

Drilling Down

Millennial values: Building passion for an oil and gas career in the next generation

In this edition of KPMG Global Energy Institute's *Drilling Down*, we asked Matt Campbell and Crystal Thompson from our People & Change Advisory team about how to bridge the disconnect between millennial views on the oil and gas industry and real career opportunity.

In general, what do millennials think about working in the oil and gas industry?

Millennials aren't alone in having a few misconceptions about oil and gas (O&G). Research indicates that more recent generations tend to view O&G as an industry in decline rather than an innovative sector in which to build a future, and that it's doing more harm to the environment and society than good.

These misconceptions are likely keeping some millennial talent from exploring O&G careers. When you ask millennials to identify their preferred workplace, they often name employers in technology, public service, and corporate social responsibility. Oil and gas simply does not make their list because they don't think it matches their values.

How do millennial values differ from those of previous generations?

Millennials, generally speaking, prize purpose and meaning in their careers. For instance, they prefer to join and stay with companies that clearly articulate their principles, according to Gallup: 71 percent of millennials who strongly agree that they know what their organization stands for and what makes it different from its competitors say they plan to stay with their company for at least one year.¹

Additionally, Gallup research indicates that millennials seek career mobility, with 87 percent saying that professional development or career growth opportunities are very important to them. We also know they'll change companies to gain that experience.

Yet at the same time, millennials also tend to seek more work-life balance, and their careers are not necessarily the most important part of their lives. When they are at the office, they typically prefer collaborative efforts to solitary work, and they value diverse colleagues and perspectives.

Finally—and a key point for oil and gas companies to remember—this generation grew up with ubiquitous technology, and they want their employers' enterprise technology to be up to date and on par with the technology they use in their personal lives. An incredible 93 percent say that a business having the latest technology is an important value proposition when choosing a workplace, and 42 percent of them say they would leave if the tech was substandard.²

How does the value they place on learning and innovation impact their job choice, and what does that mean for oil and gas companies?

Millennials are looking for employers who will expose them to Industry 4.0 (i4.0), but they may not realize that their opportunity to work with new technologies doesn't have to be at a traditionally defined "technology" firm.

All the i4.0 technologies that O&G companies have implemented over the last decade under economic and regulatory pressure to continually make operations safer and more efficient are what many millennials want exposure to. Automated production, remote asset monitoring through Internet of Things sensors, and data analytics to crunch vast amounts of valuable information are just a few examples.

ExxonMobil and MIT's effort to leverage artificial intelligence to detect natural seep in deep ocean waters is the kind of project millennials can get excited about.³ Meanwhile, BP's upstream chief operating officer for production, transformation and carbon recently said that millennial employees are demanding the company's teams work in a more agile way to complement the increasing deployment of these digital tools.⁴

Consider this: 46 percent of millennials intending to stay at their current organizations for at least another five years say they receive help understanding and preparing for i4.0, yet among those intending to leave within two years, that figure dropped to 28 percent.

“Finally—and a key point for oil and gas companies to remember—this generation grew up with ubiquitous technology, and they want their employers' enterprise technology to be up to date and on par with the technology they use in their personal lives. **”**

¹ What Millennials Want From Work and Life, Gallup, 2016.

² Forbes, "Meeting Millennial Expectations In These Four Areas of Technology, June 28, 2018.

³ ExxonMobil and MIT Spearheading AI Ocean Exploration, Engineering360, February 2018.

⁴ Change Of Culture Reaps Rewards For BP's Digital Transformation, Forbes, January 2019.

Aren't there as many misconceptions about millennials as there are about the industry?

Certainly. You will hear some say that millennials have no loyalty. Yet, while they are more willing to move for the right opportunity, their job tenure is no shorter than that of Generation X.

In fact, research indicates that millennials share a number of the same career goals with prior generations, such as wanting to make a positive impact on their organizations, like the baby boomers, and working with a diverse group of people, the same as Gen X.

Part of the misconception may be driven by a slower progression through the various life stages than previous generations, according to Nielsen. For a number of millennials, growing up during the financial crisis delayed reaching the personal economic security they needed in order to move out of their parents' houses, start families, etc.

That's why it's important to view millennials as individuals, rather than one monolithic group, while at the same time acknowledging their needs and values for the life stage they are in.

What should the oil and gas industry be doing in order to attract talent within this generation to the industry?

To reiterate, O&G should consider tailoring its employee value proposition to appeal to this workforce population. At the same time, to compete against other industries for high-performing talent, O&G companies need to support a work environment that matches millennial values.

First, compensation alone will not attract groups like millennials, identified as one of the most charitable generations in history. The millennial focus on giving offers organizations a unique opportunity to refocus their employer brand so that it articulates a social mission that not only differentiates themselves from competitors, but also aligns with candidates seeking a cause.⁵

Some O&G organizations may need to redefine their core competencies, which in turn can update and create new career paths. By redesigning and communicating new career-progression opportunities, companies can reinforce their commitment to the current workforce to better engage

⁵ Purpose driven work: The importance of connecting candidates with a cause, KPMG, 2018.

Contact us

Matt Campbell
Managing Director,
People & Change
KPMG LLP
T: 917-488-1391
E: mscampbell@kpmg.com

Crystal Thompson
Manager,
People & Change
KPMG LLP
T: 713-319-3283
E: crystalthompson@kpmg.com

For information on attracting talent from the post-millennial workforce, read *Getting your company ready for Generation Z*.

www.kmpgglobalenergyinstitute.com
www.kpmg.com

and retain talent while attracting employees with the new skills needed in the future.

New technology—automation in particular—creates opportunities to attract innovation- and career-focused employees as organizations shift their employee base toward higher-value work like strategy and analytics, and away from repetitive, manual tasks. Not only does this allow O&G organizations to remain relevant in the marketplace, but the availability of more strategic and advisory roles can lead to higher job satisfaction and better retention.

Finally, to create a pipeline of fresh talent, O&G companies should consider developing relationships with local two- and four-year universities, offering internship programs and externship programs as well as sponsoring events like hackathons and design sprints.

Industry leaders can help combat misperceptions by sharing stories from current employees that demonstrate a positive experience, including that O&G offers some of the most innovative and rewarding career opportunities of any industry.



About the GEI

Launched in 2007, the KPMG Global Energy Institute (GEI) is a worldwide knowledge-sharing forum on current emerging industry issues. This vehicle for accessing thought leadership, events, Webcasts, and surveys about key industry topics and trends provides a way for you to share your perspectives on the challenges and opportunities facing the energy industry.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia

