

PES  **GB**

2018 Membership
& Salary Survey

Stephen Pickering and Catherine Skilliter

PESGB Membership and Salary Survey

In June/July 2018 the PESGB again conducted a survey of the membership, the purpose of which is to inform the Society with regards to changes in the nature of the Society which may impact the future strategy of the charity, in addition it is intended that the survey will enable members to compare their own employment in terms of remuneration and benefits with their peers.

The survey seeks to define who we are, where we are, and how we are paid. In completing the survey, members not only can see how they are placed in the market but give guidance to the Council for the planning of events and services for the membership

Approximately 14% percent of the membership, 813 members responding to the survey, significantly more than in 2014 and 2010 when 606 members and 463 members respectively completed the online survey.

Part 1 Membership survey

The age of the membership is shown in Figure 1. The graph also shows the bimodal nature to the membership with a peak in membership in the population aged 50 – 54, and a second peak in the age group 30-34 when the industry increased recruitment in line with high oil prices post 2002.

In comparison with 2014 there are some significant trends

- Percentage of membership in under 25 categories declined to <2%
- Percentage of membership aged 30-44 declined from 38% to 31%
- Percentage of membership over 60 years doubled to 12%
- The ratio of male to female members is approximately 18% a slight decline from 19% in 2014. Peak female membership is 4% in the 30-34 age group unchanged from 2014

PESGB Membership Demographic

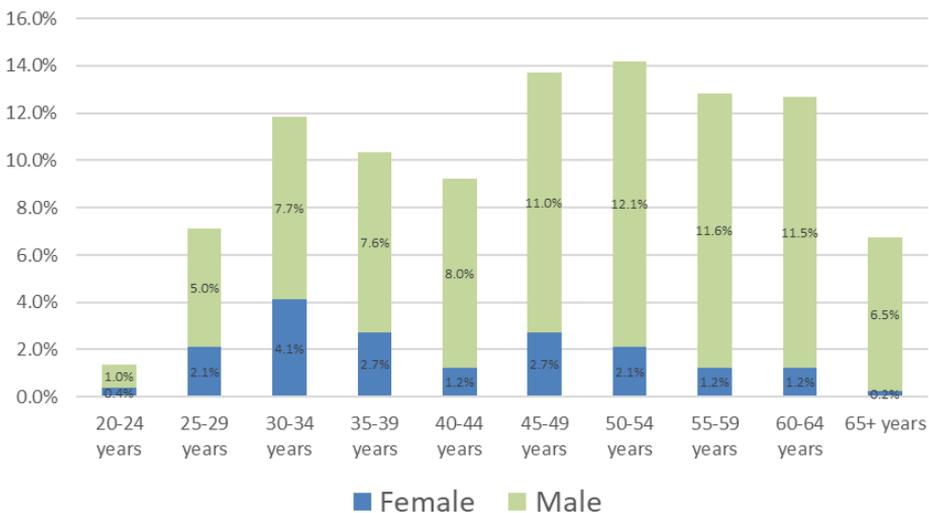


Figure 1

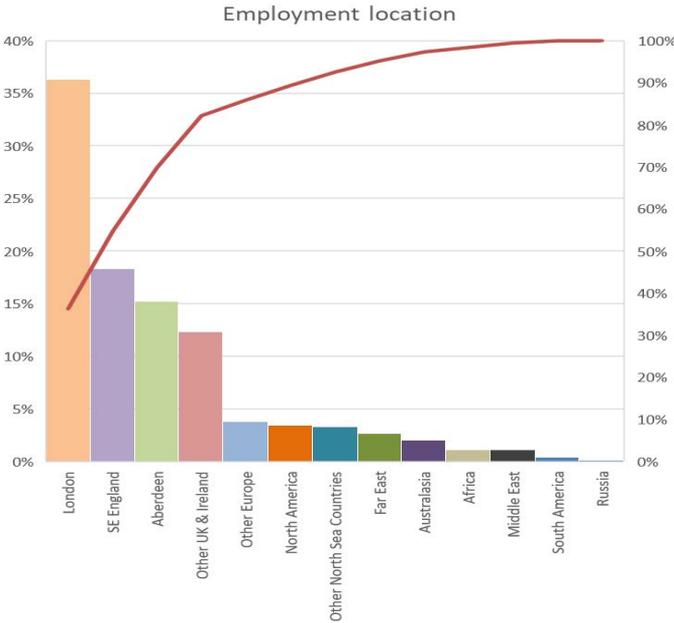


Figure 2

Figure 2 shows the employment location of the membership. Nearly 90% are UK based (up from 80% in 2014), and over half the membership (50%) are based in London and SE England. In Aberdeen the proportion of members has declined 5% to 15%, from 20% in both 2010 and 2014. This significant trend probably reflects the significant re-structuring that has taken place in the Aberdeen-based petroleum industry.

For the first time we have survey respondents based in Russia. With respect to academic qualifications Figure 3 shows that nearly 80 percent of the membership have a Master's degree qualification or higher. The number of Master's degree graduates increased to 54 percent from 48 percent since 2008, reflecting the industry recruitment trends towards higher qualifications.

The most popular universities Imperial College, Royal Holloway UOL, Aberdeen, Leeds, and Durham Figure 4.

As we emerge from the current industry downturn, finding a new job in our industry will be a high priority for many. The evidence of the survey shows that personal referral is the most successful method of being recruited (Figure 5). The proportion having gained employment through personal contacts has increased from the 2014 survey (37%) to 2018 (45%).

