

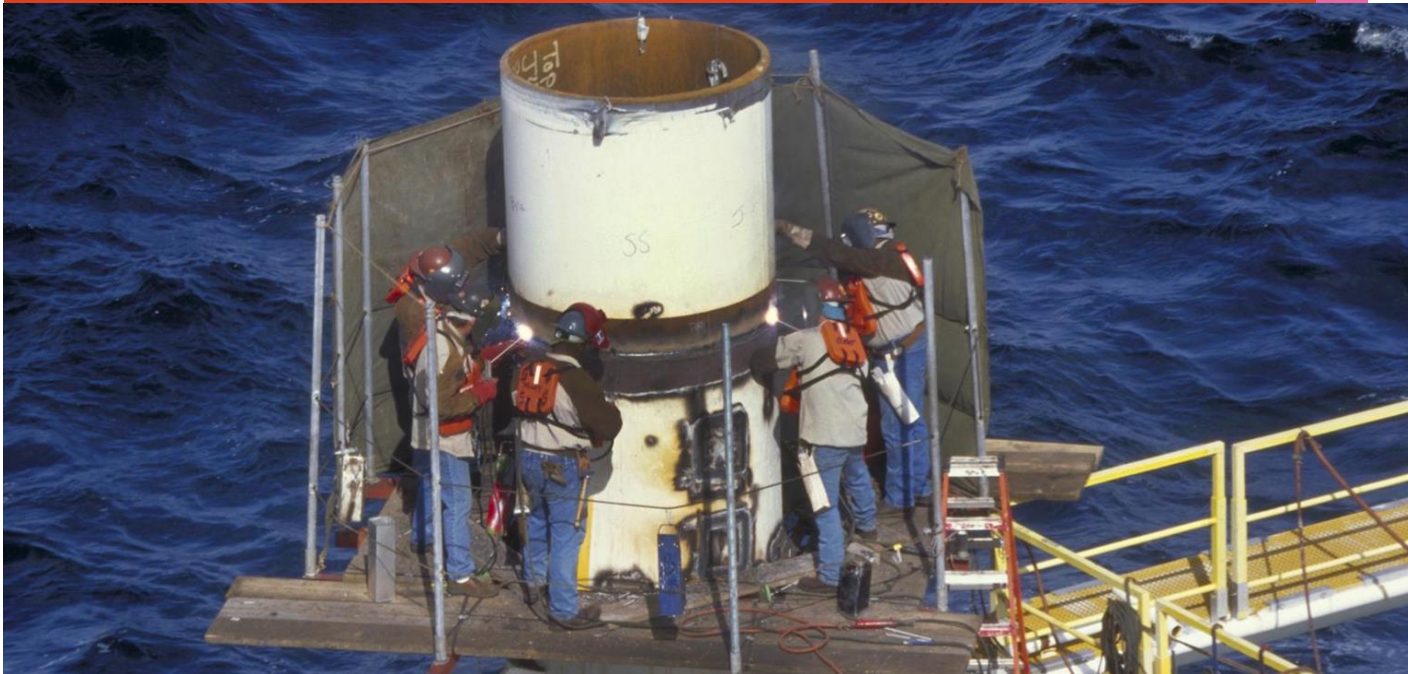
www.pwc.com

# *LEAP HR: Oil & Gas Energy Conference*

## Innovating HR in Changing Times

*Strictly Private  
and Confidential  
Draft*

17 April 2017

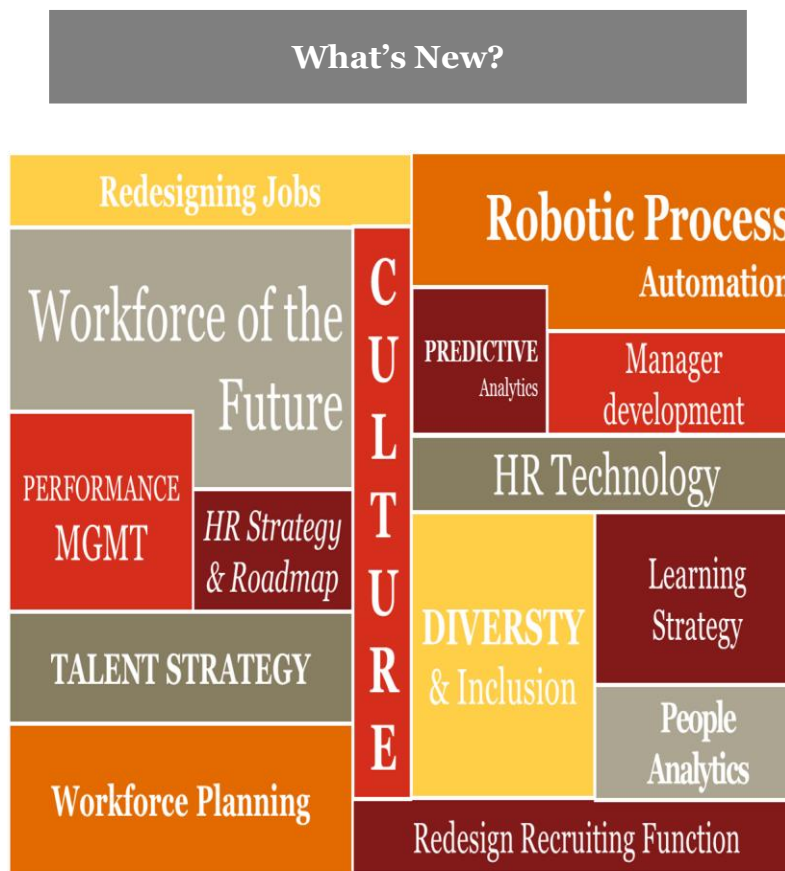


**pwc**

# Multiple macro and micro challenges within O&G are currently having us go “Lower for Longer,” along with rethinking our approaches

## Current Situation

- Economic Uncertainties
- 3 Generation Workforce
- Attracting Talent
- Resource Scarcity
- Workforce Retention
- New and Different Expectations

