to be rotated within their functional groups and outside to enable them to have multi-faceted exposure to different functional roles. Further a methodical succession plan and creation of management inventory will be an important aspect of preparing employees for taking up higher and enhanced responsibilities in future. BAPEX needs to invest on this area in an urgent basis.
Staffing & Recruiting	
<ul style="list-style-type: none"> BAPEX is totally governed by the Government rules and procedures for hiring new talent, which are elaborate and in most cases time consuming. Long lead time involved in the recruitment process brings in the possibilities of biases creeping in and also real talents losing interest and looking for alternative opportunities. 	<ul style="list-style-type: none"> While it will be extremely difficult for BAPEX to deviate from the Government rules and procedures for recruitment, there are however ample opportunities to improve upon the internal processes and significantly cut down on the lead time for individual recruitment initiatives. It is recommended that the proposed HRM group under the organogram takes a comprehensive review of the entire process of recruitment keeping in mind past performances, the critical areas and the bottlenecks and create a standard Operating Procedure with definitive time lines covering each of the activities of the recruitment process.
Performance Management System (PMS)	
<ul style="list-style-type: none"> The current appraisal system in BAPEX is a confidential (closed) process with no provision for self-appraisal by the individual employees. Unfortunately there is also no system for any review / counseling session and of informing the employee about his / her performance rating. Only in case there is a negative remark or comment against any individual employee the same is conveyed to him / her with an opportunity for justification. 	<ul style="list-style-type: none"> A professional and transparent Performance Management System is the hall mark of any organization with progressive HR policies. Basic requirements for a professional performance management system include detailed and well spelt out Job descriptions for individual positions, an opportunity for the individual employees to assess their own achievements during the period under review (self-appraisal), an objective framework for appraisal by the superior(s) of the individual's performance and a mandatory review session between the appraiser and appraisee where the appraisee is given a feedback on his / her performance including his/her performance ratings. The value of the system is further enhanced if there are provisions for midterm review and constructive feedback. BAPEX is in urgent need for creating and putting such a

<i>Present Situation</i>	<i>Recommended Steps for Improvement</i>
	Performance Management System in place.
Compensation and Benefits	
<ul style="list-style-type: none"> • Compensation and Benefits play a major role in attracting talents and retaining them over the long run. As a Government company BAPEX is required to follow Government guide lines for pay structure and related allowances. As of now there is no innovative policy introduced by the Board within the limitations of the Government guidelines aimed at performance excellence. This situation hardly encourages performance excellence since all monetary benefits and incentives remain the same for all levels of performers. 	<ul style="list-style-type: none"> • The new Performance Appraisal system recommended above may be so designed that it will enable BAPEX management to objectively segregate the employees into four distinct categories – Excellent, Very Good, Good and Fair based on their annual performance. (the fifth category Poor is being intentionally avoided keeping in mind the socio – cultural framework of employee mindset). • It is further recommended that the Board approve of a structure linking the quantum of annual bonus and other incentives payable to individual employees directly to their performance level. Such a system is prevalent in all international companies – Government as well as Private.
Human Resource Development / Training & Development	
<ul style="list-style-type: none"> • BAPEX has an approved process to handle the training and development needs of its employees. The process involves seeking recommendations from heads of individual divisions for annual training needs of his / her division and then preparing a comprehensive list of training requirement for the organization for the year. This is done at the Planning division (training department). The total number of training program finally approved is however dependent on the available budget and is done with limited involvement of the original proposers of the program. • Concerns have been expressed about the entire planning process – identification of appropriate training courses relevant to the current and likely future roles of the employees sent for training, process of selection of candidates etc. 	<ul style="list-style-type: none"> • The entire process, as is the practice in all progressive E&P companies across the globe, should be based on an annual comprehensive Training and Development Need Assessment exercise considering long term development needs of individual employees and future plans of the organization. • In the newly proposed Organogram creation of a Human Resource Development Department under the Administration and HR division has already been recommended. It is now recommended that BAPEX introduces a structured process for Training Need Identification for employees on an annual basis through this department. While doing this, inputs from the Annual Performance Appraisal of individual employees be taken into account in identification of right training for individuals keeping in mind current and future job requirements. In addition to ensuring appropriate capacity enhancement initiatives in a structured manner this will also assuage the feeling of non professional approach being adopted in identifying nominees for different training programmes. • Considering the specialist services which BAPEX requires, the Organization may take up a long-term initiative to create a modern training facility (Learning Centers) not only to cover the organization’s own employees, but also to groom and train outside professionals, as is being done by most of the progressive E&P companies.
Health, Safety & Environment (HSE)	
<ul style="list-style-type: none"> • BAPEX has a documented HSE policy approved by the board. But during interaction with different cross section of employees an impression was gathered that employees at large are not aware about the policy and field practices on HSE. 	<ul style="list-style-type: none"> • All progressive companies across the globe take safety of their people and other resources as the most important agenda and all other aspects including revenue and profit take a back seat in comparison. To ensure proper focus all organizations have a strong HSE group reporting directly to the CEO. • In addition, safety issues, accident and near miss reporting form the first agenda item of board meetings of all major companies in all sectors across the Globe in view of the growing importance being attached to HSE. However such a practice is not prevalent in BAPEX. • Keeping these in mind it is strongly recommended that <ul style="list-style-type: none"> ✓ A new Department called HSE department be immediately created, reporting to the CEO, to centrally