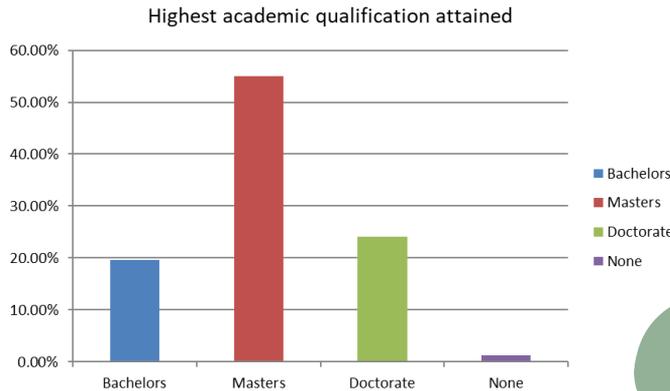


Figure 3

Recruitment via agencies has declined proportionally, possibly reflecting the abundance of first class professionals available in the market place, with companies feeling it is not necessary to go through third parties to attract new hires. Not surprisingly there is a slight decline in University recruitment from 2014.

Figure 6 shows the membership of the Society is primarily geosciences based with 64 percent of the membership describing themselves as geologists, geophysicists or geoscientists. In comparison with 2014 there has been an increase in those describing themselves as managers, at 20% of respondents, which is an increase from 13% in 2014. It should however be noted that in 2010 the proportion describing themselves as managers was also 20%.

Another key professional group includes business development managers and sales managers in our service companies (7% of respondents) and the Society.



“An excellent reason to maintain your networks in the PESGB!”
Stephen Pickering

As with previous surveys, students represent just a very small proportion of the respondents (only 5/814). This may not in fact truly represent the proportion of students in the Society as we suspect they would be unlikely to bother to participate in the “salary survey “.

The Society ought to consider how they can increase engagement with key student populations, especially those in London and Aberdeen which are core recruiting centres for the petroleum geoscience industry (Figure 4).

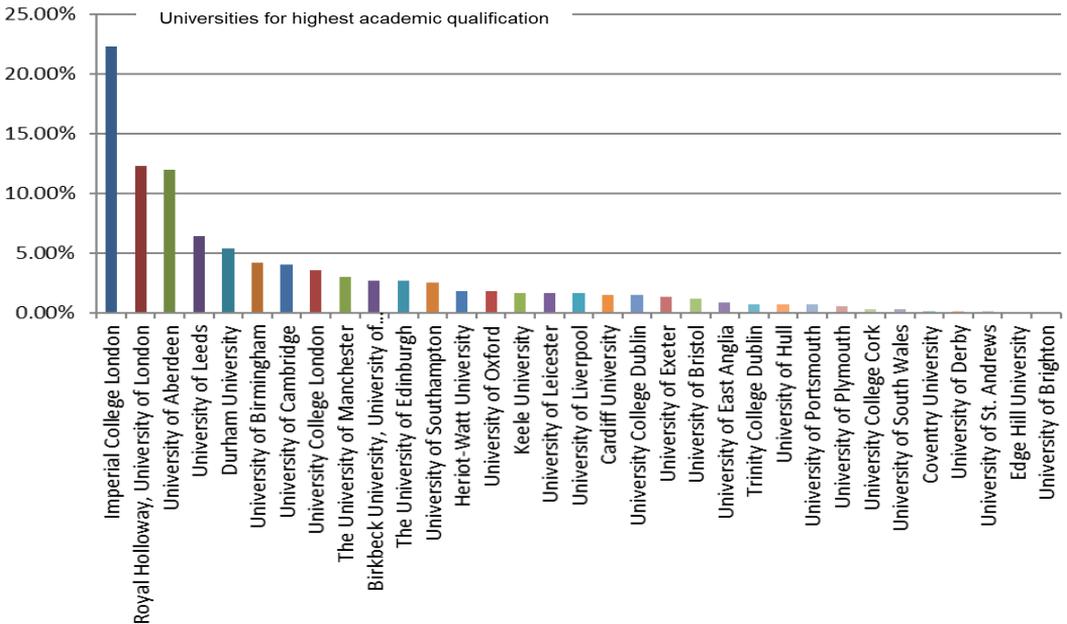


Figure 4



“What is the Society doing to increase engagement with key student populations, especially those in London and Aberdeen which are core recruiting centres for the petroleum geoscience industry?”
Stephen Pickering

“The Society has a great relationship with the Universities and supports them in their Student Careers Fairs and events in order to promote careers in petroleum geoscience”
Maria Iredale



Oil company employees constitute 60 percent of the membership, which is unchanged from 2014. However, there is a slight movement from Large Independents to Small Independents. Surprisingly the proportion of consultants has increased <2% relative to 2014. Service companies are correspondingly fewer at approximately 30 percent a decrease of 5% since 2014, probably reflecting the more severe cut backs in this sector since 2014. We do not know whether this represents the true split in the technical E&P workforce, between oil and service companies, if it does, then the service company employees appear to be under represented. (Figure 7)



