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ADIPEC 2014 White Paper

National Energy Talent Shortage: Filling the Gap & Staff Retention





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Maersk Oil Middle East Executive Roundtable

***“National Energy Talent Shortage:
Filling the Gap & Staff Retention?”***

ADIPEC 2014 White Paper





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National Talent Shortage: Filling the Gap, Retaining the People

Preparing for the Next 30 Year of Innovation and Competition in the Energy Industry

Whether in the United Arab Emirates or elsewhere in the world, the global oil and gas industry is faced with the twin challenge of having to overcome a shortage of experienced engineers as an aging workforce is not replaced quickly enough with new talent, while at the same time having to step up efforts to retain employees in an increasingly intense battle for talent.

According to a roundtable discussion hosted by Maersk Oil in Abu Dhabi in late October on how to overcome the talent shortage and retaining employees, senior executives and officials from academia, government and industry largely agreed that only a concerted effort and a long-term strategy involving all sector stakeholders can sufficiently and comprehensively address the issue.

Top issues to be tackled within this context include:

- Stimulating interest among both male and female youth in engineering studies and sciences from as early as secondary—or even primary—school level will be seminal to ensuring and sustaining the flow of the next generation of engineers and researchers into the industry
- Communicating career perspectives and industry achievements more aggressively to raise the general level of awareness of oil and gas companies' activities and achievements
- Stepping up efforts aimed at retaining talent in the industry by providing clear career perspectives and making a greater commitment to coaching and mentoring newcomers will be seminal
- Wage differentials between public and private sector companies will have to be addressed with a view to enable the private sector to compete with public sector firms on a more equal footing when hiring and seeking to retain talent
- The role of women in the industry specifically will need to be bolstered across all career levels taking cultural specifics of the region into consideration

CONTEXT

The world's energy future depends on the choices made by the younger generations today. They are tomorrow's engineers who will have to ensure uninterrupted flows of energy to the world, which despite economic headwinds will continue to see demand rise in coming decades.

At the same, the oil industry is expected to see as much as 50 percent of all petroleum engineers reach retirement age over the next 10 years. With this in mind, one of the industry's biggest challenges will be to attract talent to fill the rising number of openings for petroleum engineers, researchers and scientists. But the industry also needs to attract talent from other types of backgrounds, including from geology, mathematics, IT and analytics to drive innovation in future



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technologies, which will be needed to access more complex and harder-to-access hydrocarbon resources and to boost efficiencies in operations and production processes.

To succeed, key stakeholders from industry, academia and governments will all have a role to play. Joint strategies will need to be developed to inspire the next generation to engage with sciences from primary school level and to sustain their interest through to university, post-graduate research and into professional life so that they choose careers in engineering disciplines and research in the oil and gas sector.

In the Middle East, where hydrocarbon-rich countries such as the United Arab Emirates are entering the post-easy oil era, the oil and gas industry's future talent requirements are substantial. This means it will also have to draw on the rapidly-growing pool of female talent – today the majority of new university students entering engineering programs in the Gulf are young women. Stimulating interest among and providing incentives for young women to choose careers in the energy sector will therefore be essential.

In the UAE, such initiatives will have to integrate with Emiratization and other initiatives aimed at developing a skilled national workforce and, subsequently, a knowledge-based economy.

ATTRACTING TALENT

Given the world's long-term energy demand outlook at a time of tightening competition for new and more talent, the industry needs to step up its efforts in attracting and developing employees with the right expertise.

Reaching back into education programs, making sure to stimulate interest in the industry at large from as early as elementary school level, and attracting students into the technical degrees that underpin the industry will play a seminal role in drawing in the right talent. As such, the industry will have to offer a greater number of graduate engineering schemes and invest in entry-level training.

On a general level, to instill interest in science, engineering and energy among the young, reforms to the education system and promoting a change in culture supporting creative and critical thinking will be essential. Academics and industry representatives often point to the U.S. education system and society as fostering the kind of thinking that gives rise to the creation of scientists, researchers and entrepreneurs needed to sustain a knowledge economy.

Generating interest is one thing, changing perception another. Banking and IT are often seen as being more lucrative and offering better career opportunities than the oil and gas sector. This may not be the case but word hasn't spread sufficiently to change that perception.

In the UAE, initiatives such as Think Science by the Emirates Foundation or ACTVET, the Abu Dhabi Center for Technical Vocation Education, are among those set up in recent years to raise awareness among young UAE nationals to understand the country's challenges in coming decades and to stimulate their interest in science or pursuing industrial careers with a view to addressing these challenges.