<i>Present Situation</i>	<i>Recommended Steps for Improvement</i>
	<p>look after the HSE functions of the Company</p> <ul style="list-style-type: none"> ✓ An intensive HSE campaign within the organization be undertaken to create awareness on safety issues, popularize Safe Operating processes (SOPs) for different activities etc. This in our opinion is an urgent requirement, more so since BAPEX is aspiring to acquire international standards in all its operations. ✓ To popularize the concept, an annual event such as ‘Safety Week’ with programmes aimed at creating awareness about Health, Safety and Environment at all field locations and at the Head Quarters with large scale participation by employees and their families could be a good beginning. ✓ It is also strongly recommended that Safety Officers / Representatives are appointed for each Division / independent departments (whether line or staff function) to ensure that HSE attains the highest priority. These representatives will be responsible for recording and regular reporting of all safety related incidents including near misses ✓ All Board Meetings of BAPEX may start with an agenda item on Safety to help populate the concept of Safety First from the top for all employees to emulate.
Independent Professional Advisory Group (Petroleum Engineering)	
<ul style="list-style-type: none"> • BAPEX is the leading national E&P Company with responsibility for operating and maintaining six major gas fields on behalf of the Government. A major yardstick for the Company’s performance measure is optimal exploitation of these fields to maintain scientifically accepted optimal level of production from them. • Such a level of performance can be maintained with comprehensive technical support and relevant technical advisory in the field of Petroleum Engineering. • Currently BAPEX does not have a professional advisory group in the area of Petroleum Engineering to monitor and advise senior management on a regular basis on individual field performance and optimization initiatives. 	<ul style="list-style-type: none"> • The newly recommended Organogram proposes a Petroleum Engineering group reporting directly to the Executive Director (Operations) and entrusted with the function of field operations monitoring and production performance advisory. This is in line with the prevalent practices and arrangements in all progressive E&P organizations across the globe. It is strongly recommended that this structural modification be put in place at the earliest and an independent department, Petroleum Engineering department reporting to ED (Operations) be created urgently.
Functional Synergy and Accountability – Materials Management Division	
<ul style="list-style-type: none"> • Materials Management is a techno-commercial function involving procurement, storage and inventory control. Currently BAPEX has this function distributed among two totally disconnected Divisions. While the Procurement function is under the Administrative Division (a completely unrelated function); Storage and Inventory Control remains the responsibility of the 	<ul style="list-style-type: none"> • All progressive organizations across industries provide for a comprehensive materials management function in their structures which remains accountable for Materials Planning, Vendor Sourcing, Procurement of Quality Materials at competitive rates; and their safe storage and issue. The basic accountability of the Materials Management function is to ensure that there is neither a Stock Out situation adversely affecting operations nor there is a situation of excess inventory influencing inventory carrying cost. • BAPEX as an E&P organization undertakes huge projects on a regular basis involving procurement and storage of large

<i>Present Situation</i>	<i>Recommended Steps for Improvement</i>
Zonal office at Chittagong. Such an arrangement neither brings about functional synergy nor improves operational efficiency. More importantly this results in lack of single point responsibility	<p>inventory of oilfield materials. During discussions it was revealed that non adoption of a centralized Materials Management system has resulted in accumulation of large inventories procured independently for different projects.</p> <ul style="list-style-type: none"> It is therefore strongly recommended that BAPLEX adopts a centralized Materials Management System by structurally introducing a Materials Management Division having single point responsibility and accountability for Procurement, Storage and Inventory Control of materials for the entire Organization. Such a structural change has been recommended under the proposed Revised Organogram.