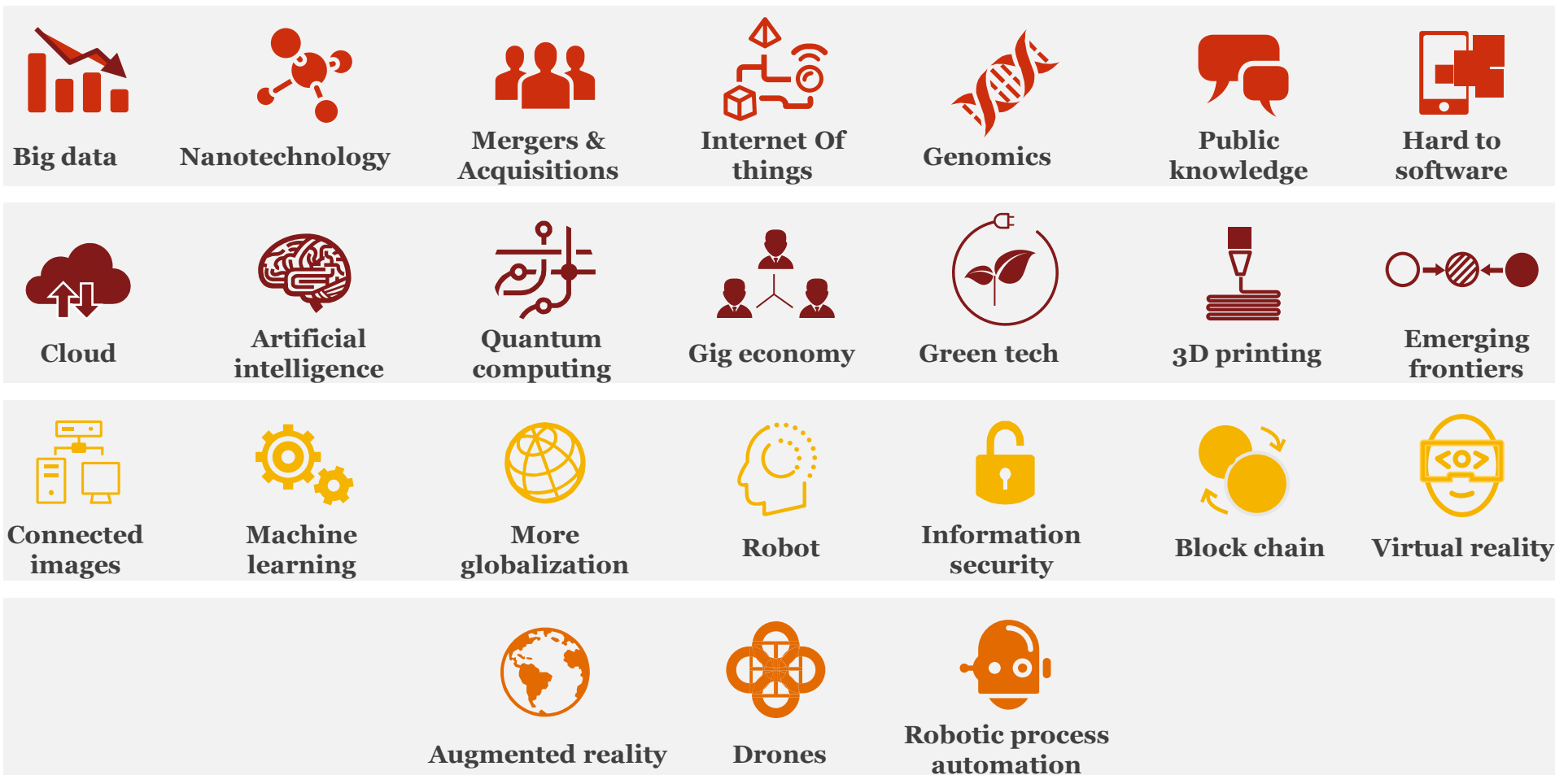


## Upcoming Challenges

- 50%** Increase in mobile employees by 2020
- 65%** Employees want to work for organization with a social conscience
- 25%+** Female labor force & participation rate expected to climb
- 20%+** Workforce in 2020 will be comprised of contingent workers

PwC – Talent Mobility 2020  
 PwC – Future of Work, the Journey to 2022  
 PwC – Women in Workforce Index 2013

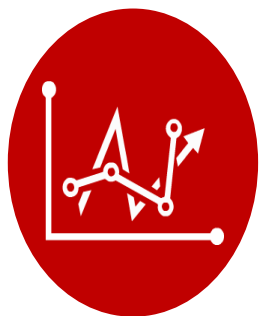
# *And Innovation is happening at a pace that is drastically changing the face of business - and issues to resolve*



