



OIL AND GAS

Market Sentiment

Report 2017



The modern oil and gas industry has fluctuated between the good and bad times since its inception almost 200 years ago but the current downturn is causing more concern than any in previous decades because now the good times might not come back, and even if they do it could be short lived.

r.



“ THE BIGGEST DANGER, FROM THE INDUSTRY’S PERSPECTIVE IN THE 21ST CENTURY, IS THE MASSIVE MOVE TOWARD GREEN AND RENEWABLE ENERGIES, AND LOW CARBON ECONOMIES. ”

A technological revolution

This is a phenomenon that won't reverse as climate regulations become stricter and more and more money is being poured into RES, which has moved from being the sole domain of tree huggers into the big business and government arenas.

Add to that the technological revolution, which is bringing changing job roles to the industry, and you have the perfect storm akin to giving a dinosaur a ticket to a Japanese robotics exhibition.

A recent online survey conducted by Rullion among some employed in the industry, reveals a small glimpse into the concerns and frustrations of those working in the sector.

Most striking was the answer to the question: *Are you considering leaving the oil and gas industry?*



65.22%



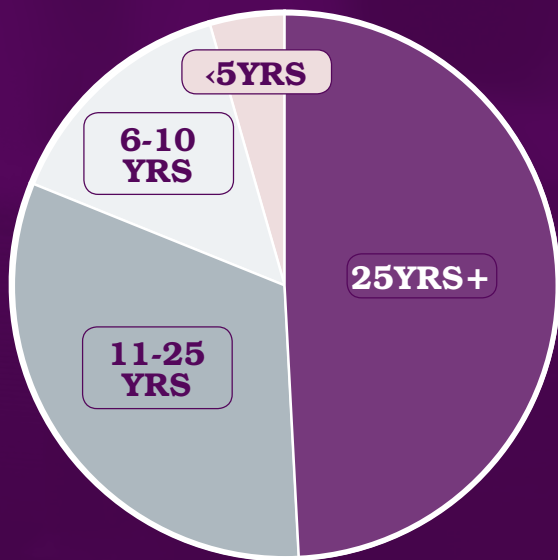
34.78%



Respondents

To a question whether they would **recommend the oil and gas industry to entry level engineers**, a whopping 59.42% said they would not compared with 40.58% who would.

Of those who responded, **49.28%**, almost half, had worked in the industry for more than 25 years and **31.88%** between 11 and 25 years. Another **14.49%** were working in oil and gas between six and ten years, and the remainder, **4.35%** for five years or less.



Most, **57.14%** had spent most time in Upstream, **11.11%** in Exploration, **14.29%** Midstream, 3.17% in Refining and **14.29%** in Petrochem.

77.94%

Some **77.94%** said their remuneration (total package) had decreased in the past three years compared with **22.06%** who said it had not.

Almost one third, **29.09%** said it had decreased by more than a whopping 50% while **16.36%** said their cut was between 41-50%, while **21.82%** saw their remuneration fall between 11-20%, and **14.55%** said theirs was between 21-30%.

At the same time, **32.35%** said that since the latest downturn, their average working week, or length of rotation had increased compared with the **67.65%** who said it had not.

AMONG THE MAJORITY, CONFIDENCE WAS NOT HIGH THAT THEY WOULD FIND A NEW ASSIGNMENT ONCE THEIR CURRENT CONTRACT EXPIRED.

Only **11.59%** said they were 'very confident' and **8.7%** were 'confident' compared with **17.39%** who said they were 'not confident' and **34.78%** who were 'not confident at all'.



Location, location, location

Influencing their decision overall when it would come to a new assignment, **37.68%** said 'location'.

Most respondents, **50.72%** would prefer to work in the UK, **17.39%** in Europe, **13.04%** in the Middle East, while **10.14%** would opt for APAC and under **5%** each for Latin America, the US, Canada or Australia.



UK	50.72%
EUROPE	17.39%
MIDDLE EAST	13.04%
APAC	10.14%
LATIN AMERICA, US, CANADA, AUSTRALIA	13.04%

Work-life balance

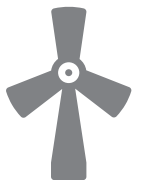
A second important factor that would influence decisions as to a new assignment would be work-life balance for **33.33%**, welfare and conditions **20.29%** and health and safety **8.70%**.

On work-life balance, **58.21%** believed this was achievable in the industry while **41.79%** thought it wasn't.

Recruit and retain

A massive number of respondents, **85.29%** felt that from their experience companies within the sector were not doing enough to recruit and train the next generation of engineers. Only **14.71%** felt they were.

THE TOP PRIORITY IN ATTRACTING THE NEXT GENERATION OF ENGINEERS, MOST FELT WAS INVESTMENT IN TRAINING AND APPRENTICESHIPS.



The top priority in attracting the next generation of engineers, most, **61.29%**, felt was investment in training and apprenticeships. The other responses focused primarily on improved work-life balance **14.52%**, improving diversity **12.9%** and preparation for the low carbon economy **11.29%**.



Indicative survey

Though this survey consisted of a small sampling, not necessarily representative of the industry as a whole, it is indicative of the general malaise being seen across the industry, gaps in training, an aging workforce, and what is being perceived by many as a lack of preparation for the low carbon economy.

This was reflected in some of the comments submitted by those who completed the poll. One said the best solution to attracting the next generation of engineers was “**confidence in industry duration over career length**” while another said “**improve the public image by not throwing experienced engineers out of work**”.

This is a widespread complaint that drives anger and frustration among employees across the oil and gas sector. Workers are ditched during the downturn and expected to say ‘**how high**’ when asked to jump back in when things improve. Even in the age of the ‘**agile workforce**’ and ‘**roaming Millennials**’, job security is ‘**still a thing**’ for many.

All of these factors tend to leave HR in the eye of the storm but this time when it passes over, the other side is likely to look completely different, not just ‘business as usual until the next downturn’ but a reshaping of the entire landscape.

Develop and refine

For that HR needs to be prepared like never before in terms of technology, innovation, the need for new skills, new kinds of workers with different needs, and new agile ways of working, even if there is a rebound in oil and gas prices.

Companies will need to develop and refine their talent pools, pipelines, recruitment strategies and employee value proposition to hang on to skilled workers and make them feel more valued than many apparently seem to feel right now.

The industry may be suffering, in crisis, waning or whatever adjective suits, but it’s far from done as a major player on the world stage.

Experts predict that oil demand will peak at 100 million barrels a day by 2030, even though this prediction is somewhat down on forecast from three years ago. But it still means that for the foreseeable future there will still be an oil and gas industry, smaller more streamlined perhaps but still in need of a skilled workforce in whatever shape or form it will materialise in the next few years.



r. rullion™
we place
you first.

rullion.co.uk