f) Policy Level Gap Analysis & Recommended Action

<i>Policy Level Gap</i>	<i>Recommended Actions</i>
Recruitment Policy	
<ul style="list-style-type: none"> - BAPLEX does not have separate rules or policy for recruitment. All recruitment related issues are covered under the Service Rules provided by the Government. The Service Rules, as drafted presently have limited clarity in many areas. - From past records it is observed that the recruitment process for BAPLEX is a very long drawn affair often exceeding 18 months for a single recruitment. Such long lead times also introduces the possibility of external interferences. - While the Service Rules spell out the process to be followed, the level of empowerment for decision making, they are rather vague on the accountability issue. - In the course of the assignment, while looking at the processes being followed by other Government organizations in the area of recruitment, it was seen that some of these companies have well documented rules / practices / policies for Recruitment within the provisions of the Government prescribed Service Rules. Such a document introduces clarity about the process to be followed, guidelines on formation of different committees and their empowerment, timelines for different stages in the process and accountability for achieving the milestones as per such guidelines. 	<ul style="list-style-type: none"> - In line with other Government Organizations, BAPLEX needs to create a Recruitment Policy for the organization with well spelt out provisions in the specific areas of role profiles, timelines, committee formation, empowerment, accountability etc. within the specific guidelines provided by the Government Service Rules. - The proposed Policy also needs to focus on Digital Management in the areas of inviting applications, short listing of applicants and online tests (where applicable) to ensure that such recruitment processes are completed within reasonable and internationally accepted timelines. - Campus recruitment for specialist positions to attract good talent could be another area the proposed policy could focus on. - Such a policy could be created either in-house through a committee of experienced senior officials, or through external agencies experienced in creating such policies.
Transfer / Job Rotation Policy	
<ul style="list-style-type: none"> - Rotation of employees within their functional groups and outside enable them to have multi-faceted exposure to different functional roles and in the process help them enhance their capacity and capabilities for taking up higher responsibilities. - Introduction of such a process in a structured manner calls for a well documented policy covering the issues of Job Rotation and 	<ul style="list-style-type: none"> - There is an immediate need for BAPLEX to create a Policy on Job Rotation and Transfer with clearly spelt out provisions to help prepare people for higher responsibilities. - The policy needs to have clear provisions on eligibility for rotation and transfer, timelines for such transfers and other issues related to perks and benefits associated with such rotations and transfers.

<i>Policy Level Gap</i>	<i>Recommended Actions</i>
<p>Transfer. This also helps an organization to focus on succession planning for the future.</p> <ul style="list-style-type: none"> - BAPEX as of now does not have any documented policy on Job Rotation and Transfer. The Government Service Rules have a few provisions spread over different sections covering some of the issues related to transfer. During discussions with employees in the course of the assignment, one could gather the impression that presently all transfer / job rotation are being affected in an ad hoc manner leading to dissatisfaction, at times, among the affected employees. 	<ul style="list-style-type: none"> - This will ensure transparency in the entire process of transfer and Job Rotation and will help assuage the feelings of discontentment among affected employees.
Promotion Rules and Policy	
<ul style="list-style-type: none"> • In the hierarchy of all employee motivational factors, Promotion and Career progression occupy a leading position at the top of the list. Employees across the board look for opportunities for career progression and desire that the process of selection of candidates for promotion remain robust, transparent and without bias and is based on a well laid out policy. • Currently BAPEX does not have a separate and well documented policy on Employees promotion other than the general terms mentioned in Service Rules within BAPEX. In absence of a well documented policy on promotion, which can make the process transparent, the process followed for selecting candidates for promotion run the risk of being opaque and ad hoc, leading to mistrust and demotivation among affected employees. • BAPEX presently has a confidential or closed Annual Report system for recording the annual performance of any employee and has no system for ascertaining their potential. Under this close system employees have no way to learn about the assessment made by their superiors of their performance. The only occasion an employee has any idea about his / her performance is if there is an adverse remark against the particular employee, which is communicated to him / her. The employee is given an opportunity to justify against such remarks. • Internationally the trend has moved on from being a close system to being open and transparent, wherein the employee gets an opportunity to be a part of the entire appraisal system with clear provisions for feedback and discussion. • Performance and Potential are two major parameters used in ascertaining suitability of an 	<ul style="list-style-type: none"> • In order to bring about transparency in the entire promotion process of the organization, there is a need to introduce a transparent and open Performance Appraisal System in the organization. Annual Performance parameter will provide the most valuable inputs for considering or otherwise an employee for promotion whenever a vacancy or opportunity arises. The appraisal system should, at the earliest opportunity, move to online digitized systems, which improve overall control, minimize the subjectivity and are better acceptable to employees. • Remaining within the provisions of the Service Rules, BAPEX also needs to design and put in place a Promotion Policy with transparent and clear cut processes spelt out. Such a policy must progressively focus on merit, rather than seniority as incumbents are considered for senior positions. To do this merit needs to be defined in clear and specific parameters which are objectively measurable. • The promotion policy needs to clearly spell out provisions related to eligibility of candidates, weight age attached to experience / merit, other considerations, constitution of promotion / approval committees and their empowerment etc. • Since it is one of the most critical policy document for the organization, BAPEX may consider it getting prepared by a third party agency so that internal biases do not creep in, which may take away some of the values of the same.