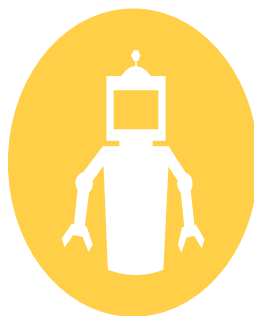
---

## *Stemming from these changes, CEOs See Three Big Talent Challenges Ahead*

---



*Ready to  
flex in a  
world of  
flux*



*Managing  
man and  
machine*



*Building  
(not busting)  
trust*

# To be flexible, CEOs are focus on three key objectives



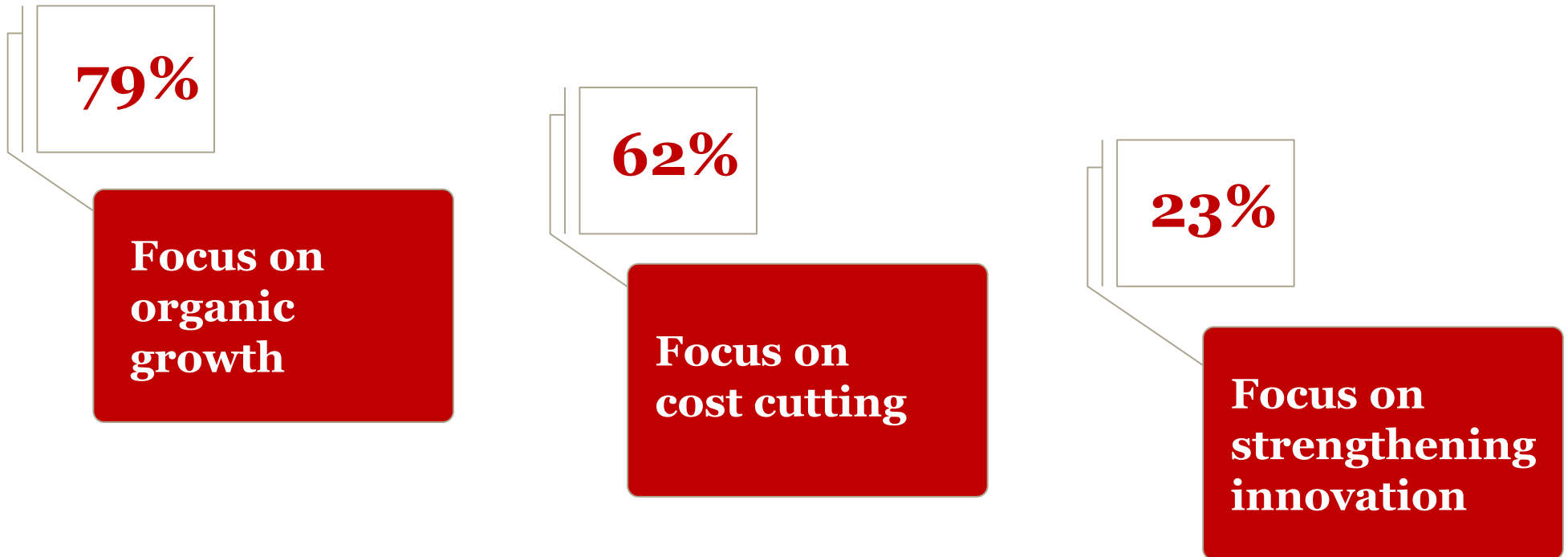
*Ready to flex in  
a world of flux*



*Managing  
man and  
machine*



*Building  
(not busting)  
trust*

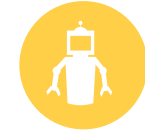


Source: 2017 PwC Global CEO Survey-- US supplement

# CEOs are also seeking to balance Talent and Technology



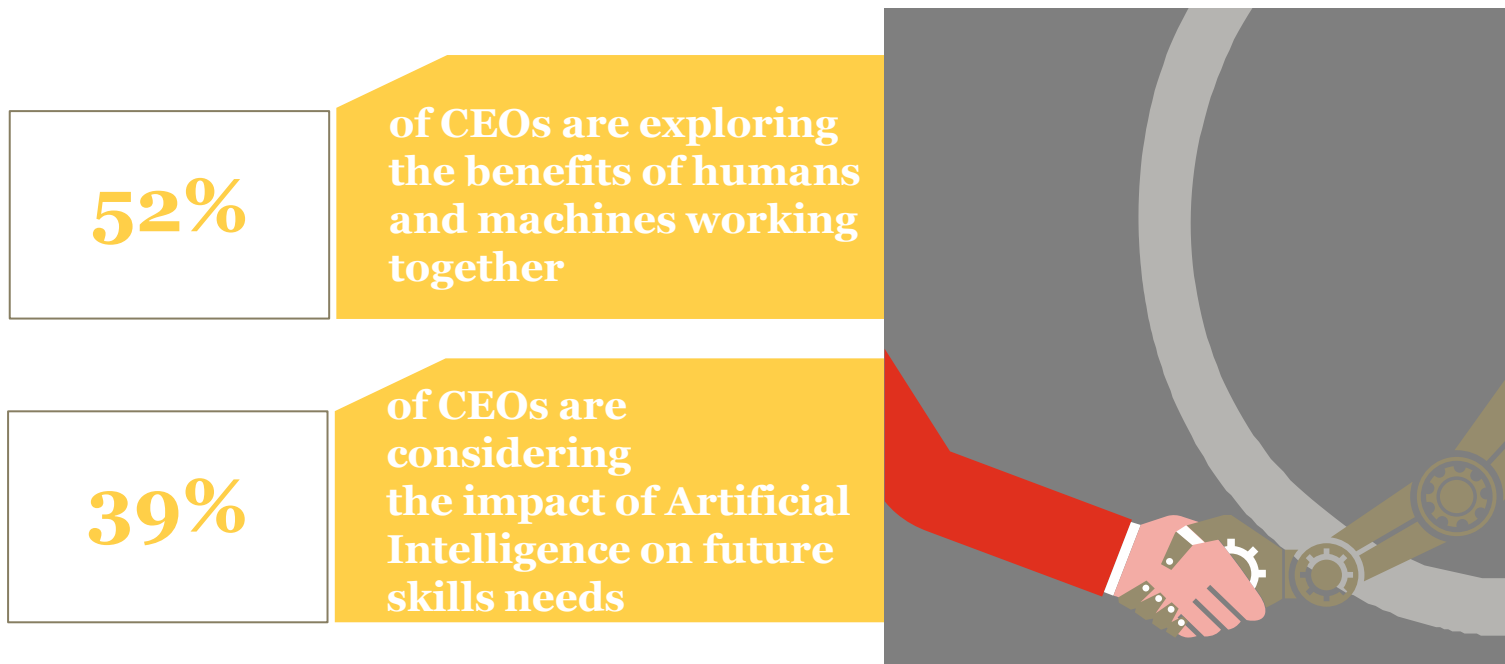
Ready to flex  
in a world of  
flux



**Managing man  
and machine**



Building  
(not busting)  
trust

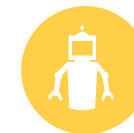


Source: 2017 PwC Global CEO Survey-- US supplement