While there is no quick fix to addressing the skills shortage, the oil and gas industry continues to work hard on attracting the people it needs, working with educational establishments and



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institutions to educate the younger generation about the careers available working, for example, as engineers in the industry.

RETAINING TALENT

Among the greatest challenges in a highly-competitive environment is the retention of qualified talent. While retirements in the oil and gas industry ultimately are inevitable, some turnover can be prevented. This requires, however, an understanding by companies of why employees choose to leave for other jobs. If they fail to do so, the cost associated with the inability to retain employees can prove high.

“Voluntary turnover represents a significant expense that can go well beyond the hard costs of recruiting, hiring, and training each new employee. When critical workers leave, it can lead to an increase in recordable safety incidents or even unplanned downtime of critical equipment if they cannot promptly be replaced. There is also a risk valuable institutional knowledge will be lost if it is not transferred to others,” according to advisory firm Deloitte.¹

In a bid to retain valued employees, some companies are turning to blunt instruments such as pay increases and incentive awards. In Abu Dhabi, public sector companies including Mubadala, International Petroleum Investment Co. (IPIC) and Abu Dhabi National Oil Co. (Adnoc) have been successful in attracting the majority of local graduates and retaining local talent in part due to their ability to offer high wages and attractive benefit packages comprising everything from life insurance to healthcare plans, parental leave, education assistance and retirement provision.

This in turn is leaving private sector firms in the UAE struggling to compete for talent in general and qualified Emiratis in particular. Against this backdrop, wage differentials between the public and private sectors as well as between Emiratis and non Emiratis have been identified as major challenges in terms of attracting and retaining local talent in private-sector oil and gas companies, both local and international.

At the same time, private-sector companies have seen some of their best talent poached away by public sector companies with deep pockets, having trained, mentored and invested in them, adding significant pressure and cost on small and medium sized enterprises in particular.

While compensation is one way of retaining talent, it is not a sustainable solution. Instead, effective leadership, reward and recognition, and availability of training and development are becoming ever-more important in ensuring employee engagement in a company. However, the most critical issue, frequently being cited by talent hired into major national and international energy companies, is the absence or non-implementation of clear career progression plans.

Better talent management and more efficient processes aimed at supporting personal growth, developing leadership skills and fast tracking people into leadership positions will therefore be important measures to be implemented in order to avoid having young, often ambitious talent become frustrated and seek career opportunities elsewhere. This will also involve closer mentoring and coaching to guide and steer young professionals in their careers.

¹ See: ‘Oil and gas talent management powered by analytics – Adopting analytics to effectively manage workforce needs’; <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Energy-and-Resources/dttl-ER-Oil-and-Gas-Talent-Management.pdf>



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“Motivation, reward management and performance appraisal largely drive employee retention and satisfaction. Even when offered higher salaries and/or compensation packages, for example, the most engaged and trained employees are less likely to jump ship,” FMI Corporation, a U.S. consultancy, said in a 2013 report on the skills shortages in the oil and gas sector.²

From attracting to developing to retaining talent, the industry has to engage on all levels. While some progress is being made, including in the Gulf region, it does need to engage more closely with the other stakeholders such as universities, research institutes and government agencies. Only through closer collaboration and coordination will stakeholders be able to devise strategies that will ensure the development of a deep pool of talent with the skills, expertise and motivation to lead the 21st century energy industry.

ROLE OF WOMEN

Bolstering the female component in the oil and gas industry’s workforce has the potential to go some way alleviating the oil and gas industry’s talent shortage. This is certainly true in the Gulf and the UAE, where the majority of engineering students today are females.

Indeed, for the global oil and gas industry—traditionally a male domain—attracting female talent has become a business imperative in light of the widening talent gap and looming skills shortage. With more and more experienced engineers set to retire and the number of new entrants limited, building a diverse workforce that includes more women isn’t simply a choice; it’s essential if the energy industry is to meet the challenges that lie ahead – whether on a global level or in oil and gas rich countries such as the UAE.

At present, on a global scale, women still represent a small share of the oil industry’s workforce and even fewer hold engineering or other technical positions. In the U.K., for example, women account for 51 percent of the population but only 8 percent of engineering professionals, according to a recent analysis from the Royal Academy of Engineering.³ A survey conducted by the Centre for International Labour Market Studies shows that female workers make up just 4 percent of the total oil and gas workforce in the U.K..⁴

While the numbers vary from country to country, the overall trend, however, appears to be slowly changing, with the number of women entering the industry constantly growing. In the U.S., 46 percent of all new jobs in the oil industry went to women in the first quarter of 2013, according to the U.S. Bureau of Labour Statistics – the highest number since the bureau started tracking these figures in 1991.

