

Great Opportunities for Young Talent

In an era of high oil prices driving accelerated project development, the industry often finds plans bottlenecked by shortages of technical and professional staff rather than budgets. Studies predict a “graying” petroleum workforce in which more than half of all oilfield professionals will reach retirement age during the next decade. *Time* magazine recently featured the “New Crisis in Oil,” citing numerous university petroleum programs that closed their doors during the 1990s only to find themselves turning away students today. The hot commodities in this seller’s market are young professionals of the *millennia* generation, described in the human resources (HR) world as culturally diverse, technologically savvy, and demanding in terms of compensation and work/life balance. So how are industry and HR professionals attracting and retaining this prospective talent?

More than just buzz words, a phrase that is ubiquitous at every major operating company and filtering down to smaller companies is “best in class.” The phrase signifies the corporate goal of standing out among one’s peers and setting the highest standards. Best-in-class policies tend to be either profit- or human-resources driven, says Donna Quon, Manager of Resources, BP Canada. “Profit-driven policies focus on the mechanics and logistics of product delivery. HR driven policies recognize that to achieve profitability, one requires talent and retention,” she says.

Because attracting the best talent is always desirable, the value of a company’s reputation as being best in class cannot be underestimated. Good public relations sells. Recruitment drives focus on a range of total rewards packages, including traditional benefits such as hiring bonuses, stock options, and competitive compensation. There has also been a move to more creative offerings, such as Encana’s vacation package based on “life experience” rather than the traditional years of service. Thus, a new hire with a PhD gets credit for 6 years of experience toward vacation vs. a new hire with an undergraduate degree. BP’s flexible wellness packages, starting at USD 2,000, can be applied to a variety of things, including exercise equipment or massages. Some other nontraditional perks that are becoming commonplace are

- Flex/personal days to supplement vacation time
- Rewarding volunteerism
- Training and professional development.
- Wellness package.
- Flexible benefits in which employees allocate benefits to suit their needs

A 2005 Towers Perrin global workforce study on where employers plan to focus reward strategies over the next 3 years showed that most companies are reducing emphasis on market competitiveness but pushing to be recognized as employers of choice. However, it is interesting to note that the same study showed a disconnect between what companies and employees viewed as being attractive. Whereas 79% of companies surveyed listed company reputation as the top reason for joining companies, employees ranked that as the lowest factor, with competitive base salary at the top.

Quon says that a best-in-class reputation is what attracts top candidates to a company, but that is only one part of the picture.

Marketing the company is critical in terms of snaring interest, but the question becomes once you have this new talent is, how to keep it interested? Employee retention can be the most time intensive and difficult aspect to pin down. Critical tasks to determine are why employees leave and their motivation for staying and this knowledge should then be incorporated into long-term HR strategies.

Sonia Burgher, an HR specialist in the booming oil sands sector, says her company recognizes that one key to short-term retention is the practice of “onboarding,” a 6 month to 1 year process of tying new employees to the company’s corporate vision and teaching them how their own role fits within that vision. She notes that the reasons for employee turnover are changing, referring to younger professionals’ need to know they are immediately making high-

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quality contributions that impact company bottom lines. Thus, it is crucial to make time “to onboard them and explain how they can contribute,” she says. This is common within many majors, such as Shell, whose onboarding programs last from 6 to 12 months with the opportunity to travel and learn alongside designated mentors.

Dave Nordin, President of Nordin Resources Consultants, notes that young professionals are getting “much sexier” opportunities earlier that help to keep them interested. According to Nordin, employees in the past worked 10 to 15 years before getting plum opportunities. “But today professionals with only 3 to 5 years experience are getting plum assignments, including frontier and international,” he said. Companies are also recognizing that career growth that includes diverse opportunities rather than “ladder climbing,” is more important to this generation.

A recently published survey showed that the majority of employees left companies because of management conflicts, an issue that is very difficult to root out and even harder to correct. Burgher explains that her company is “seeing that leadership is becoming a gap,” and dealing with this issue involves “frontline leadership” programs for management. The programs, lasting one to two weeks, help define expectations and move from working leaders to strategic leaders. Nordin says that companies and employees have a relationship and that employees must not lose respect for management. As he put it, “There are a lot of things that a relationship can recover from, but lack of respect is not one of them.”

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For this month’s section, we sat down with a few HR professionals in the petroleum industry and asked them what sustainable HR means practically in today’s flush oil and gas market. What should young professionals be looking forward to while they are being courted by multiple employers?

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