Recruitment

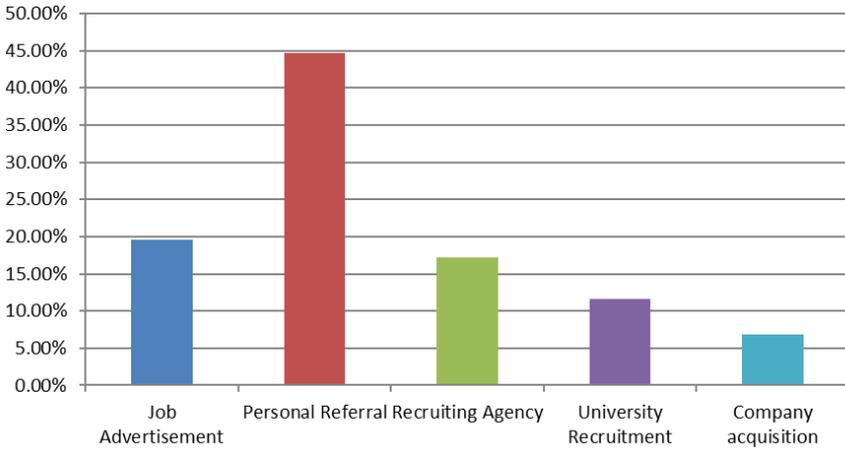


Figure 5

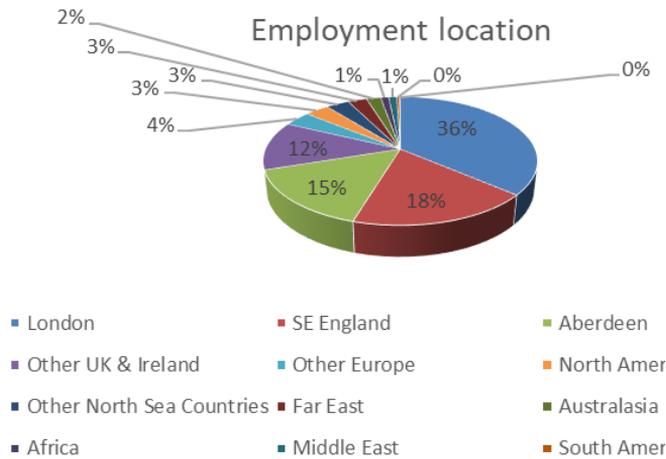


Figure 6

Employer category

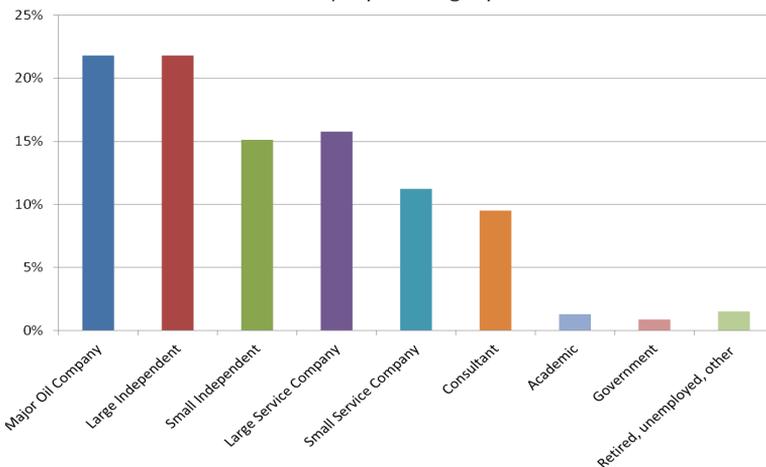


Figure 7

Functional areas worked

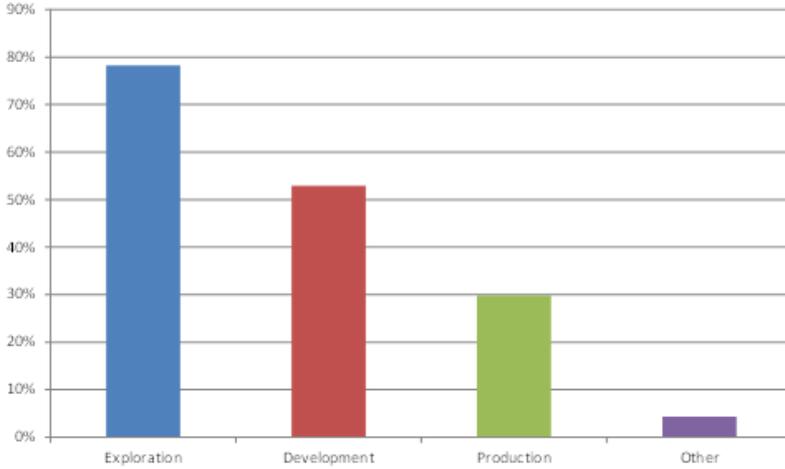


Figure 8

Regions and Provinces worked in 2018

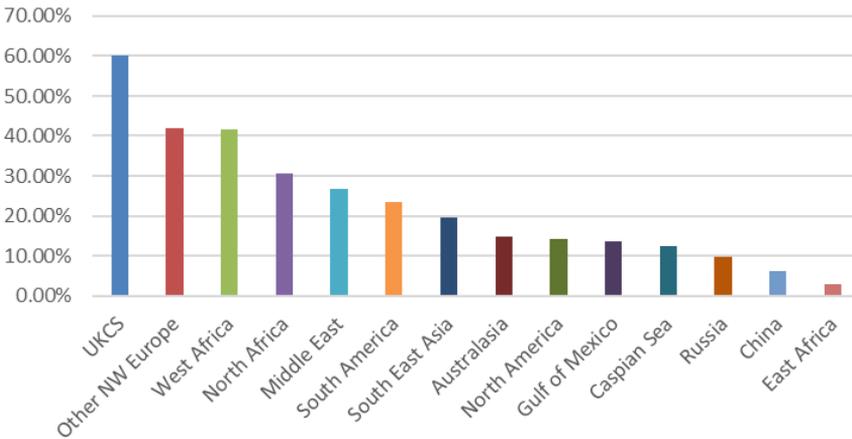


Figure 9



“What can be done to widen the appeal of PESGB membership to the service company employees as they appear under represented” Catherine Skilliter

“Discussion forums for contractors as they are a service industry and face some distinctly different challenges than those working for operators.” Gavin Ward





Within the industry the membership is mostly involved in Exploration, Development and Production activities. Nearly 80 percent of the membership involved in hydrocarbon exploration (Figure 8) and a similar proportion are involved in both Field Development and Production. These ratios are almost unchanged since 2014.