In Abu Dhabi, programs such as Women in Science and Engineering (WISE) at Abu Dhabi’s Petroleum Institute (PI) have been successful in developing a new generation of female engineers. Now in its eighth year of operation, 770 women—95 percent of whom are Emirati—are studying engineering at PI under WISE.

² Skills Shortages in a Booming Market: The Big Oil and Gas Challenge’ by FMI Corporation;
<http://www.fminet.com/media/pdf/report/OilandGasChallenge.pdf>

³ See: <http://engineeringforgrowth.org.uk/engineering-diversity-concordat-enter-the-professionals/>

⁴ See: http://uk.opito.com/uk/library/Labour_Market_Intelligence_Survey_Report.pdf



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These are positive developments. But while there has been important progress educating and attracting more women into the industry in a bid to close the talent gap and providing more opportunities for females, greater awareness and a more proactive approach to identifying and supporting young female talent will be needed.

Attracting more females into the industry isn't just a way of filling the shortage gap and creating a more inclusive and diverse work environment. Research into Fortune 500 companies carried out by U.S.-based non-profit organization Catalyst shows that those firms with the highest female representation on their board of directors experienced better financial performance on average – in terms of return on sales, return on invested capital and return on equity – than those with the lowest representation of women.

CONCLUSION

Filling the talent gap in the UAE's energy industry is making some progress but will need to go hand in hand with a string of initiatives.

This includes oil and gas companies taking a longer-term approach to attracting and retaining talent by starting to build new talent pipelines and developing strategies to build competency; providing clear career paths and implementing them; providing incentives, guidance and mentoring for young talent, including females, to join the industry – and stay in it; and instilling interest in science among the young as part of wider reforms to the local education system, while also addressing wage discrepancies between the public and private sectors.

Finally, it will be critical for all sector stakeholders—industry, government and academia—to intensify collaboration as only a holistic approach will ensure that the industry will be equipped with the workforce needed to ensure that all of tomorrow's energy challenges will be met, whether entering ever-more remote territories for exploration and production, developing new technologies or carrying out breakthrough research.



Talent Shortage: Filling the Gap

Industry Roundtable Discussion

Hosted by Bob Alford, Deputy Managing Director, Maersk Oil Middle East

Participants:

- Omar Bamadhaf Al Katheeri, Former Head of Corporate Affairs at Abu Dhabi Technology Development Committee & Chairman of Sundus Recruitment Services
- Clare Woodcraft-Scott, Chief Executive Officer, Emirates Foundation
- Dr. Lindsey McPherson, Senior Licensing Manager, Licensing and Accreditation ACTVET (Abu Dhabi Centre for Technical & Vocational Education & Training)
- Nadia M. Al Hasani, Dean, Women in Science & Engineering Program, The Petroleum Institute
- Mariam Al Hendi, Mechanical Engineer, GASCO (Winner 2013 Young ADIPEC Award)
- Khalid Al Ameri, Youth Coach
- Alyazia Al-Kuwaiti, Head, Evaluation & Execution of Investments at International Petroleum Investment Company (IPIC)
- Ali Al Marzouqi, President, Emirates Skills
- Leith Ramsay, Middle East Regional Director, PageGroup
- Mohamed Al Ketbi, Training & Development Manager, Turbine Services & Solutions
- Zainab Al Saffar, Recruitment Manager, Masdar
- Adam Lomas, Managing Partner, Castor & Partners
- Dr. James Ryan, Associate Professor, HR Management, UAE University
- Bob Alford, Deputy Managing Director, Maersk Oil Middle East



Bob Alford, Deputy Managing Director, Maersk Oil Middle East:

Maersk Oil has been in Abu Dhabi now for three years and we're looking to work with ADNOC in the upstream oil and gas sector. In our time in the UAE we have identified that one of the great challenges facing the industry here is finding, attracting and retaining national talent. There is a lot of competition for this talent, especially with so many attractive government related entities such as Mubadala, IPIC and Masdar recruiting these young Emiratis, and we are very conscious not to recruit people away from our national partners.

So we have adopted this talent shortage challenge of attracting the next generation of young engineers into the energy industry as one of our key initiatives to support in Abu Dhabi.