# Which has a big impact on the skill sets they feel are most needed in the future



Ready to flex  
in a world of  
flux



Managing man  
and machine



Building  
(not busting)  
trust

## Skills Most Important to CEOs

Problem-solving



76%

Leadership



72%

Collaboration



69%

Adaptability



62%

Creativity & Innovation



62%

Source: 2017 PwC Global CEO Survey-- US supplement

# Along with these “tangibles,” Trust is top-of-mind



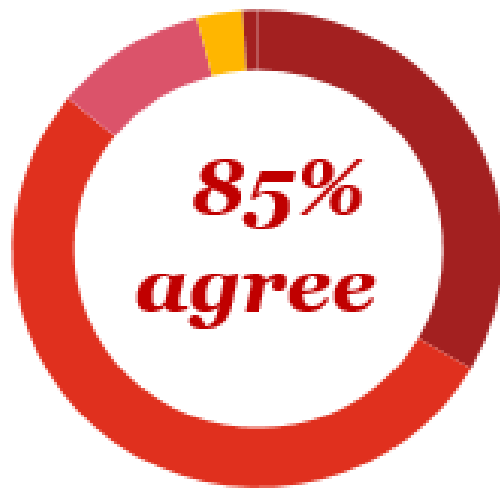
Ready to flex  
in a world of  
flux



Managing  
man and  
machine

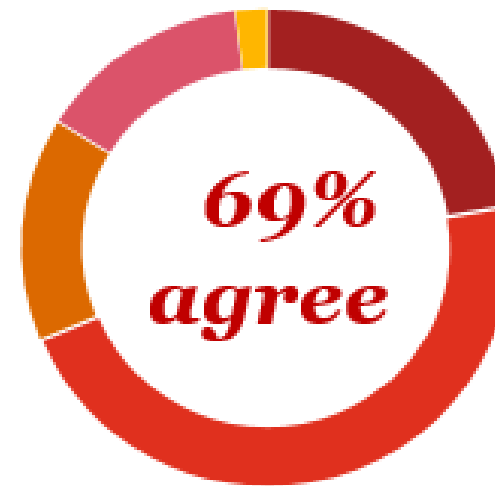


**Building  
(not busting) trust**



It's important to account for wider stakeholder expectations when doing business

It's harder for business to gain and keep trust



- Agree strongly
- Agree
- Neither/nor
- Disagree
- Disagree strongly
- Don't know/refused

