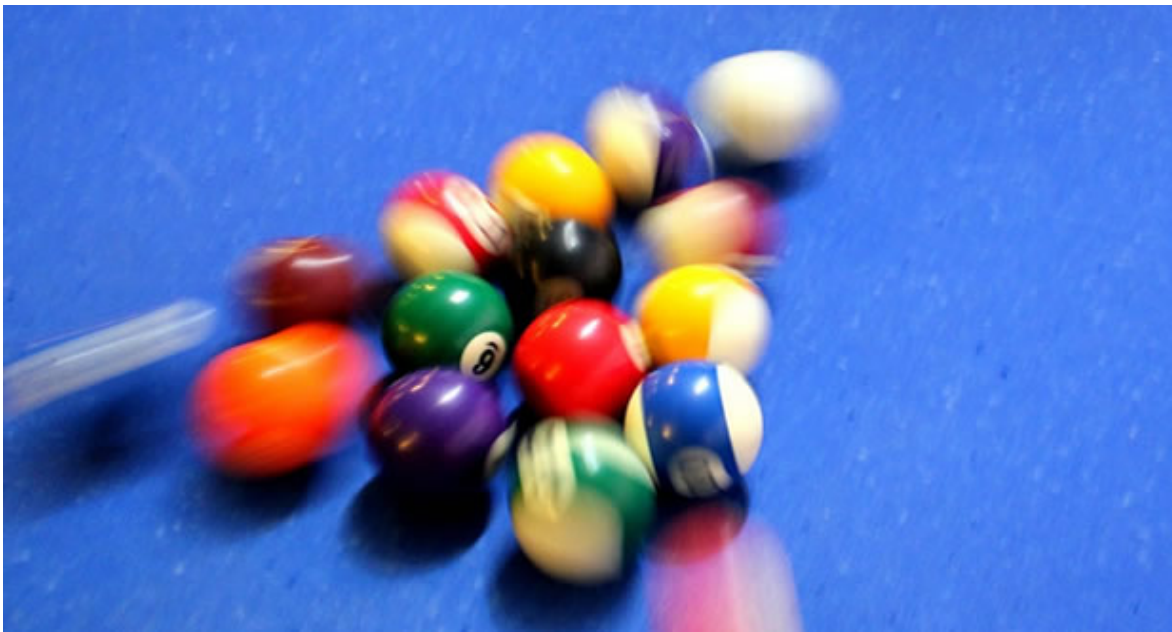


Coming Out from Behind the Eight-Ball – A Fresh Look at the Next Generation of Work and Employees in Oil & Gas

Posted by Vic Okezie (<http://www.vicokezie.com>) on May 6th, 2014 in Featured (<http://www.oilgashr.com/category/featured>) | No Comments (<http://www.oilgashr.com/2014/05/06/a-fresh-look-at-the-next-generation-of-work-and-employees-in-oil-gas#respond>)

This is an opinion piece written by Denise Mannix, most recently Global HR & OD Director, for Global Supply Chain Services at Weatherford International. She presented some of her thoughts on the next generation of work and employees in oil & gas at the 2014 Oil & Gas HR Summit Houston (<http://www.oilgashr.com/summit/houston>), held at Rice University.



There is much being said about impacts on work and business with such factors as multi-generations in the workforce and the rapidity of technological advances needing to be addressed. The discussion related to this is contextualized in a Twentieth Century mindset of work. This is arguably futile as it is necessary to take a different perspective in how we approach our thinking about Twenty-First Century work and workers who are, have, and will be constantly changing. This is critical in order to build businesses and HR practices that are sustainable, flexible, and proactive.

Denise Mannix, HR/OD professional and thought leader addressed the OGHR Summit Houston on just this subject providing a positive, critical and provocative keynote presentation of the key aspects HR professionals will need to address to not only sit at the table but to write and direct the Human Capital agenda in Oil & Gas.

The 20th Century Mindset

In essence there are 4 variables or assumptions that we are continuing to work under as HR professionals specifically in Oil & Gas. A quick review of these will allow us to reflect on their appropriateness to support the gamma changes that have occurred and are occurring. In evaluating these we will be better informed as the HR professionals we need to be and the solutions we should be providing:

1. The Traditional HR Model

This remains alive and well today enunciated best in Ulrich's 4-part 'Key Role' design of HR Business Partner; Change Agent; Administration Expert; and, Employee Advocate.