It's worth noting that 31% of respondents work dual functions in both Exploration and Development, whereas 20% of respondents consider themselves "jacks-of-all-trades" and work in Exploration, Development and Production.

In addition to petroleum basins in the UKCS and NW Europe, the membership works basins all around the globe, in particular basins in Africa and the Middle East (Figure 9). Changes are detectable with a decrease in activities in Non-UK (Other) NW Europe and an increase in focus on Africa, with the emergence of East Africa basin of interest. A possible decrease in activity in Australasia is noted.

In terms of seniority Figure 10 shows a very stable distribution from Junior Professional through to Senior Management / Director. The proportion of Senior Staff has declined from 27% in 2014 to 20% in 2018, this may be due to this population suffering disproportionately in recent retrenchments and many taking early retirement.

“Could the disproportionate number of junior professionals be explained by the small number of employees in the 20-24 age group (Figure 1) reflecting a slow-down in recruitment in recent years?” Stephen Pickering



“Yes – and perhaps the appeal of using Geology for more “eco-friendly” industries” Tracy Dancy

Many members are affiliates of other societies. Figure 11 shows that in particular the Geological Society of London (GSL), the EAGE and AAPG have significant overlap with the PESGB membership. Since 2014, the percentage of members who are also Geological Society Fellows has increased from 40 to 46 percent. Membership of EAGE and SEG have both declined up to 4% each. It's worth noting that 17% of the respondents also belong to two other geoscience societies, whereas only 3% belong to three others.

The expected retirements of members are shown in Figure 12. The percentage planning to retire in the next 5 years has increased significantly to 25% from 16.7% in 2014. There is potential for a significant decrease in membership in the five to ten years up to 40% unless strategies are devised to retain retiring members. This scenario assumes that there is a significant reduction in university recruitment in the next few years, and that membership lapses for many retirees?

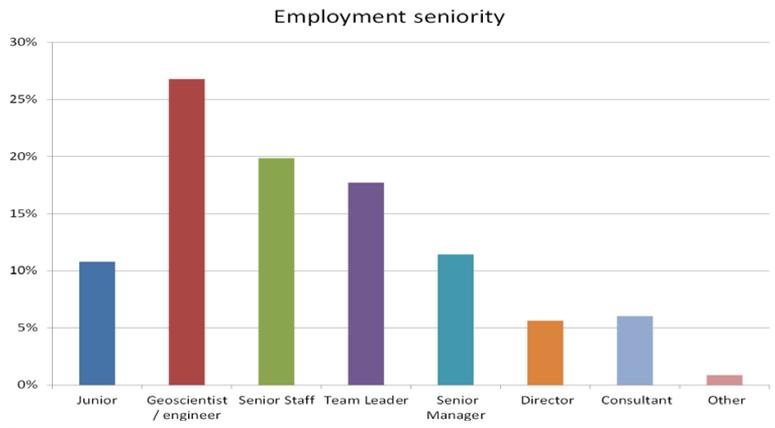


Figure 10

Affiliations to other Societies 2018

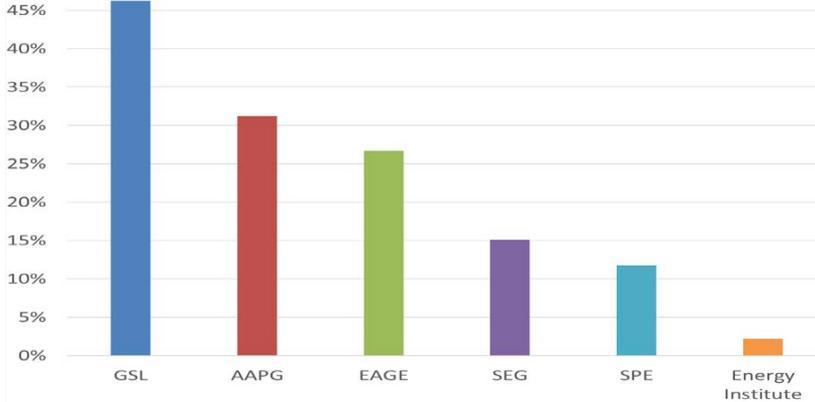


Figure 11

“Assuming there is a significant reduction in university recruitment in the next few years, and that membership lapses for many on retirement, if these statistics are correct the Society could see a significant decrease in membership over the next five to ten years – potentially up to 40% - what is PESGB doing to mitigate this?” Catherine Skilliter



“We work in a constantly shifting industry, where the demographics change on a yearly basis. Whilst staying core to our values and charitable objectives, the PESGB aims to reflect the composition of the industry and membership that it serves. Fundamentally, the society represents geoscientists and subsurface professionals across the energy industry of the UK and internationally. The special interest group approach allows us to be responsive and utilise the enthusiasm of particular disciplines to enhance our offering. We must also recognise that we exist in a world of changing perceptions and where the nature of the eponymous product in the title of our organisation is changing in its value to a society as a whole. Our membership may remain enthusiastic but potentially shrinking in number. In this respect, geoscience is as much a passion as a vocation for many and we aim to find ways in which we can tap into that passion, particularly among younger geoscientists. The Geoliteracy and outreach communications help considerably and will need to be expanded and refreshed if the PESGB seeks to retain relevance in a maturing industry. I firmly believe that if we are vigilant and flexible, the PESGB is still a long way from it’s “Kodak moment””

