

# The future of HR 2019: In the Know or in the No: Oil & Gas

In the rapidly changing energy sector, human resources (HR) has proven to be open to the idea of technological advances. Digital transformation is underway with 67 percent of Oil and Gas (O&G) companies.



## Matching expectations with actions

**77%** of HR executives within O&G recognize the need for the workforce to be transformed, yet less than half are very confident in HR's actual ability to transform.

Digital transformation is being driven by artificial intelligence (AI) and machine learning (ML). 95 percent of O&G HR executives agree that these technologies will drive significant value, but only 54 percent have started to implement them.



Although it may not be happening quite so quickly with O&G as in other industries, disruption is already underway. HR executives in O&G don't have the luxury to sit back and wait to respond. They need to begin systematically planning what the workforce of the future needs to be, and shape their strategies to create that workforce.”

— Robert Bolton, Global People and Change Centre of Excellence, KPMG in the UK.



## Skills transformation on the horizon

**67%** of HR executives in O&G agree that HR is experiencing a digital transformation...

but only

**41%** have a digital workplan in place. The largest barriers to scaling this transformation are capability (54 percent) and capacity (38 percent).

With AI in place, leaders will need to rethink how they organize workplace roles and tasks. While jobs may not be eliminated, tasks within jobs will be affected, and in different ways:

- Some tasks will become entirely automated.
- Others will see humans and machines working together.
- Productivity gains will depend on this reinvention of both work and roles.

It's as much about innovating and building skills for the future as it is about current operational needs.



## Scaling up the digital transformation

The real benefit to AI comes from taking an enterprise approach, from being much more cross-functional and connected. This is where HR can have the most impact, because it's one of the few functions that can respond to all the people implications that arise from an enterprise-wide-deployment of AI. HR needs to have a plan in place to steer the enterprise through the future of work implications brought about by these technologies. Otherwise, there's a real possibility that HR will be bypassed, or that the enterprise won't consider the people agenda.

As the digital disruption continues, effective leadership will need to begin charting a course that reduces ambiguity and designs new environments in which workers can excel. There will be a premium placed on inventing, creating, and reinventing. With access to reliable, predictive evidence that AI can provide, O&G HR leaders will be better placed to confidently guide this workforce transformation.

Source: The future of HR 2019: In the Know or in the No: Oil & Gas results, KPMG 2018

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