Source: 2017 PwC Global CEO Survey-- US supplement



---

## *So what can HR do?*

---

Learn from others

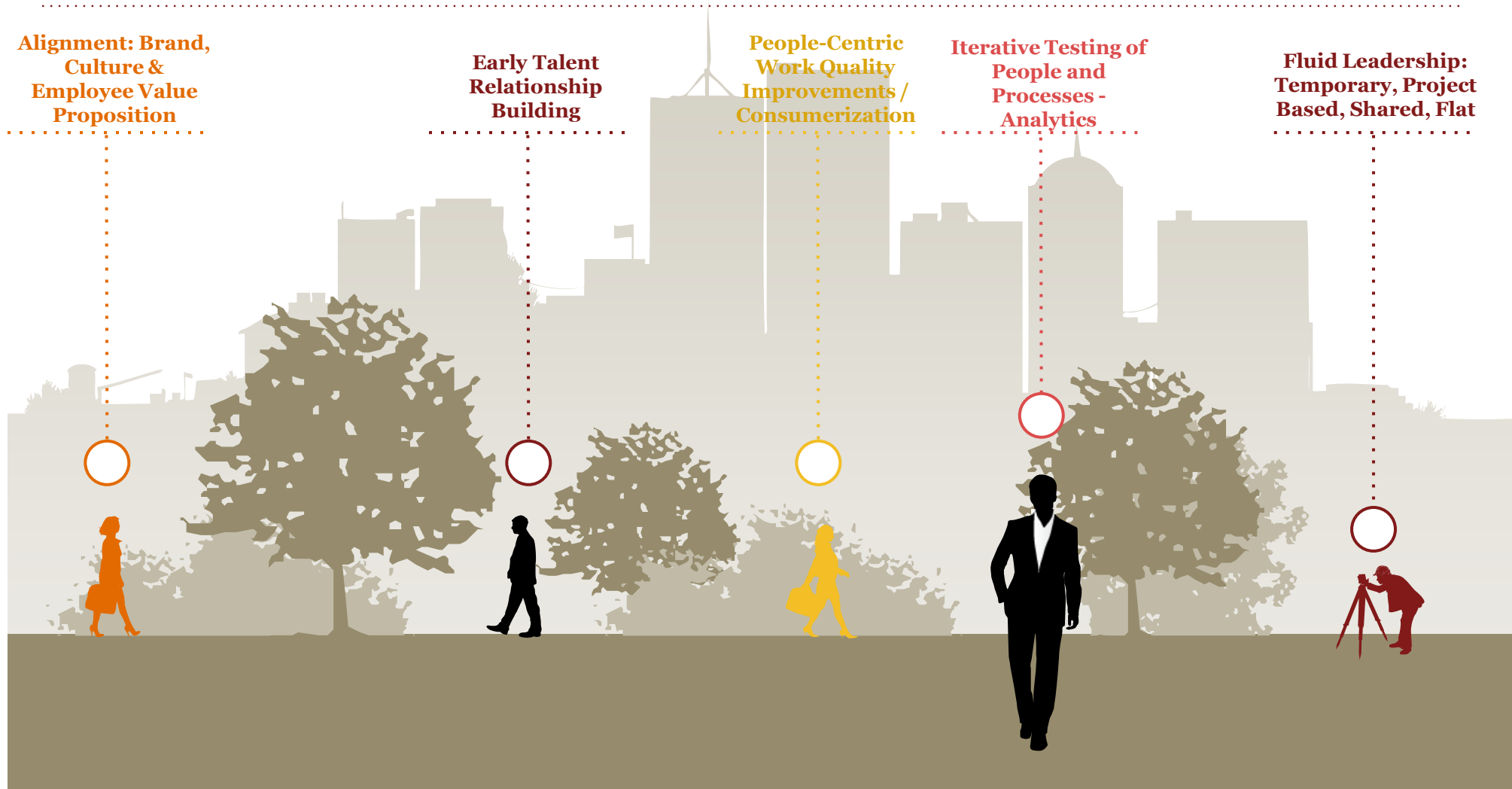
Make a plan -- or 3 or 4

Rebrand who the company is

Rebrand what HR can bring

Change the model

# *Who Moved My Talent? If the Technology Industry is winning, then let's know why*



## *Create EVPs and People Plans based on different needs - like you would for customers*

	<b>Millennials</b>	<b>Generation X</b>	<b>Baby Boomers</b>
<b>Born</b>	1981 to 2000	1960s to 1980	1946 to 1960s
<b>Attract</b>	Innovation & Change Career prospects Flexibility Corporate responsibility	\$\$ compensation Leadership positions Career Prospects	\$\$ Compensation Flexibility
<b>Grow</b>	Listen & nurture careers Mentorship Role experimentation	Specific training Specialty assignments	Technical expertise Leadership development
<b>Train</b>	Gamification Social Learning Consumable in Small Chunks (e.g., mobile)	Web & Computer Based Traditional Instructor Led	Traditional Instructor Led
<b>Retain</b>	Show loyalty Keep Promises	Stability & lower risk	Stock options & bonuses