Neil Frewin



Years to retirement

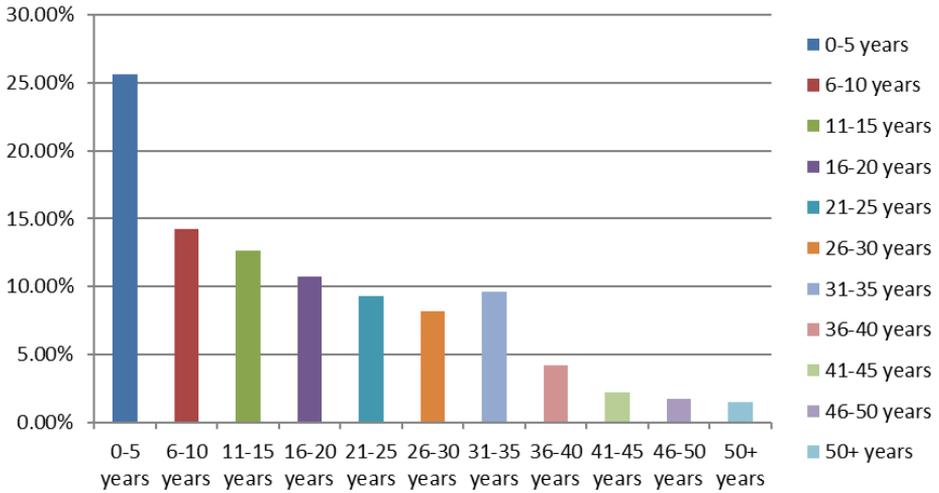


Figure 12

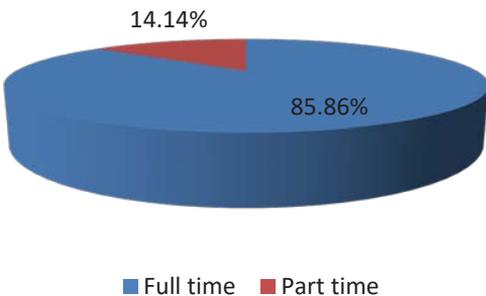
The decline of final salary pension funds continues with only 27% with final salary pensions versus 34% in 2009. Similarly Money purchase pensions have grown by a similar proportion.

Part 2 Salary survey

The data contain information for both full and part-time employees which may bias some trendlines, this may be the subject of additional future analysis. Part-time respondents include consultants unable to find full-time projects and those who describe themselves as semi-retired who have no wish for full-time employment.

Data collected include information on flexible work arrangements, job sharing, working off-peak hours and working remotely. The majority of the respondents are employed full-time (86%) (Figure 13), are offered flexible work arrangements (78%), and they very rarely job share (<0.5%).

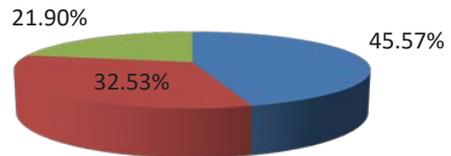
Full v. Part time employment



■ Full time ■ Part time

Figure 13

Flexible working



■ Yes – work remotely ■ No ■ Yes – off-peak hours

Figure 14

Figure 15 is a plot of Base annual salary against individual's years of industry experience. Members can compare salary to those reported with similar years of experience. A line of regression gives an indication of expected average salary based on the range of data submitted.

Please note one individual reported a base salary £1.5 million, this is not shown on the plot but is included in the regression analysis.



Figure 15

Figure 16 shows the differences between male and female base salaries, it appears that relative to 2014 the gender pay gap has significantly narrowed, however, for those with industry experience more than 30 years, the highest salaries (>£150k) are very much male dominated.

Figure 17 shows that a Master's degree is the qualification most likely to return the highest salary

Figure 18 shows base salaries as a function of industry segment, clearly indicating that remuneration is significantly higher in an oil company than a service company. Whilst some consultants are generally well compensated, many report salaries less than what they might ordinarily expect in full-time employment. These data are further analysed in the following discussion (Figures 19-20)

Figure 19 shows that even though the average salaries are similar between majors, large and small independent companies, the highest salaries for those with more than 25 years of experience are to be found within independent oil companies especially the successful small independents/start-ups. Note the anomalous trend upwards between ~32-40 years of experience, where base salaries in the small independents/start-ups can reach up to £450k. We attribute these higher salaries to lower job security in small independents and wider areas of responsibility. This will be discussed more in Figure 22.

Base Annual Salaries vs. years of experience for service companies and consultants are shown in Figure 20.

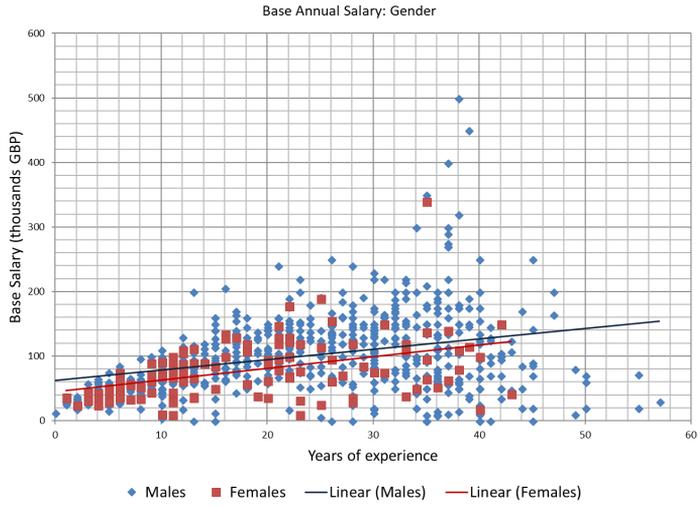
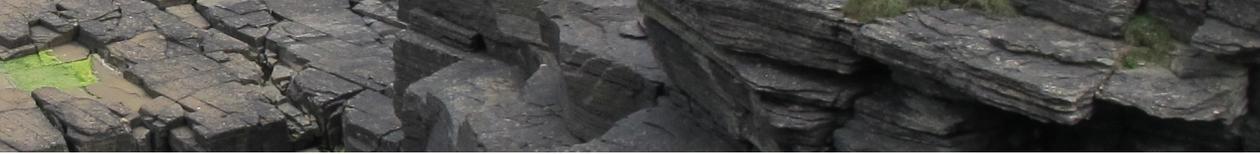