Moderator:

What we're facing today, in the context of this discussion, 50% of all petroleum engineers in the world will reach retirement age in the next 10 years. So it's a very immediate challenge. The



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development of local national talent in countries rich in energy resources across the world especially the Middle East is one of the key ways in the global energy industry to mitigate the pending talent crisis and build a sustainable capacity to meet future demand.

Which of the following is the most important commitment for industry to adopt in order to develop the necessary quantity and quality of local talent?



Clare Woodcraft-Scott, CEO, Emirates Foundation:

I think the jury is still out in answer to your question. Emirates Foundation has been around for 10 years now, and we were essentially established by His Highness Sheikh Mohammad Bin Zayed as a mechanism to connect the private sector to the national community. In recent years we have focused solely on youth development.

The majority of our corporate partners come from the energy industry and we provide them with a mechanism whereby they can reach out to the national community, not just to access talent, but also to build a license to operate, build a reputation, manage non technical risk and really understand the operating environment in which they work.

The energy sector is more obviously concerned and engaged with the pressing needs around securing Emirati talent and how that relates to a license to operate. I think there's an understanding, particularly with the IOCs, that if they don't have a level of community engagement and they're not hiring or developing Emiratis, that it's going to impact their business.

Moderator:

Mariam, you are a young Emirati engineer working with the National energy industry – how would you grade the energy industry in the context of attracting and retaining young Emirati graduates into the sector?

Mariam Al Hendi, Mechanical Engineer, GASCO:

What is really interesting to me is the retention of young talent in the industry, because, yes the national industry is doing reasonably well in attracting talent into the sector, but doing less well in developing and retaining them. Our female engineers are asked to enter the industry but we're not getting the opportunities to progress, and so increasingly we're not motivated to stay in the industry.

There's a gap - no career path development planning, not sufficient priority given to where I will be in 5 years time.

Moderator:

Omar, you worked for 20 years with ADNOC and its group of companies, and for much of your career you worked with the human resources department – what do companies need to improve in terms of building a career path architecture that will retain Mariam and her peers to stop them from leaving and joining the likes of Google?



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Omar Bamadhaf Al Katheeri (retired ADNOC Human Resources Manager):

I think there needs to be a mindset change at the top management level in ADNOC and not just at the operating levels. They have the tools in place, they have the competency and follow all the management buzz words that you can use but the question remains - is it being implemented? I suggest not.

Moderator:

Mohammed, you chose to join an IOC instead of staying at Qatar Petroleum – why did you leave the national energy company to join Maersk Oil?

Mohamed Al-Ibrahim, Business Development Manager, Maersk Oil Middle East:

I worked with Qatar Petroleum for 5 years and then I moved to Maersk Oil where I have been for around 10 years. In Maersk Oil we have a 2-year international program for anyone who joins us, where the new employee gains experience in the 4 main areas of the business, after which they can choose to move to any of our international operations such as Qatar, Angola, Denmark and London. That is a very attractive opportunity that a National energy company doesn't necessarily offer.

Moderator:

How is the energy industry performing in its outreach and partnership with Academia?



Dr. Nadia M. Alhasani, is the Dean of Student Life at the Petroleum Institute:

As the founding Dean of the Women in Science and Engineering program, WISE, at the Petroleum Institute, I am proud to say that today we have over 770 women studying engineering to join the oil and gas industry; we are exactly at 48% of the 1500 student population. We need to be encouraging women to join the Institute - we just need people to get into engineering.

And this is not just a challenge here - in the U.S., only 18% of engineering students are women.

Sean Evers:

Regardless of gender, what is the energy industry not doing adequately in their engagement with the university that they could be doing better to attract more people into the industry?

Dr. Nadia Alhasani:

We recruit students and then we have to actively work on retaining them so they don't run off to business schools as soon as they get a D in Physics.

Industry HR managers need to be more savvy and aware of certain factors - from offering competitive salaries and placing new hires into appropriate technical positions that match their skills, to something as simple as offering an attractive office environment. I think HR in this sector has a lot to learn.

Moderator:

Zainab, I wanted to bring you in here as an HR recruitment manager at Masdar and ask what your thoughts are on the points made by Nadia?



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Zainab Al Saffar, Recruitment, Human Capital, Masdar:

In relation to academic studies, early intervention from government and industry to mentor and direct our youth to this sector is crucial.

One initiative would be to provide internships for secondary school students - build a foundation in these students to help them and guide them in their choices. They don't necessarily know what engineering entails; they may be uncertain if they are capable.



Another is to provide proper academic and career counseling.