<i>Policy Level Gap</i>	<i>Recommended Actions</i>
individual for career progression and taking up higher responsibilities. Non availability of a modern open Performance Appraisal system, which enables performance assessment in a transparent manner, further affects the promotion process of the organization.	
Training and Development Policy	
<ul style="list-style-type: none"> - BAPEX currently has a training department within the Planning Division, whose roll is primarily co-ordination and record keeping of trainings being conducted within the approved budgets. - The organization presently does not have a annual training need identification process in place. The training department in the Planning division seeks nominations from different divisions for the organization's annual training programme. Based on the nominations received and the budget available, this department prepares a list of employees to be sent for training during the year. 	<ul style="list-style-type: none"> - Training is one of the major HR functions to support development of its employees. It is a forward looking function to prepare employees for enhanced responsibilities, leadership positions, based on their needs and potential assessment. A structural change bringing the training function to the Administration and HR Division from the Planning Division is already recommended under the new organogram. - In the earlier section there is a recommendation for introduction of a transparent and open annual performance management system in BAPEX. This Performance appraisal system will have a section which will deal with training and development needs of the individual employees being assessed. - It is further recommended that a transparent and progressive Training and Development Policy be created and put in place for BAPEX to handle its training and employee development activities (under the HRD function) in a structured and transparent manner. The policy may be created keeping in mind the provisions available under the Government Service Rules applicable for employees. The policy needs to cover all aspects starting from Annual Training Need Identification (based on inputs from the proposed Performance appraisal system), identification of appropriate training programmes and courses to meet the organization's need, nomination of candidates for training based on laid down guidelines and monitoring outcome / impact of such training imparted to the employees.

g) Recommendations Related to the Service Rules

Position(s) as per Schedule	Observations	Recommend Actions
Managing Director/ Executive Director	- Position of the Managing Director is only available	- Position of the Executive Director (Exploration) & Executive Director (Operation) need to be added, with their required qualification and experience.
General Manger (Zonal Office, Chittagong)	- Shown under Administrative Cadre, though put under Operation Directorate	- Zonal office is responsible for techno-commercial functions, as such for the position of GM, other than Post Graduate/ equivalent qualifications, M.Sc in Geo-Sciences / equivalent degree or B.Sc in Engineering need to be added.

Position(s) as per Schedule	Observations	Recommend Actions
General Manager; Deputy General Manager; Manager; Deputy Manager & Assistant Manager (Planning Division)	- Shown under Technical Cadre	- The organogram of the Planning Division has been re-arranged accordingly including two departments/ sections e.g. Planning, Analysis, ICT, Programmer, MIS & Publications, under Planning & Development Divisions
Manager ; Deputy Manager & Assistant Manager (Statistics) and Manager; Deputy Manager & Assistant Manager (Economics)	- Shown under Administrative Cadre	- Traditionally these sorts of positions are required for planning functionaries and as such recommended to be shifted under Planning & Development group.
Any position for Store, Procurement, Purchase, etc. under new Material Management Division	- It is a new division introduced under Operation Directorate	- It is a techno-commercial group involving procurement storage inventory control, etc. It is recommended to re-classify types of cadre, group, etc.

Recommendations for Capacity Enhancement

Capacity enhancement relates to enabling a person or organization to enhance their own ability to achieve their objectives effectively and efficiently. This usually involves building internal capacity: the skills and knowledge of an individual, or the systems of an organization. In other words Capacity Enhancement encompasses three main activities:

- (i) Organizational Strengthening
- (ii) Procedural Improvements, and
- (iii) Skill upgrading, both general and technical,

(Elliot Berg, Rethinking Technical Cooperation, 1993)

