

Young Professionals in a Downturn

Insights for Free

NDB Round Table

Discussions with PESGB

YP Groups in London &

Aberdeen

How are the Young Professionals (YPs - people with less than 10 years experience) dealing with the downturn in Oil and Gas? Have their career expectations of higher salaries, travel and burgeoning opportunities been dashed or has the swathe of redundancies made the long-term prospects for survivors even brighter?

NDB invited a number the PESGB YP Group to lively discussions, in London and in Aberdeen, on 'YPs Life during a Downturn'. We discussed the impacts felt by YPs: on their career prospects, on challenges to learning and skills development, on the promises from technology and their suggested forward steps.

PES GB
Young Professionals

All employees are in survival mode; neither you nor your boss knows who will be next to go, company culture has taken a back seat

The flexibility and resilience of YPs mean that they remain optimistic about their own future; whether inside or outside of oil and gas

The value of time spent working and reworking technical data has been clearly demonstrated

Oil companies are overthinking 'Big Data'; YPs just get on with it

A future skills gap should benefit those who can keep 'one foot' in the business

The recession is more visible and destructive in Aberdeen than in London.



INDUSTRY UNABLE TO PLAN EFFECTIVELY

For YPs this is their first Oil and Gas downturn. For them the reduction in activity and the companies' response has been happening in stages over the last couple of years, starting before the oil price drop. They feel that neither they themselves nor their employers have been able to anticipate or plan effectively as things have become steadily worse. It was felt by the panel that no one knows when this will end and consequently companies continue to cut costs and delay or cancel activity.

Initially contractors had been laid off and rates cut. Now staff reductions have been universal, affecting all levels of experience. The very best people are being laid off. Whilst this provides a level of consolation, it also means that anyone could be next. It is clear to the YPs that neither their line managers nor senior colleagues can provide any assurance. Company perks have been reduced, everything from specialist coffee to gym membership have been taken away. The pervasive nature of the layoffs and the continuing uncertainty means that everyone is keeping their heads down and company culture is strained.

Business has slowed; projects have been cancelled or suspended and there is very little drilling. Few companies have declared any real 'transformation'. It was felt that the service sector has been hit particularly hard. These companies continue to look for merger and partnering opportunities whilst making reductions to staff.

PROSPECTS LOOK BETTER OUTSIDE

Without being too negative it has to be recognised that prospects for YPs look bleak. It was felt that things will improve but there is no indication of when. It is recognised that expectations about career progression have to be moderated. Opportunities for travel and progression have been reduced. A number of companies have abandoned graduate training and few companies appear to be hiring. This will surely lead to another skills gap in the demographic like the one we already have in the 35-45 age group.

It was suggested that the YP Group itself consists of two different levels. Those with 5 to 10 years experience will find it more difficult to switch out of oil and gas as they may be more entrenched, some having started a family or bought property. This group, it was felt, have committed their career to oil and gas and are waiting for the industry to recover. In contrast it was agreed that the YPs with fewer than 5 years experience are less prepared to wait, they are moving on when they get the chance.

A number of the panel felt strongly about the need to take a Masters Degree in Petroleum Geology or similar in order to get hired in the first place. It was felt that the way in which the universities had been increasing the number at each intake (from 20 to over 60 per course in the last few years) has diminished the value of these courses.

The YPs feel like they are in survival mode. It is clear that as a group they have a lot to offer. They are largely flexible, they are willing to learn new skills and take more responsibility. Now with reduced expectations about what is on offer in oil and gas they are considering options in other industries. Messages from people who have left the oil business are quite positive, especially relative to 'heads-down gloom'. YPs are interested in how their skills might serve them outside of oil and gas. Many YPs are looking to increase skills and develop experience that may better translate to other industries. Analytical work, handling data, ability with complex software are all skills that are seen as transferable. The panelists recognised that the rewards on offer in other industries may not compare to the oil industry (as it was?) and that by changing industries one may need to start again at a lower rung of the career ladder. One panelist described the advantages of keeping 'one foot' in oil and gas by working in a different but associated field, for example data, finance, or software. This would allow the individual the choice to move back into the industry should conditions improve.