The third factor is to have success stories. Our young generation has increasing demands, and thus they require to see tangible real models whom they can look up to. They are in need to see a real example of a successful figure who have taken the engineering direction and have succeeded in it

Moderator:

Mohamed, how are these developments impacting UAE SMEs operating in the oil and gas sector?

Engr. Mohamed Al Ketbi, Training & Development Manager, Turbine Services & Solutions:

We need to remember the relationship between the three stakeholders: the academic institute; the energy industry; and the students themselves. The relationship between the academic institute and the student is very strong. But, when the industry comes in there are many unanswered questions.

What's going on in the industry? If I'm studying as in any engineering field, will I be able to work in this in the future or I have to do more practices in industrial to gain the specialist and got the jobs?

So we have a gap between industry and the student. With the current introducing the student with practice into the energy industry is to give students 6 week internships for them to taste and understand the opportunities in the sector, but this is much too short and from the industry; no time to do it due to industry busy with their projects or the industry environment not sufficient to host the intern. Other hand, the internship period should be at least double the previous time in account of engineering field.

Companies should appoint dedicated industrial advisors or coordinator that focus on outreach to students and academia to build a clear communication channel about the industry.

Moderator:

Ali, what are we missing from this debate?



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Ali Mohamed Al Marzouqi, President, Emirates Skills:

I think we need to look at the big picture.

Emirates Skills is part of ACTVET. We focus on TVET in the UAE, helping UAE nationals understand where the country is going in its future economic and social vision.

We focus on motivating UAE nationals to get on the industrial track whether it's science, engineering or technology and we work closely with industry. We hold annual career exploration weeks at our schools where ADNOC, IPIC, the universities, different industrial companies, come and give career counseling and offer internships.

ADNOC takes about 2000 students each year from our programme. But our students want choice because not all of them want to go to oil and gas.

Industry is doing a good job at partnering with us but there should be more work between industry and high school students.

Moderator:

What age should that begin?

Khuloud Al Nuwais, Emirates Foundation:

It is critically important to engage students at grade 9 and 10 because this is the age when students make the decision to either continue or drop out, or join vocational training. This is a very important year when I believe the energy industry should come in with motivational speakers to raise more awareness about the industry and the career paths that students can take.

And beyond the recruiting stage, it's about talent management. It's working with those who have potential, working on their leadership skills, fast tracking them and I think that's what ADNOC is not doing. They have the tools but they're not really doing the talent management piece properly to fast track people into positions.

I worked there for seven years and I was promoted maybe once or twice and in the end I decided to move on due to the lack of career advancement and development.

In my role at the Emirates Foundation, I interview a lot of young people; they are very ambitious, they are very spot on. They want to know from day one what they're going to be doing and what their career development plan looks like. Mubadala is a good example of a company that's working more on this, that's fast tracking young people and profiling role models.

Moderator:

Adam, from your experience as the former head of Technical Training & leadership development in Shell, what do you think needs to happen next in the context of the national energy companies improving their commitment to talent management and development?





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Adam Lomas, Managing Partner, Castor

The importance of the personal relationship between people in an organization is critical. I think the success or failure of the oil industry to attract, and retain great talent will be whether or not line managers are setting great examples as coaches or mentors - whether they're spending their time encouraging, supporting and helping the ambition of new recruits.

Clare Woodcraft-Scott:

At Emirates Foundation we established an amazing online portal last year which connects our corporate partners in the oil and gas community to our massive database of young Emiratis, so this seemed like the perfect solution. But it's been the biggest challenge of all of our initiatives for several reasons.

Firstly, young Emiratis who are at university studying relevant subjects for oil and gas are spotted and sponsored by ADNOC years in advance, and so have to do their internships through ADNOC, leaving very few to engage on our portal.

Secondly, universities were extremely rigid with us, placing restrictions on when interns could come join a program during the semester. And thirdly, the HR departments of companies using our portal would offer five young Emiratis a place but the paperwork would take weeks or months to process.

So all in all it has been very discouraging, and if you can't activate the internship programme, then how can you activate employment?

Moderator:

Al-Yazia, IPIC is a hybrid of sorts with many international energy companies as part of its portfolio - how do you see the challenges facing industry in attracting and retaining talent, and how would you assess the performance of industry in meeting this challenge?



Al-Yazia Al-Kuwaiti, Head of Investments and Evaluation, IPIC:

IPIC has substantial assets worldwide and we have existing programs for UAE nationals that give them access to work in these companies, such as Borouge. They get on site international experience to build up their knowledge base and bring that basically back to the UAE economy.