From an organization's point of view, the skill sets those are required for enabling employees to perform efficiently can be broadly put under two categories - Soft Skills and Hard / Technical Skills. Soft skills are a combination of people skills, social skills, communication skills, character traits, attitudes, career attributes, social intelligence and emotional intelligence quotients among others that enable people to navigate their environment, work well with others, be active team members, perform well, and achieve their goals with complementing hard skills. Soft skills are similar to emotions or insights that allow people to "read" others. These are much harder to learn, at least in a traditional classroom. They are also much harder to measure and evaluate.

a) Soft Skills for Capacity Enhancement

SL. No.	Soft Skill	Brief Description	Target Audience
1	Enhancing Communication Skills	Enhancing an Employee's verbal, non-verbal and para-verbal forms of communication skills to make him / her a more effective communicator in the official as well as personal front. Effective Communication is key to improved efficiency and success of any joint project	Senior/Middle / Junior Management

SL. No.	Soft Skill	Brief Description	Target Audience
2	Team Building Skills	Understandingsignificance of team work, developing skills for enhancing effectiveness of teams and developing powerful teams	All Officers
3	Conflict Management Skills	Understanding different types of Conflict at work place, root cause analysis for conflicts and strategies for handling conflicts to minimize their effects on team performance and organizational effectiveness.	Senior/Middle Management
4	Business and Corporate Etiquette	To enableemployees to gain first hand exposure to accepted corporate norms and business etiquettes and empower them to conduct effectively in one to one business meetings, cross culture business transactions.	Senior/Middle Management
5	Business Communication	Empowering Employees with skills for relevant and impactfulbusiness communication through written communications, presentations and report writing.	Middle / Junior Management
6	Work Life Balance - Time & Stress Management	To introduce BAPEX employees tothe concepts and skills of effective time management for better productivity, timely delivery of professional services to help them minimize and effectively handle professional stress and maintain a healthy work life balance.	Senior/Middle Management
7	Art of Delegation - Delegation Skills	Understanding the art of delegation, creating productive time for strategic activities through delegation, developing junior officers for taking up higher responsibilities.	Senior / Middle Management
8	Enhancing Personal Effectiveness	Initiating a process of behavioural change in the employees to be more accountable, responsive and effective towards their job responsibilities.	New Entrants/Junior / Middle Management
9	Strategic Leadership Skills	To strengthen leadership capabilities, build organizational strength and resilience and improve overall effectiveness.	Senior Management

b) Hard / Technical Skills for Capacity Enhancement

Recommended programmes for hard skills for capacity enhancement of BAPEXofficers are divided into two groups:

- (i) General Programmes which are aimed at creating cross functional awareness to enable officers to have better understanding of organizational activities and to appreciate the constraints associated with different functional activities. Such awareness has extremely positive impact on employees' productivity and helps them to become better team players to undertake multifunctional E&P activities.
- (ii) Function based Capacity enhancement programmes.

c) Capacity Enhancement for Staff Members of BAPEX

Along with the officers of the organization, the staff members play a very critical role in ensuring efficient delivery of organizational performance. It is therefore equally important to ensure that there is adequate attention from the management for undertaking a structured approach towards capacity enhancement of the organization's staff, both permanent as well as outsourced.

Based on the discussions with members of the BAPEX family at different points of time, current practices being followed in many of the global companies operating in the region we have created a bouquet of capacity enhancement initiatives for the BAPEX staff members. These are being discussed in the following paragraphs. It is expected that with greater participation of the staff members over time with such initiatives, the list of such capacity enhancement initiatives will undergo changes with additions and deletions to reflect the requirements of any particular point of time. It must be appreciated that capacity enhancement is a dynamic process, where requirements keep varying depending upon changes in business environment, demographic profile of the employees and improvement in processes and technologies.

The capacity enhancement initiatives being suggested in the following paragraphs cover both soft as well as generalized technical skills. Specific technical skill building initiatives for staff members in core areas such as drilling, production, engineering, field survey, construction etc. will need to be zeroed in on based on training need assessment for staff members associated with such core activities and then zeroing in on programmes on offer by different service providers or designing such programmes in-house. The suggested list of such initiatives include the following programmes.