Figure 16

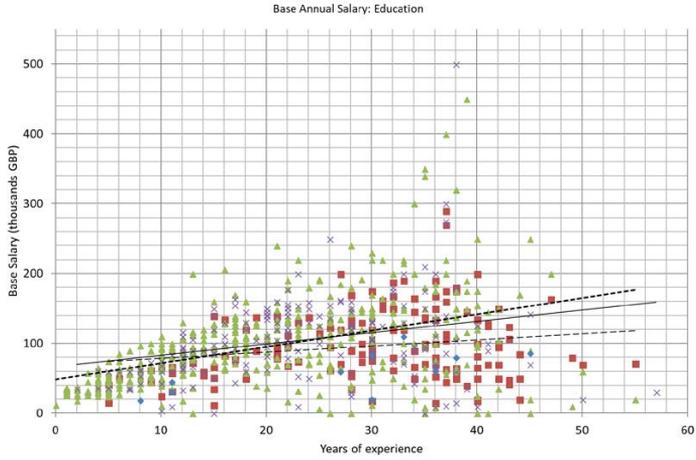


Figure 17

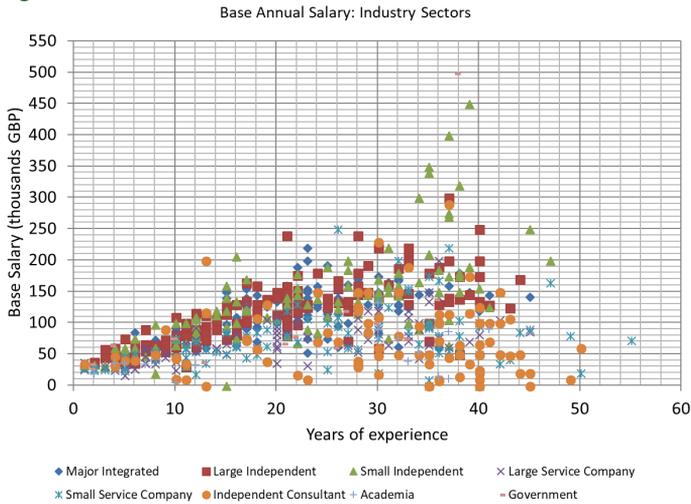


Figure 18

Base Annual Salary: Oil Companies

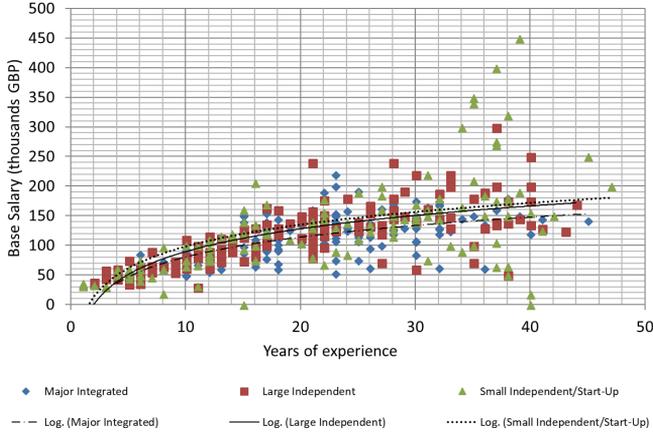


Figure 19

Base Annual Salary: Service Companies

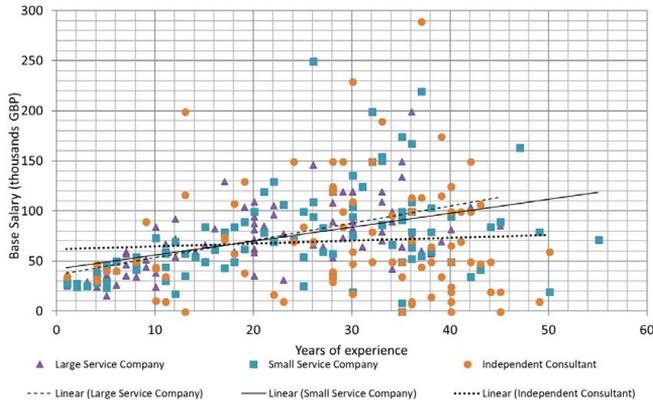


Figure 20

Base Annual Salary: UK vs. Overseas

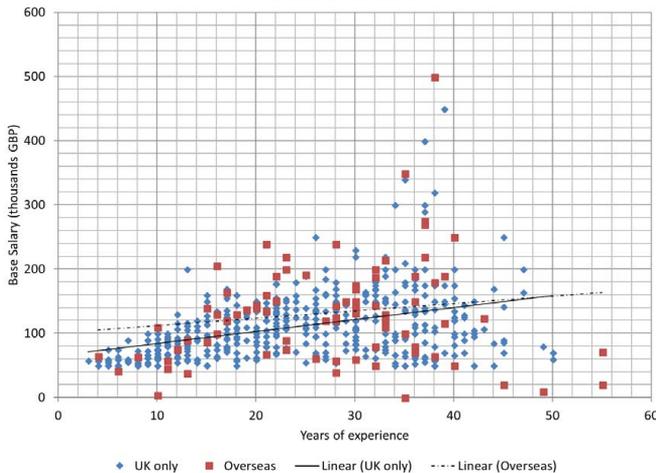


Figure 21

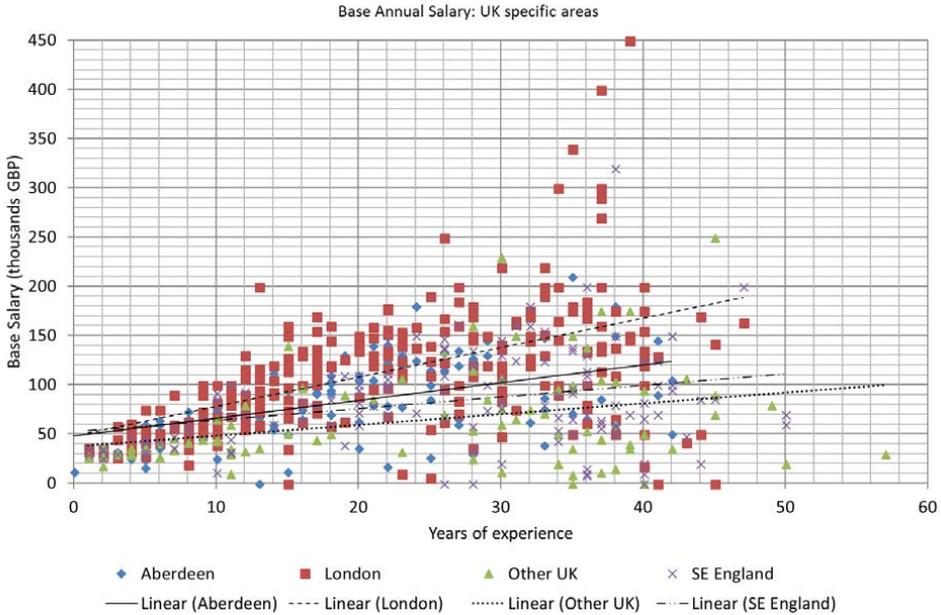


Figure 22

The graph shows a general scatter for all three sub-segments. We note that small service companies and successful consultants with more than 20 years of experience attract the highest salaries, reflecting risk and job security, but it should also be recognized that there is a wider range in salaries in more experienced consultants than in less experienced consultants. In contrast, the lowest incomes are often earned by consultants, some of whom either by choice or circumstances may work be unable to attract continuous full-time employment.

Figure 21 shows a comparison of overseas versus UK based careers. The majority of members are clearly from the UK. Salaries of overseas members tends to be £10-20 k higher than a local UK salary.

Figure 22 clearly shows that a London based employment pays a significant premium (up to £50k), presumably to compensate for the high cost of commuting and housing. Eight of the highest salaries in the UK are paid to employees based in London.