I would like to address the issue of women contributing to fill the talent gap shortage -- I think women are faced with multiple challenges when it comes to the corporate world, and their participation in the business model of Abu Dhabi is very limited. Sometimes there is not enough light shed on those talented females out there. I come across a lot of women in the private sector providing beautiful products and services, but there isn't enough awareness and promotion of this. There needs to be more effort put into that so you can find the right people to fill this gap.

Moderator:

Why is it important that industry gets this right?



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Lindsey McPherson, Director of Qualifications, Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET):

I think basically what we're talking about here is the need for a mindset change in meeting the economic drivers in the country, in meeting the requirements of industry -- there are certain priorities across the Gulf Region and oil and gas is one of them.



We are helping to craft that change, by requiring qualifications to have internship built into every qualification, for example we have put in place internship programs that are now 20 weeks. Also, every year degree programmes require time spent in industry, a change from the qualifications perspective. We also facilitate an active dialogue and engagement between industry and schools, colleges and universities, so that education is clear about what industry needs.

Another mindset change that is needed is to tackle the salary differential between the public sector and private sector, between Emiratis and non Emiratis, that is a challenge in terms of populating the private sector -- this is a focus areas that we need to look at.

Our education system also needs reform for example there is no longer a the arts stream in secondary schools, in fact we are now streaming more students into science and stem education, so that some will go to further education in universities, some will go into technical colleges and some will move into more vocational training.

The outcome is that schools, colleges and universities have to work with industry, to supply what industry needs. We need industry to have a bigger voice and say in what industry wants and needs in terms of occupational skills.

Engr. Mohamed Al Ketbi:

The problem with this system as it stands is that the national energy industry swallows up all the young national talent just to fill quotas and bolster their stats, with little career development or talent management. In end of 2009 ADNOC for example they have 22,000 employees, ADNOC committed to UAE Government plan to create employment opportunities for UAE national "Emiratization" and that let to employ around 8000 emirates. ADNOC today they have 55,000 employee, 32% are Emirati. Now the real challenge is how do you develop those engineers with high competitive industry, new industry product development and talent retention, but ADNOC generally is focused more on the headlines in the newspaper rather than to activate overarching talent management or to make effective and existent practice philosophy to identify internal talent.

But you see that is going to come to an end very, very quickly. Because at some point it's going to become unsustainable, both in terms of the number of people you've got in the organizations and the ability to be able to run the organization effectively. So the sooner that all these technical organizations begin to realize that and they've got a personal responsibility for really bringing on these future leaders the better by Develop criterial for key positions, Identify top roles, create high potential competency model and implement succession planning model & coaching.

Adam Lomas:

The issue is not about quotas or caps. The issue for the energy industry, whether it is a NOC or IOC, is that many GREs are taking all this talent and they're not making the best use of it. If they don't



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make sure that all these people who are currently employed are motivated, then they'll just go out and they'll find other jobs in other sectors.

Moderator:

How are headhunters looking at the oil and gas sector?

Michael Page:

I've been in the Middle East for 6 years and until recently, ADNOC and the oil & gas industry was always seen as the heartbeat of the top talent. So when it came to a headhunter market, whether we're talking about nationals or expatriates, it had to be ADNOC because ADNOC spent the money -- but now it's not ADNOC anymore, nor just oil and gas.



In my view, the oil and gas sector needs to totally refresh how it's positioning its corporate brand to have any chance of resonating with high school or university graduates.

Mariam Al-Hendi:

I don't think we need to debate whether the industry is doing or not doing a good job attracting new young national talent to the oil and gas sector; they are, myself and my colleagues are proof of that – we heard their message and chose to be part of it.

The problem is what happens to us after we enter the national energy industry, we disappear! We become another bureaucratic number in a huge organization of 50,000. We are not referred to as individual people, but just as a statistic working at level x or y.

Moderator:

Dr. James, why don't human resource managers correct these structures?

Dr James C. Ryan, Associate Professor of Human Resource Management & Organizational Behavior, College of Business and Economics, United Arab Emirates University:

I've been here now seven years in the UAE and I approach this conversation from two perspectives – one as my role as an educator and secondly from a professional perspective in human resource management.

From my experience, human resource management is simply not being developed in this part of the world. We still see the HR function as telling people where their desk is, where their car park spot is located etc. The issues of mentorship, proper professional development, training and development, proper performance management systems, are not in place in most organizations.