- i. Amar Gaurav (আমারগৌরব) i.e. Our Pride -**
A programme specially designed for the lady staff members of the organization.
- ii. Vikas (বিকাশ) i.e. Development -**
Technology Savvy staff helps improve Organizational Productivity.
- iii. Samparka (সম্পর্ক) i.e. Relationship -**
Productive and Positive Relationship between Management and Staff Representatives is a Mutual Responsibility
- iv. Swagatam (স্বাগতম) i.e. Welcome -**
Structured Induction can help Newcomers Quickly assimilate into the Organization
- v. Sakshyam (সক্ষম) i.e. Capable**
Capable Employees are more Productive Employees
- vi. Anubhuti (অনুভূতি) i.e. Realization-**
Healthy work life balance leads to happier and more productive Employees
- vii. Nirapad Sarak (নিরাপদসড়ক) i.e. Safe Road**
Being safe is a fundamental right.
- viii. Karma Khetre Nirapatta (কর্মক্ষেত্রেনিরাপত্তা)i.e. Operational Safety**
Safety in Operations leads to Greater Productivity
- ix. Paripoornata (পরিপূর্ণতা) i.e. Completeness**
There is life beyond BAPEX as well.
- x. First Aid Certificate Training –**
Be prepared, Remain Happy.

4.25 Action Plan for Structured Implementation of Capacity Enhancement Recommendations

Timeline

The proposed action plan is subdivided into three timelines:

- Short Term covering a time period of next 12 months (One Year)
- Mid Term Covering a Time Period of next 36 months, and
- Long Term going beyond 3 years

Sequence of Implementation

As already discussed earlier that capacity enhancement initiatives are covered under three distinct areas – (i) Organizational Strengthening, (ii) Procedural Improvements and (iii) Skill upgrading. The first two areas are totally under the control of the management and may be procedurally easier to implement. It is also important to realize that implementation of many of the capacity building initiatives for the employees through skill enhancement route in a structured manner is dependent upon many of the recommended organizational and procedural changes being adopted and put in place.

Coverage for Skill Development Initiatives

A generally accepted international norm is to annually cover around 30 percent employees with human resource development initiatives so that each employee is covered at least once in three / four years and the cycle repeats. Based on job requirements there at times certain employees are covered by HRD initiatives more frequently.

In view of non availability of a centralized authentic data base on employee training in BAPEX, we could not really have a very fair idea regarding the percentage of people being covered by capacity enhancement initiatives each year. While some of the programmes were centrally handled by the Planning division, there were also several hard skill capacity enhancement initiatives related to procurement of new equipment and systems. Statistics on them were not centrally available.

Under this action plan it is proposed to cover around 30 percent of officers and around 25 percent of staff per annum with capacity enhancement planned activities. Other technical skill development initiatives related to procurement of goods and services and available as a part of the procurement deals are not covered under this.

Annual Budget for Capacity Enhancement Initiatives

A general thumb rule adopted across all progressive organizations regarding capacity enhancement budget is three to five percent of the organization's annual budget is set aside for such initiatives. Assuming BAPEX's annual budget (Capital plus Revenue) to be around 400 Crores BDT, the proposed capacity enhancement budget would vary between 12 to 20 Crores BDT.

It is also strongly recommended that this budget is proposed that this is indicated as a separate line item in the budget proposal, with limited flexibility provided for using it for any other purpose.

Implementation Strategy

- **Short Term (1 year)**

This will cover implementation of the Organizational changes recommended for BAPEX covering:

- Appointment of Executive Directors for Operation and Exploration and empowering them
- Creation of a Materials Management Division, Petroleum Engineering Department reporting to the ED (Operations), HSE Department reporting to the MD, HRM and HRD departments within the Administration and HR Division, regrouping of some functions from Geological division to Well services Division.

<ul style="list-style-type: none"> • Computerization / Digitization of all BAPEX processes, creation of Manpower Data Base, past training data base etc.
<ul style="list-style-type: none"> • Appointment of external consultants / service providers for developing HR policies for BAPEX covering Recruitment, Job Rotation and Transfer; Promotion, Training and development and Performance Appraisal, etc.
<ul style="list-style-type: none"> • Appointment of an external consulting agency to draw up (along with internal experts) the basic course coverage, sourcing of national as well as international resource persons for the basic cross functional capacity enhancement initiatives discussed above and finalizing the service contracts with such resource persons within a specified period of time. Each such individual module need to be designed to cover 25 to 30 participants at a time and may be repeated to cover the largest number of officers as well as senior level staff members.
<ul style="list-style-type: none"> • Introduce the recommended in-house capacity development initiatives for the Staff members starting with the ones which can be organized easily and quickly and which are likely to create the maximum positive impact for BAPEX in motivating them.
<ul style="list-style-type: none"> • Till all recommended processes for structured training need identification, selection of courses and employees are in place, continue with the current process of sending employees for technical training, so that employees do not feel deprived.

All these activities will be covered well within the annual budget proposed for such initiatives under para 19.2.4.