# *Rebrand who you are -- create a new EVP*

## *What makes you different? What is your brand promise?*

### **The components of your EVP:**

**Leadership** — focused thought and energy that inspire and direct and are cascaded through the organization

**Development** — Coaching and training that allows employees to continuously learn and grow personally and professionally

**Recognition** — the hand, heart and mind are recognized and rewarded to motivate employees to do their best work

**Culture** — The shared assumptions that drive organizational norms for how people interact and get work done



# Creating New HR Attributes in Oil & Gas

- Improved Industry Image
- “Make it Here, Make It Anywhere” Recruitment Strategy – Encourage Recruits to Take a Second Look
- Increased Contingent Talent Pool
- Enhanced Joint Venture / Business Relationship Opportunities

- Promote Diversity & Inclusion
- Accelerate Leadership Development
- Demonstrate Career Pathing / Progression Transparency
- Promote a Culture of Flexibility that Retains a “Community Feel”

- Embrace the Cloud
- Increase Hybrid Learning and Development Opportunities
- Enhance Mobility Technologies
- Social Networking
- Leverage the Internet of Things
- Data Analytics

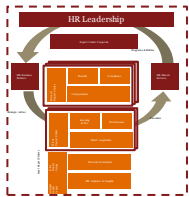


- Build Trust Across Talent
- Advocate for Global Causes
- Create a Purpose-Driven Culture
- Demonstrate Corporate Responsibility
- Enhance Technologies that Promote Work Quality Improvements and Efficiencies

- Increase Velocity with Which Knowledge Shared
- Centralize Processes and Systems
- Promote Collaborative Teaming
- Standardize Agile / Scrum Deployment
- Hybrid Learning & Development

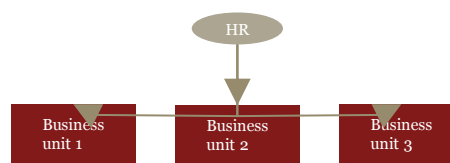
# Find the right HR Operating Model to meet your needs

## 1 Traditional



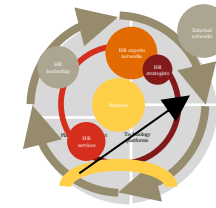
The traditional model based on the Ulrich principles of having COE, HRBPs, and SSC's interacting with Business Units. COEs are the centers of expertise focusing on strategies and policies, while HRBPs are advisors and understand the needs of the business units, and SSC is a shared services for transactional or common tasks

## 2 Professional services



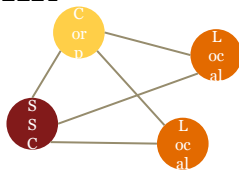
COE and business partner roles are replaced with an internal HR consulting group that creates talent practices and advises various parts of the business

## 3 Flexible



A "flex" HR operating model adapts to the needs of businesses during different stages

## 4 Lean HR



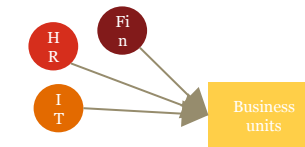
Large teams of business partners and COEs are eliminated and HR is divided into shared services, smaller corporate function with specialists and small number of local experts.

## 5 Decentralized



Decentralize the COE and Business Partners into specific business units. Rapid response to local needs of an organization. This model is optimal for organizations faced with speed and intimacy versus efficiency on scale.

## 6 X-function Workforce



Replace Centers of Excellence (COEs) and business partners with a small cross-functional workforce group that consults with the business

---

*Thank You!*



© 2017 PricewaterhouseCoopers LLP, a Delaware limited liability partnership. All rights reserved. PwC refers to the United States member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details. This document is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.