Even the oil and gas industry, from a bureaucratic administrative point of view, is a very traditional, standard industry and are not focusing on managerial innovation. But the next generation has young people who look for the fast track to advancement, and we need to really reinvent ourselves in human resource management.

Zainab Al-Saffar:

In Masdar we realized early on that this was a challenge, that we had talented people who joined the organization and then after a certain stage of time they were losing interest. Now the employee engagement factor is really a priority, what we focus on at Masdar besides creative allotment and



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far from only conventional training courses is bringing in more pillars in Talent Management such as: Mobility Focus reflected in the Retention of knowledge and the exposure to other leadership; Individual Skills Focus that Address specific skills gaps (finance, strategic or technical); Professional growth and achievement; Leadership Focus such as engaging with guest Speakers (SMEs), developing the individual's dynamic leadership and High Self Efficacy in Overcoming Challenges; Knowledge Sharing Focus.

At Masdar we realize that the engagement factor is very important. We have for example a two year career development program for UAE nationals, which gets reviewed on a monthly basis between the line Manager and the employee, and once the program is completed, the employee can find opportunities presented to them with multiple career steps outlined in advance.

We are a niche organization. We are the leaders of the change in the country in terms of renewable energy, so we always make sure that we keep our youth, or we keep our Emirati talent constantly engaged and expecting that there will be a second level of opportunity and a third level and a fourth. It's not only associated with the compensatory package, it's more like a self reward and the ability to notice a tangible progress in the employee's career journey

Omar Bamadhaf Al Katheeri:

The problem is not the lack of people; it is the obstructive nature of the bureaucracy that needs to be reformed. If you take for example the outdated pension law, I am now retired from the oil and gas sector with many years of experience that I could share with the next generation, but I can't work because my pension will be stopped if I take another job.

There are many UAE nationals who have retired with a lot of qualifications, a lot of experience in the oil and gas industry who are still young but not willing to come back because they will lose their pension. We are a small country and we need all the retirees that are interested to come back to work in the oil and gas sector.

It is the same structural hurdle for women – we actively recruit women into engineering studies, but then we don't follow through by providing them with technical opportunities in the field.

Khuloud Al Nuwais:

I wanted to add something with regards to encouraging females to enter the industry, we must remember there is a key influencing factor, especially for young students, and that is their parents. They are a key influence on the career paths that they take and as an industry perhaps we should look at ways to engage and inform the parents.

A few years ago we had a pilot project where we took a class of female students to the oil rigs in the western region, and we had at least 4 or 5 of the group of 20 young females who came back and said they wanted to now study chemical engineering. But the challenge was then, will their parents allow them to work in the field in an operational capacity and are there universities in the western region that provide this kind of field of study or do they have to move away from home. Again, the culture here is still conservative for many. So I think educating not only the young people, but also their parents is a key factor.

Dr. Nadia Alhasani:

As of today, we have 250 women students who are from the Western region and Northern Emirates studying at the Petroleum Institute in Abu Dhabi with the understanding that they will go into the



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oil and gas industry. And that's because we finally broke down and opened dormitories, and perhaps if we had opened the dorms earlier the numbers would have been higher.

Adam Lomas:

When I was working in Qatar, we found a lot of success in bringing in Qatari women when we included their families at a very early stage. Particularly so that their fathers understood what it would mean and what we would do to make sure that the cultural differences were respected.



There are a lot of different viewpoints – some families are very, very supportive and some families are really worried about what might happen. But you can help them to understand and explain to them that as a company we will look after and respect the cultural differences which you expect us to do for your daughter.

I was the operating engineer who took the first woman offshore in the North Sea, and I can tell you it was just the same 30 years ago in the North Sea and it took us nearly 25 years to break down those barriers. But the cultural challenges and differences here are greater.

Moderator:

It nearly seems to me like the talent shortage is not the issue, but the structural hurdles, such as those obstacles faced by retired persons or women, that are blocking the system?

Dr. Lindsey McPherson:

There's a difference between transactional leadership where you're coming in just for a salary, an external motivation, as opposed to a transformational leadership an intrinsic motivation to the individual. Industries that capture, but don't nurture will have a greater level of dissatisfaction and staff turnover.

We are also looking to tackle the competitive pay structure for young graduates. Some institutions pay far too much and distort that market balance. We are looking at capping stipends for students undertaking training, so all industries offer the same, then during training we are aiming to standardized the salary across all industries for the first year. We aim to have employers buy into this notion. As long as the student is a trainee worker in that organization receiving their education from the government they're not considered an employee of the company they're training with.

