



INTERNATIONAL ENERGY FORUM



IEF SYMPOSIUM TACKLING THE HUMAN RESOURCES CRUNCH IN THE PETROLEUM SECTOR

DOHA, 13-14 APRIL 2009

AN IEF EVENT IN COOPERATION WITH THE GOVERNMENT OF QATAR

“Companies must resist short-term economic pressures to implement cuts in workforce.”

BACKGROUND

At the 11th IEF Ministerial (Rome, April 2008) Ministers and industry leaders identified a shortage of skilled human resources as a critical bottleneck and a major, causal factor in the delay and uncertainty regarding capacity expansion decisions. The issue has been further complicated by myriad uncertainties introduced by the recent economic downturn.

To advance the understanding of this key topic and to provide input for a productive 12th IEF Ministerial in Mexico, 29-31 March 2010, the IEF Secretariat and the Government of Qatar convened representatives from oil and field services companies from producing and consuming nations, as well as representatives from educational institutions, to discuss and debate the issue of human resource deficiency in the energy sector. The symposium presented a timely opportunity to address the shared concerns of petroleum industry stakeholders on the issues of recruitment and the retention of skilled employees. Participants discussed the main reasons behind these structural skill shortages and exchanged views on potential long-term solutions.



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KEY FINDINGS

ROOT CAUSES AND THE NATURE OF PROBLEMS FACING THE INDUSTRY

- Perceptions of the industry as a “sunset” sector, misconceptions about its approach to environmental concerns and competition from other high-tech industries have exacerbated the cutbacks in technical and earth science programmes in universities to reduce the in-flow of skilled staff to the petroleum sector.
- If current business practices remain unchanged, it is likely that 50% of the industry’s current skilled workforce will be lost to natural attrition through retirement within the next ten years.
- Recruitment and retention of key personnel with petrotechnical qualifications has been a contributing factor in the cost escalation seen in the oil and gas industry since 2005.

RECOMMENDATIONS

- Commonly held negative perceptions of the industry should be challenged by better communicating the reality of the modern oil and gas sector as a high-tech, diverse, and environmentally conscious entity, integral to the long-term health of the global economy.
- The industry must regain trust and build the foundations necessary to support long-term recruitment. Additionally, greater effort must be made to retain younger staff.
- Mentoring programmes that facilitate succession are Best Practice now, but should become industry standard to attract, motivate and retain talent.
- More scholarships and funded academic chairs in the earth sciences would pair well with deeper support for internship schemes. A “Technical Heroes” programme might also attract new talent.
- Companies must resist short-term economic pressures to implement cuts in the workforce.
- The sector is urged to establish training budgets as a fixed percentage of earnings. Potential recruits would interpret this step as a sign of long-term commitment.
- Positive reinforcement of the sector’s image must be widely practiced and supported through coordinated development of curricula, employment and social policies.
- De-bottlenecking the sector’s human resource challenges requires collective, targeted and innovative cooperation between government, educational institutions and industry.