Figure 23 compares salaries between major oil companies and large service companies. At senior levels, with ~20 years or more of experience, there is a very substantial difference between large oil company staff base salary and those offered in service company sector.

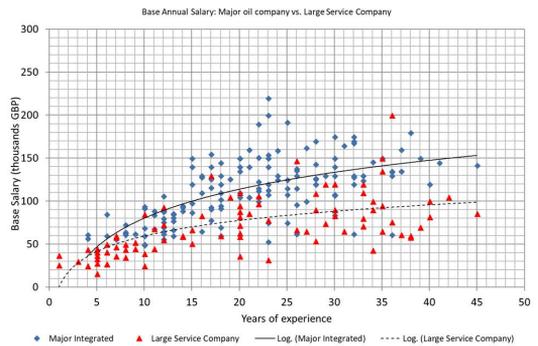


Figure 23

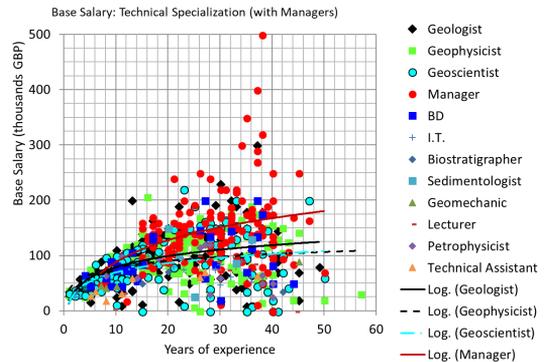


Figure 24

The question that has often been asked is whether geologists or geophysicists earn the most. Figures 24 and 25 show base salaries vs. years of experience in terms of technical specialization.

Managers earn more on account of greater responsibilities (Figure 24), but clearly Geologist's outstrip the earnings of Geophysicists and Geoscientists (Figure 25). The anomalous upward trend seen in the 32-40 years of experience range (Figure 24) was discussed previously. These are employees of small independents, they're London based, and they are also managers. Also shown in this chart is the high earnings potential of some business development and sales managers presumably based in service companies.

Only 68 percent of the members surveyed received a bonus. This is a significant decline from 2014 when 75% received bonuses. Figure 26 clearly shows a very significant gap between oil companies and service companies with regards annual bonuses, with many service company employees receiving zero in terms of annual bonus.

