The Oil & Gas industry needs more talent

Need to fill crew vacancies

~350k workers laid off during downturn

Aged current workforce – 2/3 are over 50 years old

Need for talent to face challenges

Investments needed to compensate for the declining of existing fields

Game-changing technology (robotics & artificial intelligence)
## Oil & Gas cycles have an impact in talent management

<table>
<thead>
<tr>
<th>Sustained Oversupply</th>
<th>Market rebalancing</th>
<th>Balanced market</th>
<th>Market unbalancing</th>
<th>Oversupply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of oil supply results in low oil prices</td>
<td>Demand grows faster than supply, tightening the balance for oil</td>
<td>Rising oil prices foster profitability of projects</td>
<td>Higher prices curb demand growth and foster efficiency measures and substitution</td>
<td>Prices collapse</td>
</tr>
<tr>
<td>Underinvestment by the oil industry</td>
<td>Oil prices begin to rise</td>
<td>Companies start investing in new projects</td>
<td>New projects begin to come online</td>
<td>Oil industry contracts as capital expenditures are slashed</td>
</tr>
<tr>
<td>Low prices stimulate higher demand</td>
<td></td>
<td>New oil plays become economical</td>
<td>Production growth begins to outstrip demand growth</td>
<td></td>
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</table>

### Impact in HR

- Consolidation via corporate M&A deals leads to restructuring
- High demand for talent in a job market plenty of idle resources
- Activity boom leads to inflated compensation packages due to scarcity
- Job market paralyzed due to gloomy prospects in the industry
- Cost compression required leads to workforce reduction
Changes in labor market with substantial business implications

**Issues affecting O&G labor market**

1. 'Crew change' resulting in younger workforce
2. High voluntary attrition
3. Skills shortage
4. Dwindling graduate pool
5. Push for use of local labor

**Potential outcomes**

- Increased cost?
- Project delays?
- Reduced Safety?

Source: BCG analysis
# Talent management is key to ensure gender balance

<table>
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<tr>
<th>Entry Level</th>
<th>Midcareer</th>
<th>Senior Leadership</th>
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<tr>
<td>Boost women's participation in STEM PROGRAMS</td>
<td>Ensure that women have the same CAREER OPPORTUNITIES as men</td>
<td>Keep MEASURING PROGRESS in increasing the share of women at all levels</td>
</tr>
<tr>
<td>Make the industry more attractive as a CAREER CHOICE for women</td>
<td>Apply work-life balance policies EQUALLY ACROSS GENDERS</td>
<td>Broaden the range of CAREER PATHS from which executives pick senior leaders</td>
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