- **Mid Term (3 Years)**

While it is proposed to create the specific HR policy documents by the first year under the Short Term Strategy, such policies, once created will become operational only from the second year and follow up actions will materialize from the third year onwards. The midterm strategy will involve the following:

<ul style="list-style-type: none"> • To operationalize the HR strategies created by external consultants and introduce the open Annual Performance Management system that has been designed for the organization.
<ul style="list-style-type: none"> • To put in place a multifunctional internal group with lead role from the HRM department to prepare a HR manual based on the policies created and get it approved by the BAPEX board. Once approved the manual needs to be circulated to all employees.
<ul style="list-style-type: none"> • To create a help desk in the HRM department to attend to any queries / issues employees may have on the HR policies and the HR manual.
<ul style="list-style-type: none"> • Based on the inputs on development needs gathered through the newly created Performance Appraisal System, HRD department will undertake a training need assessment for the functional groups as well as individual employees. This need assessment will be utilised for preparing the training calendar for the organization, both for soft skills as well as hard skills.
<ul style="list-style-type: none"> • Considering the training needs identified for soft skills and the recommendations made above, a total plan for covering 100 percent of the officers and 60 percent of the staff members with soft skill capacity enhancement within the midterm plan period will be created. The plan will need to cater for around 760 employees (400 officers and 360 staff) considering current strength or around 1350 employees (650 officers, 700 staff) considering the approved strength (provided recruitment process can be completed). If a batch size of 25 is considered this will involve around 10 programmes per annum for the three years.
<ul style="list-style-type: none"> • The other in-house programmes for the staff members (permanent as well as temporary) as well as their family members will continue on a regular basis.
<ul style="list-style-type: none"> • Based on potential identified for individual officers through the new Appraisal system, HRD department will need to undertake a structured approach towards development of

<p>internal faculty members from among them. Such potential trainers will need to be developed through a specially designed programme – “Train the Trainers” for conducting many of the future in-house training programmes.</p>
<ul style="list-style-type: none">• The cross functional programmes will continue every year till all the officers and the senior staff members are covered under each of these modules. A process also must be put in place by the HR professionals to involve the internal trainers from different functional areas with the relevant programmes so that over time they become fully capable of handling such programmes.
<ul style="list-style-type: none">• The HRD department will take the initiative for creating function wise capacity enhancement teams from the second year of the Midterm phase. The role of these teams will be to identify appropriate technical / hard skill training programmes in the relevant functional areas to facilitate growth of technical capabilities of individuals nominated for such programmes as well as technology induction. These committees will also be responsible for recommending right candidates for such relevant technical programmes. The final decisions will rest on the EDs and the MD and the process will be driven by the HRD department. In any particular year the number of officers sent for such hard skill capacity enhancement programmes should not fall below international benchmarks.
<ul style="list-style-type: none">• A technology induction forum headed by the MD with EDs and a few senior members from different functional areas as members will be created during this phase. The forum will work towards identifying relevant technologies that may be inducted by BAPEX to improve its operations. This forum will also provide the platform for discussions among the BAPEX employees on new and relevant technology suitable for E&P industry to encourage intellectual stimulation and development

Considering current market scenario for such services, the average annual budget proposed for capacity enhancement initiatives will be sufficient to meet the financial requirements for all these activities.

- **Long Term (Beyond 3 Years)**

The long term strategy will primarily focus on consolidating the steps initiated during the short and midterm phases, so that BAPEX ultimately gets converted into a learning organization. Once the procedural and policy changes are firmly in place the focus over the long term will be on the following:

- To continue with and strengthen the structured approach for training need identification to cover all functional areas.
- Creation of a technology assessment and induction policy for BAPEX and creation of different functional technology forums for regular discussions on new technologies
- Developing and empowering the Internal Trainers to expand their activities and offer relevant programmes to other industry players in Bangladesh (to start with) and overseas in the long run.
- Creation of a BAPEX Training Institute in line with those created by other international companies fully equipped to undertake all capacity enhancement initiatives on behalf of the company with or without external support and also offer such services to the organizations on a regular basis.

5 Conclusion and Recommendation

This report presents compilation of the key issues reflected in the previous reports submitted as per requirement of the assignment. The initial part of the report covers a brief assessment of BAPEX in its current status based on desk-based research of different documents collected from BAPEX, materials available in its website and other secondary sources followed by primary interviews/discussions with officials of the company at different levels. This assessment starts with a look at the country's E&P sector, current Reserves and Production scenario, role of BAPEX as a national E&P company, its Vision, Mission and Strategy, major HR related issues and policies and an analysis reflecting the Strength, Weakness, Opportunities and Threats facing the company (SWOT).