Base Salary: Technical Specialization (without Managers)

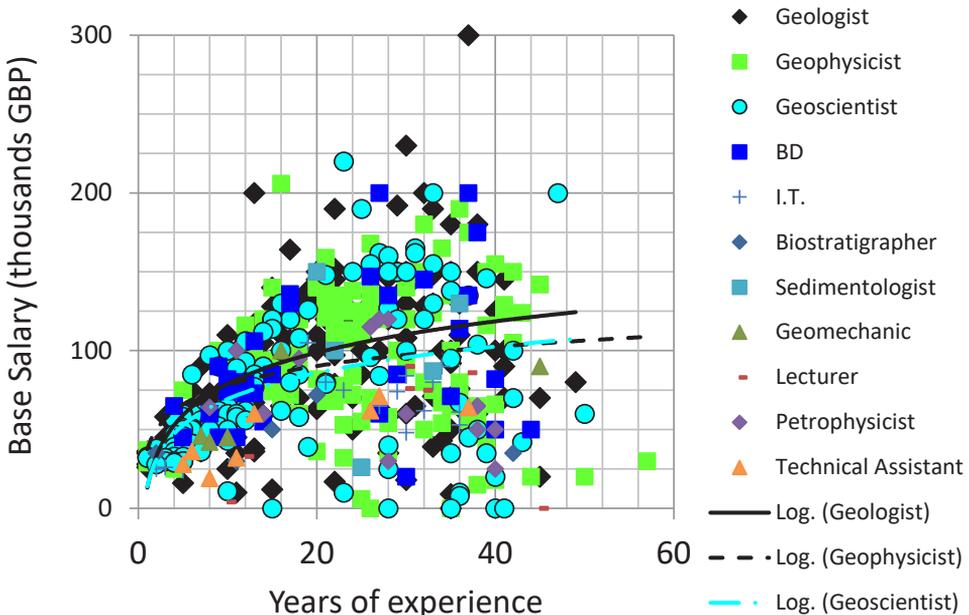


Figure 25

This is a reversal of findings in 2014, and probably is the result of the recent recession which appears to have more significantly impacted the service company sector. The few significant bonuses for service company employees may be attributable to those in sales.

Less than 10 percent of employed members received retention bonuses, generally these were less than £100k, although for a few retention bonuses up to £890k were recorded.

Forty percent of employed members received stock options. Annual vacation an important part of the remuneration package average 26 days per annum. Final salary pension continued their decline to just 22%, this equates to 27% in 2014 and 34% in 2010. Money purchase pensions remained relatively unchanged 58%, however the percentage reporting no pension significantly increased presumably due to the increased numbers either unemployed or becoming self-employed consultants. Money purchase contributions were greater for oil company employees (8-10%) than service company employees (6%).

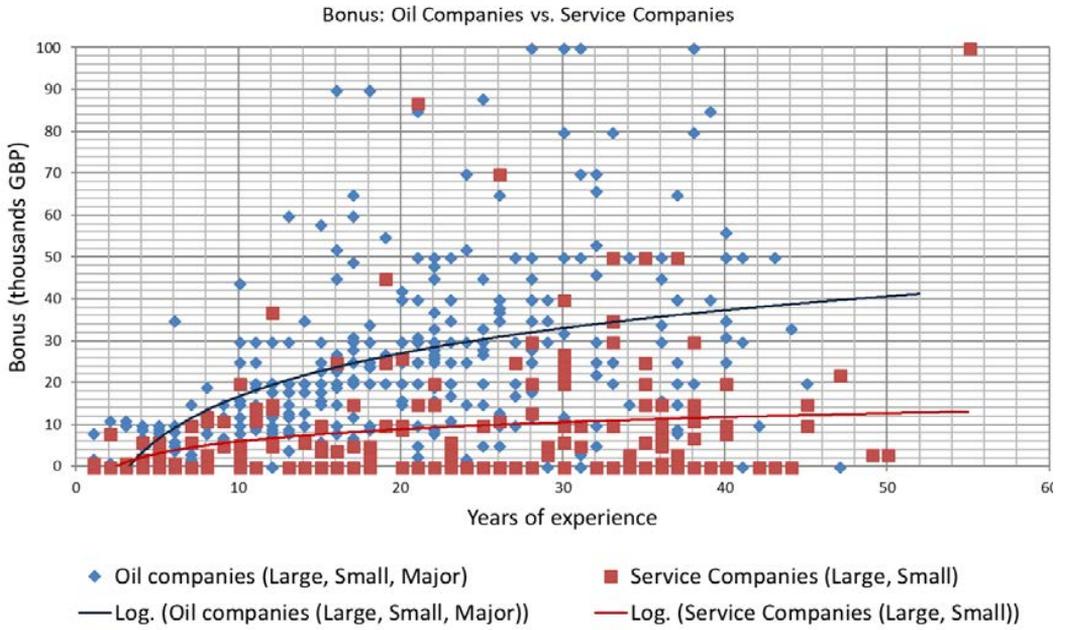
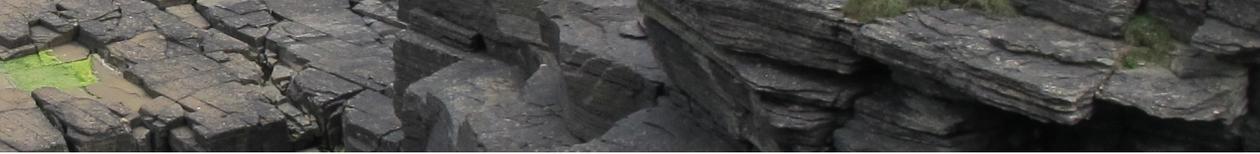


Figure 26

