

Hire new people effectively

The aging oil and gas work force requires planned recruiting for best results.

AUTHORS

Nick Tubach and Doug Fuehne, Q4B Inc.

With the industry focused daily on the huge challenges and complexities of global exploration and production, a backbone issue does not always jump to the forefront to grab management's attention. Yet, it's as vital as the latest geophysical software, newest field discoveries and significant production statistics. It's the larger-than-life black cloud; the industry's aging workforce reaching a critical point.

Big turnover

How big an issue is the industry's aging workforce? Results from the American Petroleum Institute's (API) first oil and natural gas industry workforce survey in 2004 confirmed a growing need for petroleum engineers and geoscientists for a complexity of reasons including an aging workforce.

Leading off with "aging workforce," the other emerging workforce issues over the next 5 to 10 years shown by the survey are recruiting challenges (locating and hiring needed skills), skill pool management, attraction and awareness of youth to the industry and improving the industry's public perception. The survey was an especially good barometer because it was conducted under the auspices of the API's Workforce Task Force, which includes senior officials at major oil companies and suppliers. Open both to API and non-API companies, the survey's cross-section of respondents included both upstream and downstream segments.

Not only are petroleum engineers and geoscientists of concern but operations, maintenance and instrumentation/electrical — comprising almost 30% of the workforce — are also a key issue. These percentages were gleaned from the survey's question about how large a portion

of a company's workforce was eligible to retire between 2004 and 2009. Results, according to the API, provide an indicator in terms of approaching how to assure that the "best and brightest" are working in the industry in the future.

Talent warehousing

To deal with the aging workforce, companies need to understand the problem in terms of who is affected, then begin to strategically "warehouse talent" to replace the departing employees. Second, companies need to go beyond hiring and shift gears to additionally bring new talent on board, people will specifically help implement a knowledge transfer program to capture as much knowledge as possible and re-deploy that knowledge throughout the organization as appropriate.

That can be accomplished in various ways. The first involves hiring a shadow workforce whereby young or mid-career employees literally follow, or shadow, those in the aging workforce to see and understand on a first-hand daily basis what they do. Another approach involves consulting with those approaching retirement to develop a formal framework of their knowledge base or essentially create a bare-bones methodology to capture this knowledge.

This latter approach can be sharpened by hiring someone to shadow others in the same field (rather than a general shadowing) so that they can fill in with additional information or data drawn from their own career. Whichever option is taken, the purpose is to both have repeatability and simultaneously ensure an ongoing replacement workforce.

Following the first two prongs of dealing with this problem — after recognizing the problem and getting the gap filled, then capturing all knowledge possible before it flies out the door — the third prong is having proactive college recruiting programs. Realistically, this begins at the high school level by encouraging students to enter degree programs from which the oil industry wants to

recruit annually from universities.

A successful approach focuses on having what is referred to as a university recruitment process outsourcing (URPO) program. Through this program, by agreeing in advance about the specific human resources/recruiting challenge, an appropriate program is developed to attract better candidates and more of them.

Retain recruits

Recruitment — the challenge to continually bring new people into the company — is actually directly tied to keeping them over the long term and not just limited to hiring candidates in the first place. In that context, the oil industry is one of the more challenging fields in which to keep the composition of its workforce relatively intact since "better" job offers from competitors are rarely in short supply.

Historically, recruiting has been very one-sided. An individual's resume either fits the bill and he or she is hired, or not, with not much looking ahead involved. Ideally, an oil company that wants to recruit and retain the best employees must have a compelling employee value proposition (EVP), a fact that many in the industry are coming to appreciate more. Essentially, an EVP says that:

- Money is not the complete answer. People want to feel appreciated;
- In every sense of the word, people want the opportunity for professional growth; and
- Rather than focusing only on themselves, people want to belong to something that's greater and meaningful; they want to be part of a team.

When that environment is developed and nurtured in a supportive company culture, the likelihood of recruiting and retaining more young quality employees increases substantially. In today's competitive business world, other companies always pay more. So, money cannot be the ultimate solution to recruitment in the first place or retention in the second place. 