

## Employment Issues

# Oil and gas companies initiating fixes to personnel shortages

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by [John Mitton](#)

"So, how's your recruitment?" Ask that question of anyone in the oil and gas industry and the message is the same -- dismal.

According to industry experts, the personnel shortage isn't expected to improve anytime soon thanks to:

- Huge energy demands domestically and globally.
- The high price of oil.
- Twenty-five percent of the current work force eligible for retirement in next five years.
- Limited pool of qualified people available to fill the positions.
- Not enough new entrants into the industry.
- Lingering effects from Hurricane Katrina.

Add in the looming development and production of alternative energy sources, which often require exactly the same skill-sets as those in the petrochemical industry, and recruiters are left to face their own version of a "Perfect Storm."

### Personnel Shortage

The energy industry has always been cyclical in nature, but the period between 1998 and 2005 is often referred to as "The Flat Line Years." Earl Heard, president of BIC Alliance, refers to it as "The Lost Generation." Major oil companies as well as small to midsize oil companies, oilfield service companies, engineering and construction companies, were all affected.

Estimates indicate that during this timeframe, at least 20 percent of the total workforce was downsized. What followed seemed inevitable. Oil companies stopped developing talent and the brain drain began as career-minded students stopped enrolling in industry-related programs.

The major problem with today's ongoing industry activity and expansion continues to be a lack of qualified talent. Projects cannot be completed, services cannot be delivered and profits cannot be generated without enough manpower.

Sources once considered reliable resources for finding personnel are increasingly unreliable for a number of reasons. China, India, Pakistan and Canada -- all considered talent hotbeds for petrochemical industries -- are now enjoying their own burgeoning energy businesses and their talent no longer need to leave home in search of opportunities in this country.

Recruiters report difficulty finding candidates with at least five years of experience. It's even harder to find candidates with 10-plus years of experience. Some compare the situation to head football coaches in the NFL: The same personnel move from team to team and get paid higher and higher wages with each move. It's a job-seekers market.

#### Short-term fixes

While many have initiated short-term fixes, such as refusing an employee's resignation and immediately matching the competition's compensation offer on the spot, most companies realize there is a great need to invest in the training and education of current and future employees.

Nancy Tootle, energy industry liaison for TheWorkSource, reports a growing number of school programs and industrial/education partnerships designed to prepare students for gainful employment. Brazosport High School and Brazosport College recently partnered with The Dow Chemical Co., BASF Group, ConocoPhillips Co., Freeport LNG Development LP, the South Texas Project (nuclear), Infinity Group and Wolfenson Group (construction), to create three small learning academies where students learn to integrate basic knowledge with applications in real-world job situations.

Kathy Trahan, president/CEO of The Safety Council in Baton Rouge, La., would like to see more standardization in the training of personnel at all levels. The culture of tribal knowledge or legacy systems in the energy industry means that 79 different companies teach basic, transferable skills 79 different ways. Trahan believes the learning process will be shortened and costs minimized once modular training becomes the norm. "A gate valve is a gate valve," says Trahan. "Standardize 80 percent of the training and use the other 20 percent to focus on material unique to the individual company."

#### Next Steps

Several industry recruiters and education professionals share similar opinions on what the next steps should be as companies work toward alleviating the shortage of qualified personnel. These include:

- Image campaign. The industry needs to undergo an image overhaul for both professional and skilled trade positions. Many students, instead of seeing math and science-based industries as high-paying, highly challenging and very rewarding careers, see "Revenge of the Nerds."
- Awareness. Energy companies and educators must work together to create curriculums that help students enter today's work force and enjoy successful, sustained careers. The creation of more apprenticeship programs also will provide students with first-hand experience at a variety of levels in different departments.
- Inspirational motivation. Mentors are needed to provide motivation and support for students capable of meeting the challenge but in danger of dropping out.
- Fresh recruitment strategies and attitudes. Many of today's recruitment advertising strategies revolve around antiquated "Post & Pray" techniques combined with limited recruitment budgets and a resistance to pay talent according to current market values. To compete, companies must view the recruitment process as a long-term investment,

seek creative ways to generate awareness of opportunities, and be as diligent and accurate as possible in the hiring, retention and training of their current and future work force.

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