

Drilling Down: Talent Risk

What matters to oil & gas workers?

In this edition of KPMG Energy Institute's Drilling Down, we asked Matt Campbell to discuss some of the findings of the KPMG 2020 CEO Outlook and American Worker Survey and why they're significant.

What was one of the most significant findings of the latest KPMG CEO Outlook?

The KPMG 2020 CEO Outlook affirmed that CEOs know the upheaval from COVID-19 is taking a toll on one of their most valuable resources: their people. In this year's CEO survey, talent risk rose to be named the most significant threat to business growth—ahead of supply chain risk and a return to territorialism.

COVID-19 continues to present a tremendous test of every CEO's leadership abilities and personal resilience. They are navigating the complexities of protecting people's health and livelihoods, along with the future of companies and industries. This is a moment to lead with greater purpose and impact, to embrace empathy and humanity—and that starts with an understanding of what matters to the workforce.

During this crisis, how have employees in the energy industry perceived their company's response? Do employees feel supported during these times of uncertainty? To complement our flagship CEO Outlook survey, we also fielded [the KPMG American Worker Survey](#) in July to get the viewpoints of people working in multiple industries—including energy—to take their pulse on what's happened and what lies ahead.

The good news is that nine in ten energy workers (88 percent) reported being satisfied with how their organization responded to COVID-19. Eighty-six percent said their organization acted quickly to create a safe working environment for everyone, and 88 percent said their employer effectively communicated about updates and changes to the business.

A similarly high proportion of energy workers (88 percent) said they trust their organization will do whatever it takes to ensure employee safety when they return to working in the office or other physical location. This finding—higher than among workers in other sectors—may reflect the energy industry's longstanding safety culture. Such a culture, in which employees are already accustomed to following numerous safety measures, gives oil and gas organizations a leg up when it comes to fully reopening.

Where are there opportunities for oil and gas leaders to better understand and address talent risk?

Energy workers are definitely feeling the strains of virtual work. Two-thirds (71 percent) told us that the demands of their job have increased in the four months leading up to the survey. About half (48 percent) said that their mental health had decreased over the same period.

When we asked what their organization did to provide mental health support, less than half of energy workers reported that their organization had taken these measures:

- Provided flexible work schedules to meet non-work needs
- Encouraged employees to focus on mental health or to take time off
- Surveyed employees to gauge how they were feeling
- Provided access to mental health professionals.

The lack of mental health support may explain why more than one-third of energy workers report worsening experiences across the board—in some cases, even more so than other American workers we surveyed. For example, compared to all workers surveyed, those in the energy sector were more likely to cite a decline in their organization's culture (40 percent vs. 32 percent) and their team's ability to collaborate (39 percent vs. 32 percent) from the onset of COVID-19 through July.

What are some of the industry-specific nuances that leaders need to consider as they tackle these opportunities?

In some ways, we see the oil and gas workforce as a "tale of two cities." On one hand are the corporate employees who could successfully fulfill their responsibilities from their homes. On the other are the frontline workers whose jobs simply can't be done without being on site. On recent episodes of the KPMG Current Conversations podcast, Regina Mayor

talked to leaders about some recent examples. That includes thousands of [seafarers](#) and [oil rig workers](#) stranded for weeks when international travel ground to a halt at the start of COVID-19. Even now, some of those workers are laboring under even more challenging conditions than usual (for example, being required to quarantine for two weeks away from their families before starting a 28-day run on a rig).

At the same time, we see two different types of oil and gas organizations: established industry giants and newer, smaller companies. The industry giants have made significant investments in physical spaces for all employees, creating obvious incentives for requiring all employees to return to work in person. These organizations also operate with a legacy of traditional-style, command-and-control management. Company executives may be accustomed to engaging with and influencing teams in person—not via videoconference.

By contrast, startups and other smaller players are far better positioned to evolve how they deploy their workforces. Their lack of physical footprints—as well as their newer cultures and nimbler operating models—could represent significant advantages as they compete to attract and retain top oil and gas talent from across the country. Whether large or small, companies should find ways to increase the frequency and innovation of communities. Consider encouraging “virtual coffees” between managers and their team; for executive leadership, more frequent townhalls, webcasts and employee newsletters can help keep even remote workers engaged.

We also see opportunities for oil and gas organizations to revisit how they think about productivity. Field forces working remotely are old hat for these companies. Yet those workers’ productivity is easily monitored and measured. With middle and back-office workers, quantifying “productivity” has always been more challenging; with virtual models, it’s even more daunting to know how productive and engaged someone is. That doesn’t mean it’s impossible, though. Shifting to new ways of working will require detailed assessments of activities and tasks by worker, and then identification of which can be completed effectively in remote settings. Such shifts will also require cultural change, with workers afforded greater autonomy and trust by their managers.

Any other significant lessons from energy workers?

Across the board, one crucial lesson emerged from our [American Worker Survey](#): Employees are not just a line item on a spreadsheet or a project plan. They are humans. COVID-19 has reinforced this fundamental truth, demonstrating the importance of considering and caring for talent as individual people, not just business resources.

Final thoughts

During times of tumult and uncertainty, CEOs and other oil and gas leaders are wise to stay tuned in to employee sentiment. By understanding employee needs and preferences, leaders can better manage talent risk and support business growth.

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