2. The Industrial Work Age Model

This remains in play despite the so-called 'Technology Revolution'. Based on age and sex norming and stereotyping this work model is the basis for the conduct of career and employment in which the concentration of power has been in the 'mass'; where compensation is structured on input rather than output or outcomes and on questionable levels of productivity, because of a fixed time and place orientation; and, a male labor framework of full-time unbroken careers developed to peak of performance in the late 40s/50s with retirement in early to mid 60s.

3. The 'Push' Knowledge Model

Best espoused by John Seely Brown and John Hagel III, the Push/Pull discussion explores how in the world of 'push' knowledge, workers, consumers, and products are stable for indefinite periods; have long or longer life-cycles; are transactional, static and concentrated. 'Push' is often synonymous with constraint, economy, efficiency, and core competencies, and where knowledge is described as 'stocks'. It is represented in the word of business in which an organization's economic value is derived from 'protecting these existing stocks of knowledge and efficiently extracting the value that these stocks of knowledge represent' (Seely Brown and Hagel).

4. The Continuous Change Model

This model has been about maintaining the status quo. Typically the change deals with the technical, and is incremental. While people/employees are discomforted by the change the change is not truly internalized and an individual's sense of competency remains largely intact. As it is incremental change it is effectively reversible, so that the old story can and usually is, able to be told.

The 21st Century Mindset

If we work on the premise that the above models are outdated or at least can be challenged, the mindset for a Twenty-First Century HR professional therefore, will need to consider the following three key areas –

- a. The changed models for HR, Work, Knowledge and Change
- b. The impact of at least a few the key influencers such as Women, a Multi-Generational Workforce, and World Population rate
- c. The convergence of these producing a watershed era of changed work and those who do the work.

So how do the new/different models and the key influencers intersect and interact reconstructing for the Twenty-First Century HR professional an ever changing reality at the most or at the least a repeating staccato of 'new normals'?

The New Models

Work is not merely revolutionizing or evolving. We are experiencing the 'devolution' of work. Darwin spoke of species the most adaptable to change, surviving; Handy spoke about 'all assumptions' being 'legitimately challenged'; and even in a relatively recent Deloitte study relating to the future of procurement, the research describes a future world in which 'existing assumptions' will be altered.

We are now a long way down a path of mega or second order/degree impact – a time of double loop learning and discontinuous change:

- in Business Performance Improvement processes we have typically focused on single loop learning through which we address the 'Governing Variables' of our business (goals, values, plans, rules, strategies). Our solutions had been directed at these. However, as suggested by Handy, Deloitte and even Darwin we also need to be addressing or responding to the changes occurring to the 'Basic Assumptions' – those behind the Governing Variables – that relate to the changed realities of how the world – and the world of work – operates
- in association with this, we are living in discontinuous change (not the continuous change that represented a large part of Twentieth Century change). It is transformational and at a speed we find daunting, and completely different to that of its opposite. It is fundamental change, challenging our personal sense of competence; and, adaptive, requiring internalizing so it can be sustained. It is ultimately irreversible. It creates a new story or in reality a stream of new stories.

As HR professionals we need to rethink our tool kit and solutions. Our offerings must not just relate to the single-loop learning context of the Governing Variables we are used to working with and on which we have molded our thinking and frameworks around succession planning, talent acquisition

(<http://www.oilgashr.com/consulting/strategic-recruitment>), development and management, fixed compensation structures, and so on. We need to understand and accept that the assumptions which framed our world have not only changed but are being challenged and changed, and will continue to be challenging and changing.

Our standard and fixed solutions may not fit this stream of 'new normals'. We are living the future world that futurists such as Charles Handy described in the 1980s and 1990s and that many of us in the HR profession are ignoring for a range of reasons – perhaps a lack of knowledge, or breadth of experience, or exposure to new/alternate but relevant ideas. In this context we continue to operate under long-outdated assumptions and limited skillsets. Perhaps we are also remaining true to a comfortable definition of HR.

Our old assumptions are being impacted by new influencers and factors that we cannot continue to ignore by continuing to build policies and programs reflecting the Twentieth Century Models described earlier.