From the nature of its activities, resources available with the company, BAPEX can be considered as an integrated upstream company with capabilities to undertake almost the entire range of activities along the upstream hydrocarbon value chain. However the organization of BAPEX, its decision making processes, empowerment of functionaries and some of the operational practices may require changes from the current state to enable it to function efficiently as an integrated upstream company.

Based on the requirements under Vision 2021 of Bangladesh, BAPEX has also embarked on an ambitious plan for the next five years to contribute towards the envisaged national energy security and self-sufficiency. However the current resource bases of BAPEX, both in terms of physical resources and human capital may not support achievement of such an ambitious plan within the defined timelines. There is a strong and urgent need to take necessary actions to enhance the company's resource base, invest in capacity building of personnel within the organization and induct technical capabilities at different levels to meet the challenges.

The policies and practices of BAPEX mostly evolve out of Government guidelines with limited value addition. Such policies at best can be termed as traditional, which can sustain an organization but can hardly make positive contributions towards its growth and development, especially in an era of intense competition. As BAPEX aspires to transform itself to an organization of international standard, there is a need to revisit these policies albeit within the Government guidelines, to be more progressive, employee friendly and result oriented.

Subsequent to institutional assessment, a complete diagnosis of the HR Policies of the organization has been made and the findings have been compared with the HR policies and practices of some of the international E&P companies operating in SE Asia and the Middle East and operating under similar cultural value system and a gap matrix created. As is the norm with all Bangladesh national companies the HR practices of BAPEX are totally dependent upon the Government policies. For BAPEX all HR related practices are covered within the Employees Service Rules -2002 (Amended-2010) and all major HR processes covering the entire life cycle of an employee beginning with recruitment and ending with exit through retirement or resignation evolve out of these Rules. Since there are no individual policies covering the four major areas of the HR function - Recruitment, Performance Appraisal and Career Progression, Transfer and Job Rotation, and Training and Employee Development, the provisions for such processes are at best vaguely defined within the Service Rules. Lack of detailed descriptions with unambiguous provisions for such critical functions lead to considerable challenges in transparent and unbiased execution of these critical processes and these in turn adversely affect employees' growth prospects and morale. There are Service Rules of other government companies in Bangladesh, where such processes have been elaborated in greater details in a transparent employee friendly manner without deviating from the Government policies. There is an urgent need for BAPEX also to create similar documents covering these four important HR processes.

All international companies (which were studied) have specific individual policies covering the four critical areas of the HR function with detailed description of the processes involved, timelines identified and composition and powers of different committees clearly defined. While there are a large number of gaps between BAPEX's policies and practices and those of the international companies, the most critical difference is in the area of Performance Appraisal and development

need identification. As against the policy of a closed appraisal with no feedback or only negative feedback system for Performance Appraisal in BAPEX, all these companies have moved onto an open system with periodic review, feedback and training need identification sessions. For an organization with a vision to grow and move into the international arena, people development remains the single most important HR need, which requires a structured process. The gaps in different areas have been explained in details in relevant portions of the report.

The current organization structure of BAPEX is a function based structure and is appropriate for an integrated E&P company with limited scale of operations. There are however groups within the structure responsible for unrelated activities depriving the organization of the benefits of functional synergy. At the same time flatness of the structure at senior level compels the top management to devote significant amount of its time on small operational and administrative matters. This has the potential of limiting the top management's focus on strategic issues necessary for ensuring greater growth for the company. Suitable amendments to the structure to take care of such issues have been suggested in the proposed structure along with the structural workflow.

On the basis of the study carried out considering BAPEX's past, current and future plan, it is strongly recommended that BAPEX takes necessary steps to streamline its organizational structure as proposed along with the present 'service rules' for accommodating right persons in the right positions with the ultimate objective of organizational growth. The position of MD be appointed preferably from the senior most technically experienced persons of BAPEX, otherwise, through open advertisement from technically experienced persons having strong financial background. BAPEX could also look into the possibility of recruiting competent NRB personnel for such critical positions.

At the same time, while BAPEX has no control over the commodity prices and margins (dependent upon Government policies), it can definitely bring about large scale improvement in financial performance through greater prudence in operational cost management and controlling overheads. Since the company has moved from a green bottom line to a red bottom line over the last year there is an urgent need to improve cost monitoring and cost control in a structured manner.

With a structured approach towards implementing the recommendations offered in the areas of organizational restructuring, policy improvement, capacity enhancement, prudent financial control, BAPEX can easily bring about multifold improvement in its performance and move towards achieving its cherished desire of being recognized as a competent E&P player of international repute.

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