

You Must Be the Change

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The aging of our industry's workforce and the near-term disappearance of the related knowledge base and experience are apparent when examining the data on SPE members' age distribution (excluding student members).

Fig. 1 shows that the "big crew change" is well under way with the Baby Boomers* preparing to leave our industry. It is estimated that the potential outflux in the next decade will be as large as 50% of those who are currently employed in the industry. The chart also shows a developing second peak where Generation Y* enters the industry

in recent years, with a low for the Generation X* segment of the workforce.

Our industry lost a generation of workers in the 1980s, and now it is obvious that the rate of skills replacement is not adequate. Demographics in other sectors are similar to SPE's. Charles Davidson, the CEO of Noble Energy, says, "There are about three per cent of the American Association of Petroleum Geologists members who are around 80 years old, and we may be needing them!" (Rhodes 2007). To sustain a planned expansion in investment estimated at USD 200 billion over the next 15 years, the industry is poised to recruit a large number of new talent. According to Lee Hunt, president of the International Association of Drilling Contractors, just the offshore rigs currently under construction will require an additional 17,000 new people not currently employed in our industry (Duey 2008). This talent squeeze can slow down the industry's growth.

The current economic downturn has only delayed the wave of retirements and has resulted in a slowdown in hiring that may have somewhat masked one of the most significant challenges facing our industry today—inspiring talented young people to join the industry and prepare to lead it into the future.

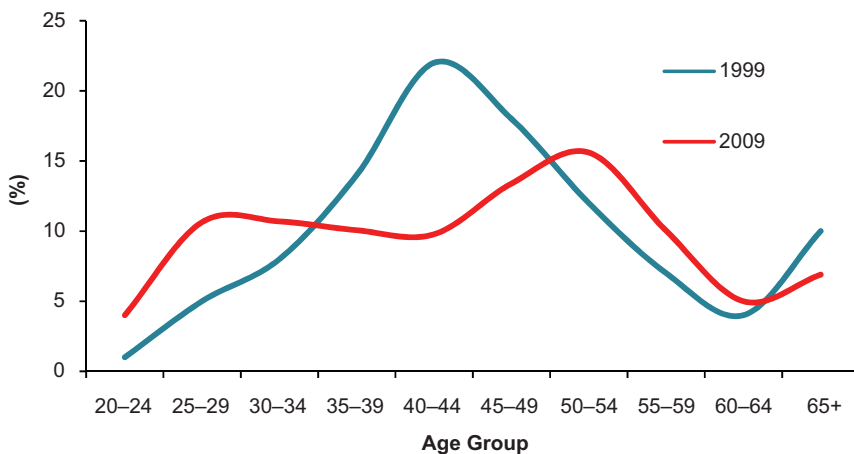


Fig. 1—The aging of the workforce (SPE membership data).

*Baby Boomers are those born in the mid 20th Century, following World War II. Generation Y is the group born during the period 1976–95. Generation X is roughly defined as those born during 1965–80.

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SPE has implemented a variety of programs to help the industry on this important issue:

- Several petroleum scholarship funds are designated to be awarded to those students throughout the world who are interested in pursuing careers in the petroleum industry. The SPE-sponsored Star Scholarship is awarded in each of the SPE's 15 geographical regions. Thirty of these awards, valued at USD 5,000 for undergraduate, and USD 10,000 for graduate students, are given to selected students for up to 4 years. The SPE Foundation also supports two global scholarship programs: The Gus Archie Memorial Scholarship, valued at USD 6,000, is annually awarded to an outstanding student preparing to attend university for the first time. The Nico van Wingen Memorial Fellowship, valued at USD 5,000, is awarded annually to a student who is a member of an official SPE student chapter and is at the PhD level intending to pursue a career in academia. SPE sections around the globe also sponsor scholarships, student travel support, and funds in support of purchase of textbooks and softwares, as well as educational outreach, totalling more than USD 1,000,000 annually.

- Another SPE global program is Energy4me. This public education program, designed for educators, students, and industry professionals, is a premier global platform for knowledge dissemination and multidisciplinary career resources.

- SPE's increasing number of conferences and papers, and the increased emphasis on our continuing education program, are designed to provide life-long learning opportunities for all industry professionals.

- The eMentoring program is designed to provide university students with guidance in their transition into the working world. And for young professional members it creates the opportunity to learn from and

be guided by experienced professionals, and benefit from practical career advice on day-to-day issues.

- The Talent Council, a forum where the oil and gas industry collaborates on initiatives related to talent issues, has as its central objective improvement of the quantity and quality of talent available to the industry.

- Other SPE activities are supporting young professional programs, and establishing the Expert Alumni program, as well as an adjunct faculty clearinghouse.

- The Ambassador Lecturer Program connects students with the oil and gas industry through lectures by SPE members 35 years old or younger. These lectures, presented to SPE student chapters, other universities, and secondary schools, are meant to share career-development experience since graduation, explore cutting-edge technology, and describe what it is like to work in the E&P industry. The program aims to present the vision of SPE and provide an opportunity for students to hear a young engineer's perspective on issues confronting the industry.

Founded on a bedrock of science and engineering, our industry utilizes myriad leading-edge technologies that it develops or borrows from other industries and innovatively adapts to its needs. It is massive in scale, and in its global reach. It operates onshore and offshore, from hot deserts to the arctic, and from shallow reservoirs to those at thousands of feet of depth. It truly goes to "where no man has gone before!"

Today, the oil and gas industry faces a very challenging future. Our task is to extend the life of the industry and fulfill the world's growing needs for energy. We can do this by improving our success in finding new discoveries in frontier and remote basins. We also must increase the ultimate recovery from existing fields, and finally, we must find ways to tap into unconven-

tional resources. At the same time, we have to intensify our focus on sustainability, which calls for meeting humanity's needs without harming future generations.

To accomplish these daunting tasks, the industry needs its professionals across the workforce generations to rise to the occasion, and lead it into the future. The young professionals must take advantage of their unique position and bridge the age gap. They must play an effective role in attracting the best and brightest into our industry. At the same time they must ensure absorbing the significant volume of knowledge and skill that will disappear in a short time due to the large-scale outflux of the baby-boomer generation. The experienced professionals must also fully participate in this grand transformation. Their legacy would be intensified training of the young professionals, sharing best practices, mentoring, and teaching the experiences of a lifetime. It is only with such a massive effort by the entire industry workforce that we can bring the change we need to create success in meeting the challenges that this industry is facing.

Mahatma Gandhi once said, "You must be the change you wish to see in the world." I believe this should be the mission statement for our members. All of us must become the agents of change. All of us must rise and do our part.

JPT



References

- Duey, R. 2008. Looking Further Afield. Hart Publications.
- Rhodes, L. 2007. The Energy Staffing Crisis. Montreux Energy Roundtable XVIII, June 6-8, Montreux, Switzerland.