The industry will now become more responsible for the training and the assessment of occupational competence in the field, and then we will share the cost and responsibility for outcomes. We judge this is the way forward for joint industrial partnerships.



Additionally, consideration is being given to retired personnel. We are now looking at retired people to come back into teaching. This is a new initiative that's starting to be developed and it's looking to take retired personnel, step by step into teaching, because we have a lack of teachers.

Dr. James:

I think that connection with industry is vital. Industry in the UAE historically has never really cared about the educational levels, because they weren't fighting for national staff as they all worked for the government. Now, industry



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is making more of an effort as it wants and needs to employ these people. Although one could argue against the quota system for certain reasons, in the early stages I think it is necessary so that industry becomes engaged.

Khuloud Al-Nuwais:

Our role at the Emirates foundation is to inspire young people, to guide them into the right career options, with mentors from industry who are willing to work with our young people. When I do my mentorship sessions with the youth, I have lines of kids queuing after my session trying to ask me little questions. How have you done this decision, how can I do something similar? How can I convince my parents?

Adam Lomas:

We really need to pick out, not just the really bright young engineers, but also the people further up the organization who are seen to be great at coaching and mentoring. And then you will see a change in this area. We need to make it explicit in peoples' contracts that transferring skills is a really important part of what they're doing and be prepared to be honest with them and fire them when they're not doing it because I believe there's a whole history of people who came out here, people like me, who were here explicitly to transfer skills and went away having done none of it. And it's only when you start to say it's not acceptable anymore, will things change.

Zainab Al-Saffar:

Two concepts – firstly, we need to be more proactive with our youth in having more engagement between the corporate and the academic side and with the students. Secondly, we need to have a more practical curriculum -- introducing some methodologies where students would have more engagement with companies. And it is also important for existing employees to be engaged by new different talent development methodologies, not only compensation.

Leith Ramsey:

I think you have to take a long term view here. If you look at the world's best companies as a headhunter – GE is a great example or Microsoft – neither were created overnight, but in many ways they have the shared experience of once being the flavor of the month, best place to be employed, and then losing that status. Mubadala has already been around in its current form for 8 or 9 years and though it might be the flavor of the month now, that could change.

Oil and gas is a huge industry, and currently not enjoying flavor of the month status, but I think if it looked at some of the retention development programs of multinationals that have been leaders in their industries for a 100 years, they could learn a lot from them.



Clare Woodcraft-Scott:

We want to see our corporate partners engage with young Emiratis because young Emiratis still don't understand what is the value proposition of the oil and gas sector, and if they don't have that access and they don't have that engagement, they never will.



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Al-Yazia Al-Kuwaiti:

I think it's important to merge all these strategies for engaging and developing the next generation of talent because the resources of most organizations are limited and it is important that they can adopt programmes that are efficient and effective.

Mohammed Al-Ketbi:

I think it is important for industry to focus on its core business, and with that share their knowledge and experience directly with the education system through proper communication channel with no barriers and building with academia a real capacity and please keep the designated industrial mentors/advisor in your company busy with that.

Mariam Al-Hendi:

We have talked a lot about training and developing the young employees or the female engineers etc, but I think it is important to train the industry, to train companies on how to manage their responsibility and opportunity. It is clear that we can't make every young engineer a manager, not everyone can be a leader, but let's create an atmosphere where they can all compete to be one. Or whatever else they want to be.

Ali Al-Marzouqi:

Do we really have a big talent gap or is it that people don't want to go into the energy industry -- we need to understand what the people think.

Moderator:

I want to give the last word to our host Bob Alford of Maersk Oil.

Bob Alford:

I appreciate all the different organizations that were represented here today because we often only deal with the energy companies, like Mubadala or ADNOC, and we get so preoccupied and involved in a project, that sometimes we don't think about all the structural issues and processes needed for people to be successful. People are absolutely vital to all projects.

I think we have heard clearly this morning that the time to start thinking of nurturing and developing staff is not when they are walking out the door to take up a job elsewhere. Increasingly all companies are realizing they need to adopt retention programmes as a core priority because without competent talent you can't compete for projects.

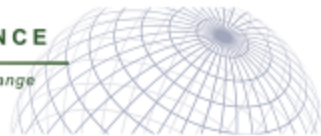




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Gulf Intelligence FZ LLC

P.O. Box 502466, Office 310, Bldg. 9, Dubai Media City - UAE

T: +971 4 4508980, F: +971 4 4508981

www.thegulfintelligence.com

