



International Energy Forum

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## A Symposium

*Under the Auspices of the Ministry of Energy and Industry of Qatar*

# Tackling the Human Resource Crunch in the Petroleum Industry

**13-14 April 2009, Doha, Qatar**

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In the wake of the 3<sup>rd</sup> International Energy Business Forum (IEBF), the 11<sup>th</sup> International Energy Forum (IEF) in Rome 20-22 April 2008 noted that, “in all realistic scenarios, fossil fuels will dominate the energy mix for decades to come”. According to Ministers, “a sustainable energy future implies efficiency improvements, technological advances in both production and consumption of fossil fuels, and development of alternative low-carbon energy sources.” Against this backdrop, Ministers discussed the need to broaden co-operation and exchanges in the fields of human capital and technology advancement. They addressed the urgency to work together with the oil and gas industry, universities and research centres to promote a world-wide campaign in consuming and producing countries aimed at improving the image and rewards of technicians and skilled staff working in the oil and gas industry.”

### OBJECTIVE OF THE SYMPOSIUM

In accordance with the 11<sup>th</sup> IEF Ministerial call, the symposium will revisit human resource problems/requirements of the energy industry and review established and existing road maps/modalities adopted by various players, but equally important seek to find and to promote proposals with the potential to address short-term imbalances and underpin long-term prospects.

Representatives from a broad spectrum of educators, trainers and employers as well as professional associations and government should create an environment conducive to expert and lively debate of a critical issue facing the energy industry worldwide. This composition will enable a balanced overview of required and available skills, as well as identifying impediments in the market-place and direction for best-practice solutions.



## Tentative Agenda

### Day One

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#### Identifying Key Issues

- Globalization; human resource development and demographics:
  - ✓ NOC point of view
  - ✓ IOC point of view
- A reflection on recent findings
- Impact of technology on human resource requirements
- Role of social and macroeconomic policies on:
  - ✓ Human resource development process
  - ✓ Recruitment and retaining
  - ✓ Retirement

#### Roundtable discussion

Dynamics of international markets and human resource training and retaining dichotomy

- Where did we go wrong?
- Are there quick fixes for the human resource crunch?
- Boom time drives; can down turn in global economy wipe out achievements?
- Human resource- investment or expense?

### Day Two

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#### Identifying Solutions and Recommendations

Dynamics of energy markets and evolving role of education and training:

- ✓ Company views
- ✓ Academia
- ✓ Government
- Image of industry, shared responsibility:
  - ✓ Career Building
  - ✓ Long-term prospects
- Synergy between academia and industry

#### Roundtable discussion and wrap up

- Scenarios for cooperation between governments, companies and education institutions
- Action oriented road maps
- Shortcomings of existing human resource training and development; potential solutions
- Measures to ensure success in:
  - ✓ Attracting, training and retaining professionals
  - ✓ Building sustainable future

#### Wrap up and Recommendations



The Human Resource Crunch challenge has been the main theme of numerous conferences and workshops involving companies and education authorities. The outcomes vary in their recommendations and range from local to global solutions. In reviewing the overall picture, the American Petroleum Institute declared that, "Human resources offer a potentially more binding threat to industry expansion than physical resources".

Studies show that by the end of this decade, there will be worldwide shortages in the engineering and instrumentation and electrical workforces of 38% and 28% respectively. For the oil and gas industry, this constitutes almost half of its workforce. A case study conducted for the European Union, noted that 50 percent of professional staff in the sector are 40 to 50 years of age with 10 years to retirement. Meanwhile junior recruits in the 20-35 age groups constitute only 15% of the demographic composition. Against this backdrop, growing need for industry expansion and given the retirement age of around 55 years, recruitment and training assumes a priority status in the industry. Traditionally, 10-12 years of intensive experience in the industry has been a benchmark when staffing complex activities. However recently because of lower recruitment rates over a sustained period the benchmark has shifted downward. Total recently announced that by 2012 around 40% of its professional staff in the core activities will have less than 5 years experience in the group.

More striking is the finding by Schlumberger that only around 60% of geosciences graduates and 80% of petroleum engineers enter the exploration and production (E&P) industry. Findings also note that shortage is evident in the field personnel; on the same scale if not greater. Some of the findings cited, indicate more of a regional problem. A Schlumberger presentation to the SPE noted that graduate supply in countries including the US, the Netherlands, Brazil, Russia and Norway with strong local demand has been on the rise and that despite this, labour markets in these countries and others like UK, Angola, Saudi Arabia, Kuwait, UAE, Qatar, Australia and Malaysia remain tight. While noting the apparent rise in supply of geosciences and engineering graduates to balance the deficit, in the Oil & Money conference 2008, Schlumberger cautioned the industry against cutting back on its professional hiring and training programmes in reaction to current financial crisis and down turn in the global economy.

Studies have noted that faced with tight competition for skills many employers have resort to poaching from others. While this provides a short-term solution for few it does not solve the long-term issues facing the industry and ultimately it is not sustainable.

The aim of the symposium is to bring forward new action-based proposals to help ensure adequate and timely availability of required skills worldwide. The HR Crunch is a global problem, and the success of any attempt to rise to the challenge rests upon the strength and depth of combined and concerted efforts from industry, coordinated government policy initiatives and closer links with academia.