These influencers, some key ones mentioned below, are well discussed but tend to be poorly translated in our Twenty-First Century O&G HR actions:

- **Women** – will make up to 50% of the workforce in developed countries, will constitute at a minimum, 6 out of 10 graduates, and carry an earning power that will at a minimum match that of their partners but more likely outstrip them
- **Multi-generational Workforce** – Baby Boomers have lowered retirement expectations and with longevity improvements (along with other factors) longer labor force participation by older generations is emerging. Millennials will make up at least 75% of the global workforce by 2025 with research and initial workforce experience indicating their rejection of traditional and accepted structures and tenure, while having specific and different expectations and demands of their employers to previous-generation employees
- **World Population Rate** – the rate of increase has almost halved and is at 1.14% and in decline. By 2020 growth is calculated to be less than 0.1% and by 2050 less than 0.5%.

So what does the convergence of changed assumptions, and new or different models mean for us? This convergence means the 'double whammy' relating to work – workers and work itself have changed and will continue to change.

The buzz words of current HR – you only have to do a word check on HR job advertisements – speak to this changed reality, and importantly, even the words that reflect a previous context have significantly altered meanings: Business Partner, Strategic Advisor, Consultant and Shared Services; Integrated and Optimized; Out Sourcing and Off shoring; Global and Local; Human Capital and Talent; Organizational Development and Effectiveness; Capability and Mobility; Big Data; Embedded ...

To reflect the meanings inherent in these terms we need to understand the following about the world we are living in and the table we are asking to sit at –

- We are in a world of 'pull' not 'push' – which is unstable and disruptive, with compressed product life-cycles. It is a world in which interactions create knowledge transfer; performance is accelerated; and the capability and knowledge of its members must be built in order to create greater value. No longer is the function of the business just tied to economy efficiency and competency. Hagel, Seely Brown and Davison discuss these issues and further reflect the Handy and Deloitte discussion around changed assumptions in suggesting that we are being forced to 'reevaluate the very rationale of the firm'
- We need to take a fresh look at how work is done – analyzing and reviewing the components of work to be done based on their longevity and life-cycle; how they can be reallocated to people with different skills; and based on short- rather than long term movement (Hall)
- That the sheer numbers of millennials and their specific demands will require us to rethink how work will be done in a flexible, technology connected world with a large number of workers who will reflect 'members'

rather than 'employees', and who will have short-term investments made in their development before working for our competitors (who will be doing the same)

- That a resume of 2025 will not look the same and will be evaluated differently from a 1995 or 2005 resume, with short tenures and project experiences as the norm, alongside compensation which is more variable and reflects output and outcomes rather than tenure and title
- That with multi-generations in the workforce at least in the next 15 years or so, we need to create new/different opportunities, value, and flexibility for mature workers to reflect their longer employment
- Capability will sit alongside, if not in front of, Competency and Compliance as we are forced to rethink the business value chain and competitive advantage, in a more temporary world. Capability will not merely reflect technical skill but the leadership and soft-skills including Emotional Intelligence that will be required at all levels in an organization. Capability (<http://www.oilgashr.com/consulting/capability-development>) will be about building talent pools and databases to trace and manage talent movements not only within an organization but outside
- That the demographic shifts and work population numbers will no longer fit the current and typical organizational charts under which we continue to function. We will be operating in a world of transition planning rather than succession planning.

The truth is that this discussion is no different for many 'functions' particularly 'support functions' in Twenty-First Century business. Herein lies the rub. As long as we in HR see ourselves as 'support' we will never achieve the seat at the table on an equal footing with other functions who are morphing into altered contexts as they respond more quickly and accurately to changing world and work dynamics.

That we see ourselves in terms of being a generalist or specialist splits our HR value and affords decision-makers to utilize HR in whatever 'ist' suits them best. We need to understand that the lines between HRD and HRM are blurring and if we become the proponents and experts in the changing world of work and workers our value will increase exponentially as well. We need to stop calling ourselves HR Business Partners but be the other Business Professional at the table with the Human Capital agenda.

Perhaps HR's modern function is best described in the way that CIPS in its 2012 80:20 Vision paper describes procurement professionals (and with all respect to CIPS):

... rather than a tight function . . . it (HR) will be a world of business-facing professionals embedded into strategic business lines, communities, and processes wherever needed, constantly moving and reinventing their roles as needs shift.

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