

# Tackling the human resources crunch in the petroleum industry

## Identifying solutions

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## **YESTERDAY (until mid 2008) – The BOOM**

- High prices, high margins, high profits
- Lots of projects
- Shortage of experienced professionals
- Tense labor markets
- Major challenge = sourcing of petrotechnical professionals (PTPs)
- Main game = attraction and retention of talents

⇒ **Companies back on campus**

Care about industry image

Need for new talents ("abroad", women, seniors,...)

Major investment in education and training

**HR = major concern**

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## **TODAY (since fall 2008) – The BUST**

- Low (er) prices
- Priorities = cash generation, operational discipline
- Projects cancelled or shelved
- Budget cuts
- Headcount reduction
- Slowdown or stop in hiring

⇒ We are living in a cyclical industry but lead times are very long

## **QUESTION :**

**Have we learnt from the past and can we avoid the same mistakes?**

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## The long term view:

- Sustained demand for oil and gas
- Depletion of existing reservoirs
- Strong need for additional supply
- Increased complexity of future projects
- Inversed pyramid of age
- Huge departures in the coming years
- Long lead times to build critical competences
- Strong correlation between the level of production and the petrotechnical resources

⇒ Huge HR challenge

# DO's and DON'T's

Point of view of industry leaders:

## **DO**

- Make tough choices (preserve PTPs)
- Maintain university relations
- Train management teams  
(most of them never experienced a downturn)
- Look at efficiency gains, increase productivity
- Watch the motivation and moral
- Do not panic, keep options open

## **DON'T**

- Put at risk the human capital
- Stop recruiting university graduates
- Compromise the training of recently hired
- Slow the policy of diversity
- Cut R&D

# DO's and DONT's

Point of view of academics :

## **DO**

- Treat universities as a business and spent more time with them
- Be careful about demoralization among the student population
- Suggest petroleum professionals to join universities
- Improve the quality of the learning process
- Think long term
- Keep investing in universities

## **DON'T**

- Steal professors
- Stop recruiting

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## Identifying solutions: main issues

- how to mitigate the consequences of the boom and bust cycle?
- how to keep the key human capital and avoid the loss of critical competences?
- how to avoid the negative impact on the image and therefore on the attractiveness of the petroleum industry?
- how to avoid the collapse of existing university departments in fields like geoscience, petroleum engineering, ...?
- how to sustain the initiatives to launch, develop and strengthen educational petroleum programs in producing countries?
- what role for the different players?