For those looking outside the industry, the panel discussed the idea that CVs may need to be 'dumbed down' in order to reduce the appearance of specific oil and gas terms and to try to show more generic experience. Some of the panel felt that oil was a 'dirty word' on a CV because employers suspect that the individual will jump back into the industry once things pick up.





LEAVERS TAKE THEIR KNOWLEDGE WITH THEM

A lot of knowledge and experience is leaving the industry. The leavers would normally be the people to mentor and teach the YPs providing the benefit of this experience to the next generation. The panels recognised few formal processes within their companies for knowledge transfer from leavers or retirees. There seems to be no expectation on leavers to document their experience. This can be a particular problem with retiring or leaving engineers. This is because a lot of knowledge, process and historical data are tied up in spreadsheets. These spreadsheets are typically individually customised and held on a local PC rather than being corporately managed. Actual peer-to-peer sharing is very active. Peer-to-peer sharing via social media (Yammer, LinkedIn, lync etc.) is an effective way to air technical problems and get help from your peer network. Whilst external training is frozen there are increased efforts to encourage internal training. It seems that requests for developing more formal internal training are met more positively by the more experienced geoscientists and engineers. Internal training provides a perfect backdrop for both formal and informal knowledge transfer and can be focused directly on the current business and technical challenges.

TIME REWORKING DATA IS TIME WELL SPENT

The panel discussed to what extent technology skills are transferable to other industries. It was recognized, for example, that Petrel and OpenWorks have very little relevance outside of the very specialized areas in which they are used. However each panel felt that having to deal with a whole range of technical applications, picking up skills quickly, making applications work together to produce results and detailed analysis are notable skills.

The oil and gas approach to reducing software applications from a costs savings and increased efficiency point of view were discussed. One panelist had recently been through an applications rationalisation process with their company, providing substantial savings for the company. They saw no negative impact on

their day-to-day work. However, another panelist felt that access to a range of specialist applications was critical to provide a range of detailed analysis techniques to improve subsurface understanding. (You can save money and increase effectiveness by active applications management – but that’s another story!). During the downturn it seems that the market for purchased data is relatively buoyant (may depend on the kind of data?). Panelists stated that they were able to spend time reworking data and building regional models. It was felt that this reworking is leading to better understanding and will be valuable when activity levels increase. Examples were discussed where reworking the data had identified new prospects despite the area being drilled many times before.

YPs DO BIG DATA

On the one hand the panel felt that 'Big Data' was a buzzword and on the other hand it was felt to be the description of a very useful approach. This is an area in which YPs excel, and it is one that can deliver real benefits to the business. There is little evidence of activity in this area. It was felt that the oil and gas industry is very conservative and hesitant about applying new technology. It was felt that perhaps the oil companies are overthinking 'Big Data'. Most of the useful tools are with the IT department trying to figure out how to deploy and support where users (YPs in particular) will just go ahead and rework the data as required and use whatever tools may be available, including downloads.

YPs recognise that they spend a lot of time manipulating data and see that this is a further transferable skill. Whether Big Data is more hype than reality it is generating work in industry outside of oil and gas for which YPs may be suited.

YPs IN THE DOWNTURN - have your say!

In light of the Surviving the Downturn Round Table discussions and the launch of the Low Oil Price Survival Guide the PESGB YPs have launched a quick survey to gather your feedback on how you have been affected by the downturn.

Share your experiences with us by 21 August 2016 at <https://www.surveymonkey.co.uk/r/YZPC2N6>

Thanks to Engie UK Ltd. for hosting the London meeting and thanks to the Aberdeen Cyrenians. Aberdeen Cyrenians is a PESGB supported charity for the homeless.

Thanks to the YPs for giving their time and their insight.

The London panel was: Shereen Nairne (PESGB YP director), Catherine Caulfield, Chris Boulter, Caleb Dadson, Lawrie Cowley, Maxim Kotenev, Alexandra Jackson and Sarah-Jane Flaws.

The Aberdeen panel was: Suzanne Mills, Roy Kittrell, Max Sheridan, Blair Miller, Lalit Bhamare, Leilla Farkhondeh and Sarah-Jane Flaws.

Facilitated by Ed Evans, NDB

